

**EVALUATION OF INTERNAL CONTROL OVER SALES
PROCEDURE AT PT CANDI JITU INDONESIA**

SKRIPSI

By
KINANTHI DEA PRABAWANI
008201100085

Presented to
The Faculty of Business, President University
In partial fulfillment of the requirements
for
Bachelor Degree in Economics, Major in Accounting



PRESIDENT UNIVERSITY
Cikarang Baru - Bekasi
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PANEL OF EXAMINERS APPROVAL SHEET

Herewith, the Panel of Examiners declares that the skripsi entitled “**Evaluation of Internal Control over Sales Procedure at PT Candi Jitu Indonesia**” submitted by Kinanthi Dea Prabawani, Accounting Study Program, Faculty of Business, has been assessed and proved to pass the Oral Examination on Wednesday, February 25, 2015.

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Cikarang, Indonesia, 23 January 2015

Acknowledge,

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Head, Accounting Study Program

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DECLARATION OF ORIGINALITY

I hereby declare that the skripsi entitled “**Evaluation of Internal Control over Sales Procedure at PT Candi Jitu Indonesia**” is originally written by myself based on my own research and has never been used for any other purpose before. I, therefore, request for Oral Defense of the Skripsi.

Cikarang, Indonesia, 23 January 2015

Researcher,

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EVALUATION OF INTERNAL CONTROL OVER SALES

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ABSTRACT

Proper sales procedures will not only increase the number of customer to visit and purchase but also help the Company prevents the practice of embezzlement and fraud. The objective of this research is to evaluate the internal control over sales procedure in PT Candi Jitu Indonesia.

The research is a qualitative research. The type of the data used in this research is primary data. The methods of collecting the data are through observation, interview, and documentation.

There are several strengths and weaknesses found during the research. The strengths are the CEO has demonstrated high integrity and ethical value, the authorization process are clear and strict, the sales invoice is designed for multiple uses, the Company is properly storing the products, and the access to the computer system is limited. Whereas for the weaknesses are; there is no written organizational structure and job description, there is no independent accounting records bookkeeper, the system cannot prevent cashier to do wrongly input the sales transaction and the last is the Company does not properly maintain the sales document in proper place.

For the weaknesses found during the research, researcher recommends the Company to establish a suitable organizational structure and well structured job description, assign a professional staff to be the bookkeeper, establish effective induction training to the cashier, improve the work hour system and start to implement a barcode system, and apply a filing cabinet system to keep the documents.

Key Words: Sales, internal control, leasing company, retail, sales invoice, procedure.

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Cikarang, 23 January 2015

Kinanthi Dea Prabawani

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CHAPTER I

INTRODUCTION

I.1. Research Background

Business development in Indonesia is growing rapidly in recent years. The business development trigger business competition which also getting higher and bigger. For the company which is weak in developing its business strategy will be easily collapsed and difficult to survive with the business climate faced. Meanwhile, the company which continues to make progress will be able to survive and compete with the other competitors. Therefore, companies need an accurate control system to survive and provide reasonable assurance that its control objective will be met.

Internal control which is focused on the sale is one of the key aspects that can improve the business field. Sales can be simply defined as an activity that is important for the company. With sales activity, the company is able to make a profit and pay for business continuity and development. Proper sales procedures will not only increase the number of customer to visit and purchase but also helps the company prevent the practice of embezzlement or frauds, attracts the investor and et cetera. To establish proper sales procedure, a company therefore needs the internal control as an important aspect in the company operations.

PT Candi Jitu Indonesia is a retail company located in Surakarta, Central Java. The Company sells electronic devices and home appliances such as television,

washing machine, refrigerator, and et cetera. In conducting the sales activity, PT Candi Jitu Indonesia is using two kind of selling method; cash and credit. In credit sales, the Company is supported by several leasing companies. By using the third party to maintain its credit sales, the Company must concerning more in its internal operational such as the authorization process, division of responsibility, storage system, and management review. Therefore, to accomplish the company's goals, management must develop policies and procedures to promote efficiency in every area of activity by implement the staff into a proper personnel selection, training and compensation, communicate the means of affecting them and monitor performance through adequate supervision. In order to strengthen the internal operation, PT Candi Jitu Indonesia should implement a good internal control.

