

UDC 332

ANALYSIS OF SALES AND CASH RECEIPTS SYSTEMS AND PROCEDURES IN SUPPORTING INTERNAL CONTROL

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ABSTRACT

This research aims to examine sales and cash receipts systems and procedures in supporting internal control by considering the elements in existing internal control. This research uses a descriptive qualitative method with a case study approach. This research was conducted in PT. Astra International Tbk Auto 2000 Kediri, East Java Province, Indonesia. Data analysis was performed by analyzing sales and cash receipts systems and procedures in supporting internal control to determine whether or not sales and cash receipts systems and procedures in the company already support internal control. The results showed that sales and cash receipts systems and procedures in PT. Astra International Tbk Auto 2000 Kediri are good. However, some weaknesses exist. First, the absence of a sudden inspection. Second, within internal control, no job description is available during the employee selection to choose employees whose quality is in accordance with their responsibilities.

KEY WORDS

Sales systems, procedures, cash receipts, internal control.

A system is a group of two or more interrelated components that serve a common purpose (Romney and Steinbart, 2014). An accounting system is the organization of documents, forms, and accounting records, in this case journals and reports from each department, coordinated in such a way as to provide the financial information needed by management (Ranatarisza and Noor 2013). Systems and procedures are interrelated. With systems, companies can run their business activities easily, make more accurate information, and minimize unwanted risks.

The sales accounting system and the cash receipts accounting system are two inseparable things. In order to produce accurate information, the sales accounting system and the cash receipts accounting system must be supported by internal control. The sales accounting system is always followed by cash receipts in companies. The sales accounting system is divided into cash sales and credit sales. Sales network in Auto 2000 is divided into cash and credit sales, while for maintenance, repairs, and supply of Toyota parts is done in cash sales. Sales network conducted by Auto 2000 has a very important role in gaining income and increasing cash receipts. Based on this, the researchers focus on cash and credit sales and cash receipts in Auto 2000. Cash and credit sales in Auto 2000 provide various payment methods. Auto 2000 provides a financing institution when the customers prefer credit payment. When the customers choose cash payment, Auto 2000 offers special packages for its customers during certain months. Auto 2000 has a strategic place that eases the customers to visit because Auto 2000 is near the predetermined market share such as Trenggalek, Tulungagung, and Blitar. Auto 2000 also gives special services for its customers by providing free snacks and beverages to make the consumers feel comfortable when visiting Auto 2000. Based on observations conducted in Auto 2000, the researchers found some interesting issues that need special attention related to internal control in Auto 2000. Adequate internal control will result in data accuracy and more effective and efficient activities. This research aims to examine sales and cash receipts systems and procedures in supporting internal control by considering the elements in existing internal control.

LITERATURE REVIEW

According to Ranatarisza and Noor (2013), an accounting system is the organization of documents, forms, and accounting records, in this case journals and reports from each department, coordinated in such a way as to provide the financial information needed by management". According to Romney and Steinhart (2014), a system is a group of two or more interrelated components that serve a common purpose.

According to Baridwan (2002), a procedure is a sequence of administrative work involving two or more people in a department to ensure the same treatment of frequent corporate transactions.

Objectives of the Accounting System

According to Mulyadi (2016), the accounting system has four objectives as follows:

- a. To provide information for new business managers.
- b. To improve the information generated by the existing system, regarding the quality, presentation accuracy, and information.
- c. To improve accounting control and internal audit, i.e. to improve the reliability of accounting information and to make a complete record about liabilities and protection of company property.
- d. To reduce clerical costs in performing accounting records.

The Cash Receipts Accounting System from Credit Sales

According to Mulyadi (2016), the functions related to the cash receipts system from credit sales are:

- a. The secretariat function
- b. The billing function
- c. The cash function
- d. The accounting function
- e. The internal audit function

Internal control

According to Hermawan (2013), internal control is crucial for company success. Internal control is the policies and procedures to ensure that the assets are protected from possible misuse, accounting records are kept in an accurate and complete manner, and the regulations are properly complied. According to Mulyadi (2016), internal control systems include organizational structures, methods, and measures coordinated to maintain the organizational property, check accuracy and reliability of accounting data, promote efficiency, and encourage compliance with management policies.

