

Cash Disbursement Internal Control System at PT Tangguh Triperkasa Samarinda

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Abstract— Control over cash disbursements as an internal principal element is needed by every company to minimize problems that might occur and avoid misuse of cash funds within the company. The purpose of this study was to determine the internal control system of cash disbursements at PT Tangguh Triperkasa Samarinda. Data collection methods used in this study includes interviews, literature study, and documentation. The analysis tools used are elements of internal control systems and flowcharts based on AICPA. The results of the research show that overall PT. Tangguh Triperkasa Samarinda does not yet have a good internal control system. The company needs some improvement and more optimization because there are still a number of points that are not in accordance with existing theory, such as the absence of a cash disbursement flowchart, untidy cash disbursement procedures, no supervision of cash disbursements, and cash funds held by the management.

Keywords— Internal control system, cash disbursement.

I. INTRODUCTION

Targets that must be achieved by a company to fund all activities must be in accordance with the cash disbursement report. Cash is an important financial asset in financial statements and requires special management and control to avoid and ensure that cash disbursements within the company are not misused because cash is involved in most transactions and also because cash is the only asset that can be exchanged with all other types of assets.

Control over cash disbursements as an internal principal element is needed by every company in order to minimize problems that might occur and avoid misuse of cash funds within the company. Control is a process of regulating various factors within the company that can assist the leadership in carrying out its duties and functions in accordance with the provisions of the plan. Internal control has a very important role for a company organization in obtaining accurate and reliable data, protecting company wealth or assets and increasing the effectiveness of all company members. So that the company can run according to the goals set. Internal control is a method used by company leaders to supervise and control the company. Internal control includes organizational structure, forms and procedures for accounting reports (administration), budgets and internal inspection standards and so on. The company must have a control system to manage all company activities. This is intended to achieve the goals set by the company. The achievement of these objectives is carried out through many things, one of which is establishing some supervision or internal control of the company.

Monitoring or internal control over cash is very important to make it easier for management to know coordinated cash

disbursements. The system of internal control over cash is useful for financial managers to assess the performance that has been obtained by the company, which in general can be used as a basis for carrying out management functions, especially internal control of cash disbursements. A weak internal cash control system will result in the company's assets not being secure with inaccurate and unreliable and efficient information. So that it can lead to the possibility of misappropriation and fraud of cash and recording errors.

PT Tangguh Triperkasa Samarinda is a manufacturing company that specializes in producing water reservoirs. The company, which has been operating since 2012 in the manufacturing sector, always develops itself from time to time in line with technological and industrial developments. In every operation, of course, the aim is to achieve the maximum possible profit, so that the survival of the company can run. The company's operational activities here are inseparable from the existence of transactions that occur to meet the needs of the company. Every company transaction has a close relationship with cash disbursements.

Cash disbursement transactions at PT Tangguh Triperkasa Samarinda are used to meet company needs, such as equipment, and tools, paying material or trade payables, paying various other expenses, deposits to petty cash funds, and so on. The authorization system of the recording procedure at PT Tangguh Triperkasa Samarinda does not yet reflect the elements of Internal Control. Recording into accounting only uses source documents that are not accompanied by supporting documents, because the application of sound practices in calculating cash balances on hand is not checked by the internal audit function and this will result in fraud.

II. LITERATURE REVIEW

The theoretical concepts that the author quotes are to fulfill the information needed by internal parties and as a basis for discussing the problems that the author will discuss. In writing this report, the authors took several theories from several expert opinions related to the problems in this study.

A. Accountancy

Accounting is an activity of collecting, analyzing, presenting in numbers, classifying, recording, summarizing and reporting company activities or transactions in the form of financial information (Rudianto, 2013:9). Accounting is the art of recording, classifying, summarizing, and reporting a transaction in such a way, systematically according to its

content, and based on generally recognized standards (Bahri, 2016:2). Accounting is the art of collecting, identifying, classifying, recording transactions according to events related to finance in order to obtain information in the form of financial reports that can be used by interested parties (Sumarsan, 2013:1).

B. Accounting System

A system is a set of elements that are closely related to each other, and function together to achieve certain goals (Mulyadi, 2016:2). A system is a collection or collection of elements, components or variables that are organized, interact with each other, are interdependent and integrated (Sutabri, 2012:3). The system is a collection of elements that are interconnected and interact in a single unit to carry out the process of achieving the main goals of (Sutarman, 2012: 13).