Realizing how the internal control especially in sales procedure is important to the whole company's operation, the effective internal control need to be built by the company's management. Based on those, the researcher raises the topic of "Evaluation of Internal Control over Sales Procedure at PT Candi Jitu Indonesia."

I.2. Problem Identification and Statement

This research focus on answering the following question:

1. Does PT Candi Jitu Indonesia have organization structure and job description related to the sales procedure?

2. Does PT Candi Jitu Indonesia have adequate separation of duties in the sales procedure?
3. Does PT Candi Jitu Indonesia have secure system to important computerized data files and does the user fully understand about the system related to the sales system?
4. Does PT Candi Jitu Indonesia have physical control over the sales documents?

I.3. Research Scope and Limitation

In this study, the researcher would assess the internal control over sales procedure at PT Candi Jitu Indonesia based on COSO components of internal control which are control environment and control activities. The discussion is then limited into several elements of those components. In the control environment, the discussion is limited to the organizational structure of the company. For the control activity, the discussion is limited to the adequate separation of duties and physical control over assets and records. The scope of this research is limited only to credit sales order procedures. The discussion will focus on the initiation sales process; the delivery of the goods; and recording sales process in PT Candi Jitu Indonesia.

I.4. Research Objectives

The researcher is intended to achieve the following outcomes:

1. To evaluate the implementation of internal control in sales of PT Candi Jitu Indonesia.
2. To assess the strength and the weaknesses of the internal control in sales of PT Candi Jitu Indonesia.
3. To formulate recommendations according to the findings.

1.5. Research Benefits

Theoretically benefits:

1. To the researcher

To the researcher, the research is useful to increase knowledge, experience and a better understanding regarding to the sales procedure and internal control in sales.

2. To the company

To the company, the research can become a great contribution to the management and as one of the consideration in analyzing the internal control over its sales. The research can also become one of reference to the company to take future decision regarding to sales.

3. To the potential user

To the potential user, the research can be used as the reference to support the research which topic is about internal control especially in sales activity.

Practical benefits

This study is expected to be a reference for the development in economics/accounting, especially with regard to the internal control in sales procedure.

I.6. Research Method

This qualitative research is using study case model. Qualitative research is a type of research which is aimed at gaining a deep understanding of a specific organization or event. This research defines the condition being researched and to know the differences between practice and theory. This type also gives an opportunity to improve performance. The data gathering and processing are done to literature review and field research. In literature review the researcher chose some relevance theory from text book. In field research, collecting and evaluating data are done by using types of evidence approach which are:

- Observation;

Researcher observes all of the information regarding to the company such as company's background, history, and the operating process especially the sales activity.

- Interview;

Researcher is gaining information by verbally asked employees who have understanding to the topic.

- Documentation

Researcher is examining documents and files which are important to support the discussion related to the topic.

CHAPTER II

LITERATURE REVIEW

II.1. Internal Control

II.1.1. Definition of Internal Control

The business environment is changing rapidly. The company needs to adjust its strategy of business to survive in current business climate. Competitive business strategy also pushes company to perform in a better way both in internal and external of the management. A system of internal control need to be built in order to maintain the business strategy is running effectively.

Meisser, Glover, Prawitt (2008) define, “According to COSO’s Internal Control—Integrated Framework, internal control is designed and effected by an entity’s board of directors, management, and other personnel to provide reasonable assurance about the achievement of the entity’s objectives in the following categories: (1) reliability of financial reporting, (2) effectiveness and efficiency of operations, and (3) compliance with applicable laws and regulations.”(p.192)

From Arens, Elder and Beasley (2012) define, “A system of internal control consists of policies and procedure designed to provide management with reasonable assurance that the company achieve its objective and goals. These

policies and procedures are often called controls, and collectively, they make up the entity's internal control." (p.290)