METHODS OF RESEARCH

This research is descriptive research with a qualitative method. The data source for this research were primary data and secondary data. Data collection techniques used in this research consisted of observation, interviews, and documentation. Research instruments included interviews, documentation, and assistive tools such as; notebooks, stationery, and electronic devices. Stages of data analysis were:

1. Analyzing the sales accounting system and the cash receipts accounting system in PT. Astra International Tbk Auto 2000 Kediri
 - a. Related functions
 - b. Documents used
 - c. Accounting records used
 - d. Information needed
 - e. Procedure network establishing the system

2. Analyzing the sales and cash receipts procedures in supporting internal control in PT. Astra International Tbk Auto 2000 Kediri by considering several elements of internal control as follows:
 - a. Organizational structure
 - b. Authorization system and record-keeping procedure
 - c. A healthy practice
 - d. Employees whose quality is in accordance with their responsibilities

RESULTS AND DISCUSSION

The Sales Accounting System covers various functions, including: the Sales Supervisor function which is accountable for performing the sales process and making sales reports; the Administrative Unit function which is accountable for making records in accounting records and making documents relating to the vehicle order letter; the Cashier function which is accountable for receiving payments from customers and making payment receipt; the PDS (Pre-Delivery Service) function which is accountable for preparation process for unit shipments to customers; the Central Accounting function which is accountable for cash receipt reports that should be made by the accounting function instead of the cashier.

The documents used include the SPK (Vehicle Order Letter, *Surat Pesanan Kendaraan*), this document is good and explains the customer's identity in detail. The SPK has the columns for name, address, name of the ordered unit, and so on; the KTP (National Identity Card, *Kartu Tanda Penduduk*), this document is good and provides name, address, date of birth, and so on; the KK (Family Card, *Kartu Keluarga*), this document is good and explains the customer's family members; Buyer's VAT (Value Added Tax, *Pajak Pertambahan Nilai*), this document is good and explains customer willingness to pay VAT; Statement letter, this document is good and explains customer willingness to pay a progressive tax if they have more than one vehicle; Pre-Delivery Date Form, this document is good and explains when the customer will give full payment; Vehicle Receipts, this document is good and explains the customers' name and payment nominal; Motor Vehicle Invoice, this document is good and explains the customer's identity in accordance with the BPKB (Vehicle Ownership Documents, *Bukti Pemilik Kendaraan Bermotor*); the Vehicle Identification Number Certificate (NIK, *Sertifikat Nomor Identifikasi Kendaraan*), this document is good and explains the vehicle identification number, the NIK is attached to the vehicle invoice; the OKK (Vehicle Delivery Order, *Order Kirim Kendaraan*), this document is good and explains where the unit will be sent; the BSTKB (Proof of New Vehicle Handover, *Bukti Serah Terima Kendaraan Baru*), this document is good and explains that the unit has arrived at the customers; Application for Submission of ATPM Invoice and STNK (Vehicle Registration Document, *Surat Tanda Nomor Kendaraan*), this document is good and explains the identity recorded in the STNK; BPKB and STNK invoices, this document is good and explains the ownership identity of the BPKB and STNK.

Sales Procedures

Cash sales procedures in PT. Astra International Tbk Auto 2000 Kediri has been run well. Cash sales activities have been conducted in accordance with the procedures. The procedures are as follows: first, the customers make an order to the salespersons through SPK made by the administrative unit. Then, the customers make a payment to the cashier and the cashier makes payment receipt that will be sent to the administrative unit as a basis to be matched with the SPK. The SPK containing the customer's identity and payment receipt are submitted to the administrative unit. The administrative unit will match the SPK and sent the SPK to the SS (Sales Supervisor) to be validated. After the SPK has been validated, the SS sent the SPK back to the administrative unit to make AFI (Application for invoice) and DO (Delivery Order). After the Delivery Order process is complete, the administrative unit issues the BSTKB and the OKK as well as manages Vehicle Number and Engine Number checks. The BSTKB and the OKK are sent to the Pre-Delivery Service which prepare the unit shipments while waiting for the BPKB and STNK to be finished.

The Cash Receipts Accounting System have functions such as the Sales Supervisor Function which is accountable for performing the sales process. This function should not make sales reports because sales reports are made by the accounting function; the Administrative Unit function which is accountable for making records in accounting records and making documents relating to the vehicle order letter; the Cashier function which is accountable for receiving payments from customers and making payment receipt.