The accounting system is an organization of forms, records and reports that are coordinated in such a way as to provide the financial information needed by management to facilitate the management of the company (Mulyadi, 2016). The accounting system can be defined as a collection of sub-systems that are interconnected with each other and work together in harmony to process financial data into financial information needed by decision makers in the decision-making process (Susanto, 2011:124). The accounting system is a method and procedure for collecting, classifying, summarizing, and reporting operational and financial information of a company (Farahwati, 2009:234).

Elements of an accounting system consist of (Mulyadi, 2016:3) form, journal, ledger, subsidiary ledger and report. Forms are documents used to record transactions. Journals are the first accounting records used to record, classify, and summarize financial and other data. The ledger (general ledger) consists of accounts that are used to summarize financial data that has been previously recorded in a journal. The subsidiary ledger consists of subsidiary accounts detailing the financial data listed in certain accounts in the general ledger. The end result of the accounting process is a financial report which can be in the form of a balance sheet, income statement, report on changes in capital, report on cost of production, and others.

C. Internal Control System

The internal control system includes organizational structure, methods and measures that are coordinated to maintain organizational wealth, check the accuracy and reliability of accounting data, encourage efficiency and encourage compliance with management policies (Mulyadi, 2013:163). Internal control is a set of policies and procedures to protect company assets or assets from all forms of misuse, ensure the availability of accurate company accounting information, and ensure that all legal/statutory provisions (regulations) and management policies have been complied with or carried out properly by all company employees (Hery, 2015:159). Internal control is an organizational plan and methods used to maintain or protect assets, produce accurate and reliable information, improve efficiency, and to encourage compliance with management policies (Krismiaji, 2010:218).

The purpose of internal control is to maintain organizational assets, check the accuracy and reliability of accounting data, encourage efficiency, and encourage compliance with management policies (Mulyadi, 2016:129).

The internal control system has four main elements (Mulyadi, 2016:130). First, an organizational structure that clearly separates functional responsibilities. Second, a system of authority and record-keeping procedures that provide adequate protection for assets, debts, income and expenses. Third, healthy practices in carrying out the duties and functions of each organizational unit. Fourth, employees whose quality is in accordance with their responsibilities.

D. Cash

Cash is an asset that has a more liquid nature and a short term that can be used freely in funding the company's operations. Cash is a tool of exchange that is owned by the company and is ready to be used in company transactions, whenever desired (Rudianto, 2012:188). Something good in the form of money or not that can be immediately available and accepted as a means of settlement of obligations at its nominal value (Soemarso, 2004:296). Cash is a means of exchange that can be called a means of payment that is already owned by a company and its users are never limited in the slightest (Priyati, 2016:89).

E. Cash Disbursement

Cash disbursement is a record made to carry out disbursement activities either by check or by cash used for the company's general activities (Mulyadi, 2008:543). Cash disbursements are events related to the distribution of goods or services to other entities and the collection of payments (Mujilan, 2012:45). Cash disbursement can be done by using checks. Cash disbursements that cannot be done by checks are usually relatively small amounts (Bastian, 2010:85).

Based on the condition of the research object, the authors only highlight the cash disbursement accounting system with cash, this system is used by companies when cash disbursements occur in small amounts. The cash disbursement system with a petty cash fund can be carried out in two ways, namely: a fluctuating fund-balance system, an imprest system. and accountability for disbursing the petty cash fund, and the procedure for replenishing it is the same, namely the petty cash fund.

F. Cash Disbursement Related Functions

There are several functions related to cash disbursement:

1. Cash Function
This function is responsible for filling out checks, requesting authorization for delivery of checks to petty cash fund holders at the time the petty cash fund is established, and replenishing the petty cash fund.
2. Accounting Function
 - a. Recording of petty cash expenditures involving costs and inventories.
 - b. Recording of petty cash fund formation transactions.
 - c. Recording of replenishment of the petty cash fund in the cash disbursement journal or check register.