Boynton and Johnson (2006) write, "The COSO report also emphasized the following fundamental concepts are embodied in the foregoing definition:

- Internal control is a process that is integrated with, not added onto, an entity infrastructure. It is a means to an end, not an end itself.
- People implement internal control. Internal control is not merely a policy manuals and forms but also people at every level of an organization.
- Internal control can be expected to provide only reasonable assurance, not absolute assurance, because of its inherent limitation.
- Internal control is geared to the achievement of objectives in the overlapping categories of financial reporting, compliance, and operations. (p.392)

II.1.2.Internal Control Objectives

Arens, Elder and Beasley (2012) write, "Management typically has three broad objectives in designing an effective internal control system:

1. Reliability of financial reporting.

Management is responsible for preparing statements for investors, creditors, and other users. Management has both a legal and

professional responsibility to be sure that the information is fairly presented accordance with reporting requirements such as GAAP and IFRS. The objective of effective internal control over financial reporting is to fulfill these financial reporting responsibilities.

2. Efficiency and effectiveness of operations

Control within a company encourages efficient and effective use of its resources to optimize the company goals. An important objective of these controls is accurate financial and nonfinancial information about the company's operation for decision making.

3. Compliance with laws and regulations

Section 404 requires management of all public companies to issue report about the operating effectiveness of internal control over financial reporting. In addition to the legal provisions of Section 404, public, nonpublic, and not-for-profit organization are required to follow many laws and regulations. Some relate to accounting only indirectly, such as environmental protection and civil right laws. Others are closely related to accounting, such as income tax regulations and anti-fraud legal provisions.”(p.290)

II.1.3.COSO Components of Internal Control

The Committee of Sponsoring Organization of the Treadway Commission (COSO) is the most widely control framework in United States.

COSO established five components of internal control to provide a structure for many considering controls related to the achievement of entity objectives.

According to Boynton and Johnson (2006), “To provide a structure for considering the many possible controls related to achievement of an entity’s objectives, the COSO report (and AU 319.07) identifies five interrelated components of internal control:

1. Control Environment: sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
2. Risk Assessment: is the entity’s identification and analysis of relevant risk to achievement of its objectives, forming a basis for determining how the risks should be managed.
3. Control Activities: are policies and procedures that help ensure that management directives are carried out.
4. Information and communication: are the identification, capture, and exchange of information on a form and time frame that enable people to carry out responsibilities.
5. Monitoring: is a process that assesses the quality of internal control performance over time.” (p.392)

II.1.3.1.Control Environment

A strong control environment comprises numerous factors that work together to enhance the control consciousness of people who implement controls throughout an entity.

AICPA (2012) defines, “The strength in the control environment elements collectively provides an appropriate foundation for the other components of internal control and whether those other components undermined by deficiencies in the control environment.” (AU-C §315.15, p .264)

According to Arens, Elder and Beasley (2012), “To understand and assess the control environment, auditors should consider the most important control subcomponents:

1. Integrity and ethical values

Integrity and ethical values are the product of the entity’s ethical and behavioral standards, as well as how they are communicated and reinforced in practice. They include management’s actions to remove or reduce incentives and temptations that might prompt personnel to engage in dishonest, illegal, or unethical acts. They also include the communication of entity values and behavioral standards to personnel through policy statements, codes of conduct, and by example.

2. Commitment to competence

Competence is the knowledge and skills necessary to accomplish tasks that define an individual's job. Commitment to competence includes management's consideration of the competence levels for specific jobs and how those levels translate into requisite skills and knowledge.

3. Board of director or audit committee participation

The board of directors is essential for effective corporate governance because it has ultimate responsibility to make sure management implements proper internal control and financial reporting processes. An effective board of directors is independent of management, and its members stay involved in and scrutinize management's activities. Although the board delegates responsibility for internal control to management, it must regularly assess these controls. In addition, an active and objective board can reduce the likelihood that management overrides existing controls.