Cash Receipts Procedures

Cash receipts procedures from cash sales in PT. Astra International Tbk Auto 2000 Kediri has been run well. Cash receipts activities from cash sales have been conducted in accordance with the procedures set by the company. The procedures are: first, the customers make a payment to the cashier. The cashier accepts the payment and issues a payment receipt for the customers. The cashier records the transaction into the cash receipts journal.

Stages of Authorization System and Record-Keeping Procedure applied by PT. Astra International Tbk Auto 2000 Kediri are: Acceptance of orders from buyers are authorized by the sales function using a cash sales invoice form. In PT. Astra International Tbk Auto 2000 Kediri, cash sales transactions are managed by the sales function using the SPK and the TTJPS (Provisional Payment Guarantee Receipt, *Tanda Terima Jaminan Pemesanan Sementara*) for the cashier. The cashier will then make cash payment receipts in triplicate. All have been conducted well and responsibly, causing no obstacles to occur; Cash receipts are authorized by the cash receipt function by affixing a "paid off" stamp to the cash sales invoice and attaching the cash register tape to the invoice. Cash receipts are authorized by the cashier function by accepting TTJPS from the customers who make payments for sales. The cash function will make receipts in triplicate given to the customers, the administrative unit, and cash receipts. The administrative unit puts the receipt as an SPK attachment and affixes a "PAID OFF" stamp on the SPK. During these activities, the cashier function has performed the duties and responsibilities competently. Sales with a bank credit card are preceded by authorization request from the credit card issuing bank. If customers make purchases with a credit card, PT. Astra International Tbk Auto 2000 Kediri has an online merchant system equipped with tools connected online with a credit card issuing computer, causing faster checking for the credit card holder's credibility than confirming directly to the bank. Delivery of goods is authorized by the delivery function by affixing a "has been delivered" stamp on the cash sales invoice.

Delivery of goods is authorized by the PDS, sent by the driver, inspected by the security, and received by the customers. Once the unit has been delivered to the customers, all functions related to unit acceptance sign the BSTKB, indicating that the unit has arrived at the destination and the BSTKB brought by the driver is returned to the PDS function. The PDS function makes a receipt proving that the unit has been delivered to the customer and send the receipt to the administrative unit function. The administrative unit function records the cash purchase transaction. During this process, PDS, driver, security and the administrative unit function have performed their duties and responsibilities in accordance with the procedures.

A healthy practice that becomes a reference for PT. Astra International Tbk Auto 2000 Kediri can be achieved in these conditions. The use of pre-numbered cash sales invoice and their use can be accounted for by the sales function. PT. Astra International Tbk Auto 2000 Kediri has pre-numbered receipts. The amount of cash received from cash sales is deposited in full to the bank on the same day as the cash sales transaction or in the next working day. Cash receipts from the customers handled by the cashier function should be stored in the safe-deposit box and deposited in full to the bank with the Securicor service in the afternoon. Thus, the company's cash journal can be assessed for accuracy and reliability with the bank's accounting records by reconciling the company's cash records with current Bank accounts. Calculation of cash balances in the cash function is administered periodically and unexpectedly by the internal audit function.

CONCLUSION

The conclusions of this research are sales accounting systems and procedures in PT. Astra International Tbk Auto 2000 Kediri is already good. The functions related to sales such as the sales function, the cashier function, the delivery function, and the accounting function have performed their responsibilities competently. Additionally, the documents used have provided detailed information. The sales accounting system and the cash receipts accounting system in PT. Astra International Tbk Auto 2000 Kediri has supported internal control. It can be seen by the segregation of duties to support internal control, such as the segregation of the sales function and the cashier function, the segregation of the cashier function and the accounting function, and the management of cash sales transactions by the sales function, the delivery function, and the accounting function.

Suggestions from the researchers for PT. Astra International Tbk Auto 2000 Kediri are: to conduct sudden and unannounced inspection so that the data presented is not manipulated and to choose employees whose quality is in accordance with their responsibilities. Within this internal control element, the branch head should provide job description on the selection form to minimize employee misplacement not in accordance with their quality.

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