- d. Recording of petty cash disbursements in the disbursement journal of petty cash disbursements (in a fluctuating-fund-balance system).
 - e. Making evidence of cash out which authorizes the cash function in issuing checks for the amount stated in the document. This function is also responsible for verifying the completeness of the supporting documents used as the basis for making petty cash receipts.
3. Functions of the Petty Cash Fund Holder
- The function that has responsibility for keeping the petty cash fund and disbursing the petty cash fund in accordance with the authorization of certain appointed officials, as well as requests for replenishment of the petty cash fund.
4. Internal Audit Function
- This function is responsible for calculating the petty cash fund periodically and matching the calculation results with cash records, as well as spot checks on the balance of the petty cash fund held by the petty cash fund holder.
5. Functions Requiring Cash Payment

G. Related Documents in Cash Disbursements

Documents commonly used in the petty cash fund system are evidence of cash out, checks, requests for disbursement of petty cash, evidence of disbursements of petty cash, requests for replenishment of the petty cash fund (Mulyadi, 2016:443).

- a. Evidence of cash out is proof of issuance of company cash according to what is stated in the document is made by the accounting function and submitted to the cash function. This document is needed when establishing a petty cash fund and when replenishing the petty cash fund.
- b. Checks are used when the user of the petty cash fund asks the holder of the petty cash fund for money.
- c. Petty cash expenditure request, used by petty cash fund users to request money from petty cash fund holders. For petty cash fund holders, this document is proof of issuance of petty cash and is archived under the name of the petty cash fund user.
- d. Evidence of disbursement of petty cash, made by the user of the petty cash fund to account for the use of the petty cash fund.

- e. Petty cash fund replenishment request, made by the petty cash fund holder to ask the debt department to make proof of cash out to replenish the petty cash fund.

H. Related Records in Cash Disbursements

The accounting records used in the petty cash fund system consist of cash disbursement journals, check registers and petty cash disbursement journals (Mulyadi, 2016:445). The cash disbursement journal is recording of disbursements, cash in the establishment of a petty cash fund and replenishment of the petty cash fund by recording is evidence of expenses that have been stamped "Paid" by the cash function. Check registers is accounting records are used to record company cash that has been issued for the establishment and addition of a petty cash fund. The petty cash disbursement journal serves as a means of distributing debits arising from the disbursement of petty cash funds.

III. RESEARCH METHODS

Data collection methods used in this study include interviews, literature study, and documentation. Researchers specialize in the cash disbursement section at PT Tangguh Triperkasa Samarinda, researchers explained about the internal control system for cash disbursements at PT Tangguh Triperkasa.

The analytical tools used in analyzing and solving problems are in the form of elements of the internal control system and flowcharts (flow charts) based on AICPA (cited in Mulyadi).

IV. RESULTS AND DISCUSSION

A company is said to be effective if it has a control system that can be relied upon to avoid any irregularities that will occur. To achieve good Internal Control, good procedures are needed to carry out maximum company activities. Based on the description of the previous chapter, the analytical tools used are flowcharts and the Internal Control system which consists of organization, authorization systems and recording procedures as well as sound practices for carrying out cash disbursement activities at PT Tangguh Triperkasa Samarinda.

TABLE I. Comparison of elements of internal control based on AICPA with elements within the company (Organization)

AICPA	Company	Accordance / Not Accordance
There is a separation between the cash storage function and the accounting function	There is no separation between the cash storage function and the accounting function	Not accordance
The cashier's department may not carry out cash disbursement transactions personally, there must be interference from other functions	There is no function to oversee cash disbursement transactions within the company	Not accordance

TABLE III. Comparison of elements of internal control based on AICPA with elements within the company (Authorization System and Recording Procedure)

AICPA	Company	Accordance / Not Accordance
There is an authorization from the authorized official for cash disbursements	There is an authorization from the authorized official for cash disbursements	Accordance
There is approval from the authorized official for bookkeeping and account closing	There is approval from the authorized official for bookkeeping and account closing	Accordance
There is authorization for the recording and cash disbursement journal based on evidence of cash out, as well as complete supporting documents attached	There is authorization for recording and journalizing cash disbursements based on evidence of cash out	Accordance

TABLE IIIII. Comparison of elements of internal control based on AICPA with elements within the company (Healthy practice)

AICPA	Company	Accordance / Not Accordance
There is security for cash balances kept by the company to prevent theft or improper use	There is security for the company's cash balance	Accordance
The cash disbursement department is responsible for basic documents and supporting documents for cash disbursement transactions which must be affixed with the stamp "Paid" after the cash disbursement transaction	There is an authorized official who is responsible for basic documents and supporting documents stamped with the stamp "Paid"	Accordance
The use of a checking account	There is no checking account	Not accordance
All cash disbursement transactions must use a check in the name of the payee's company or by book transfer	There is no check on company expenses	Not accordance
Recording using the imprest system method is used if the amount of cash disbursement is relatively small through the petty cash fund	There is no recording using the imprest system method if the amount of cash disbursement is relatively small through the petty cash fund	Not accordance
Periodically match the physical amount of cash in the company with the expenses in the accounting records	There is no matching between the physical amount of cash in the company and that in the accounting records on a periodic basis	Not accordance
There is insurance against losses regarding cash in the company and cash in transit	There is no company insurance against losses regarding cash that is in transit	Not accordance
Adequate security for the cashier's department to prevent theft from harmful actions	There is no security for the cashier	Not accordance
The cashier is responsible for all check numbers	The cashier is not responsible for all check numbers	Not accordance

TABLE IVV. Comparison of elements of internal control based on AICPA with elements within the company (Employees whose quality is in accordance with their responsibilities)

AICPA	Company	Accordance / Not Accordance
Development of employee education while being a company employee	There is no development of employee education	Not accordance
The company conducts training which is a form of development for employees in accordance with the demands of their job development every six months	There is training for employees as a means of development	Accordance

The research was conducted to find out whether the implementation of the cash disbursement system at PT Tangguh Triperkasa Samarinda was in accordance with the elements of Internal Control. To find out how far the implementation of the Cash Disbursement System at PT Tangguh Triperkasa Samarinda, in the following the author will present it in the form of an Internal Control table based on AICPA which will be compared with the Internal Control system applied to the company.

Based on the tables above, it can be concluded that the internal control system for PT Tangguh Triperkasa Samarinda's cash disbursements still does not meet the internal control system, because there are still statements that do not match the elements of internal control based on AICPA with what occurs in the company and have the possibility recording errors and fraud.

The following is a presentation of the research results obtained by comparing the elements according to the AICPA with what happened in the company.

1. Organizational Aspects.

In the organizational aspect, the elements of internal control for cash disbursements at PT Tangguh Triperkasa Samarinda are not in accordance with the existing elements, there is no separation of the cash storage function from the accounting function and there is no interference from other functions in cash disbursement transactions.

2. Aspects of Authorization Systems and Recording Procedures.

In the aspect of the authorization system and recording procedures of PT Tangguh Triperkasa Samarinda, it is in accordance with the elements of internal control of cash disbursements according to Mulyadi (2016), namely, there

is an authorization from the owner for cash disbursements, and there is approval from the owner for bookkeeping and closing accounts, and there is an authorization for the recording and cash disbursement journal based on the cash out book, as well as the attached supporting documents.

3. Aspects of Healthy Practices.

In the healthy practice aspect of PT Tangguh Triperkasa Samarinda, there are several things that are not in accordance with the elements of internal control of cash disbursements according to Mulyadi (2016), namely, there is no recording method for the imprest system method when cash disbursements are in small amounts, there is no matching between physical amounts cash in the company with accounting records, there is no loss insurance regarding cash in the company and cash that is in transit, there is no security for the cashier, and there is no cashier's responsibility for all check numbers.

4. Aspects of Employees whose Quality is in Accordance with Responsibilities.

In the aspect of employees whose quality is in accordance with the responsibilities of PT Tangguh Triperkasa Samarinda, it does not carry out educational development for employees while they are employees, but the company conducts training for its employees for the development of their work so long as to create employees who are responsible and dedicated to their work.

V. CONCLUSION

Based on the discussion and results of research conducted on the implementation of the cash disbursement internal control system at PT Tangguh Triperkasa Samarinda, it can be concluded that the elements of internal control at PT. Tangguh Triperkasa Samarinda has 7 statements that are appropriate

and 9 statements that are not in accordance with the elements of Internal Control based on AICPA.

Overall PT. Tangguh Triperkasa Samarinda does not yet have a good internal control system. The company needs some improvement and more optimization because there are still a number of points that are not in accordance with existing theory, such as the absence of a cash disbursement flowchart, untidy cash disbursement procedures, no supervision of cash disbursements, and cash funds held by the management.

PT Tangguh Triperkasa Samarinda should improve its internal control system, be more assertive in dividing the duties of each employee, and improve the company's cash disbursement system. So that there is no such thing as duplication of tasks, and overseeing the tasks of each function whether they are running properly and in accordance with their responsibilities. The company is expected to be able to maximize the management of cash disbursements internal control so that there are no recording errors and fraud or other errors that can have a fatal impact on the company.

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