To assist the board in its oversight, the board creates an audit committee that is charged with oversight responsibility for financial reporting. The audit committee is also responsible for maintaining ongoing communication with both external

and internal auditors, including the approval of audit and nonaudit services done by auditors for public companies. This allows the auditors and directors to discuss matters that might relate to such things as management integrity or the appropriateness of actions taken by management

4. Management's philosophy and operating style

Management, through its activities, provides clear signals to employees about the importance of internal control. For example, does management take significant risks, or is it risk averse? Are sales and earnings targets unrealistic, and are employees encouraged to take aggressive actions to meet those targets? Can management be described as "fat and bureaucratic," "lean and mean," dominated by one or a few individuals, or is it "just right"? Understanding these and similar aspects of management's philosophy and operating style gives the auditor a sense of management's attitude about internal control.

5. Organizational structure

The entity's organizational structure defines the existing lines of responsibility and authority. By understanding the client's organizational structure, the auditor can learn the

management and functional elements of the business and perceive how controls are implemented.

6. Human resources policies and practices

The most important aspect of internal control is personnel. If employees are competent and trustworthy, other controls can be absent, and reliable financial statements will still result. Incompetent or dishonest people can reduce the system to a shambles—even if there are numerous controls in place. Honest, efficient people are able to perform at a high level even when there are few other controls to support them. However, even competent and trustworthy people can have shortcomings. For example, they can become bored or dissatisfied, personal problems can disrupt their performance, or their goals may change.”(p.295)

II.1.3.2.Risk Assessment

Risk assessment is process to identify potential risk that might occur during the business process and to eliminate or reduce the possibility of risk to occur. Failure of identifying the risk will bring a significant impact to the company’s business. Therefore, internal control is used to identify those risks from operating activities, financial reporting, and compliance with rule and regulation.

AICPA (2012) defined business risk as, “A risk resulting from significant condition, events, circumstances, actions or inactions that could adversely affect an entity’s ability to achieve its objective and execute its strategic or from the setting of inappropriate objectives and strategic.”(AU-C §315.04, p.261)

According to COSO (2011), “There are four principles relating to risk assessment:

1. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risk related to objectives.
2. The organization identifies risk to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risk should be managed.
3. The organization considers the potential for fraud in assessing risk to the achievement of objectives.
4. The organization identifies assess changes that could significantly impact the system of internal control.” (p.11)

As stated above, management risk assessment is different but it closely related with auditor risk assessment. According to Arens, Elder and Beasley (2012), “While management assesses risks as a part of designing and operating internal controls to minimize errors and fraud, auditors assess risks to decide the evidence needed in the audit. If management effectively assesses and responses to the risks, the auditor

will typically accumulate less evidence than when management fails to identify or respond to significant risk.” (p.297)

II.1.3.3.Control Activities

Control activities are procedures and policies to make sure if prevention action over the risk has been done. COSO (2011) writes, “Control activities are the actions established by policies and procedure to help ensure that management’s directive to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity and at various stages within business processes, and over the technology environment.” (p.12)

Refer to Arens, Elder, and Beasley the control activities are generally fall into the following five types:

1. Adequate separation of duties

- Separation of the Custody of Assets from Accounting

A person who has custody of an asset should not record that asset. Allowing the similar personnel to perform several functions can result in that person to potentially doing personal gain and theft of the assets.

- Separation of the Authorization of Transaction from the Custody of Related Assets

To minimize the risk of embezzlement, it is desirable to prevent persons who authorize transactions from having control over the related assets.

- Separation of Operational Responsibilities from Record-Keeping Responsibility

Record-keeping or accounting is typically the responsibility of a specific reporting department to ensure clear information. For example, if a department or division oversees the creation of its own reports and records, it might change the results to improve its reported performance.

- Separation of IT Duties from User Department

The separation of authorization, record keeping and custody often becomes unclear, sales order may enter customer orders online. The computer authorizes those sales based on its comparison of customer credit limits to the master file and posts all approved sales in the sales cycle journal. Therefore, the computer plays a significant role in the authorization and record keeping of sales transaction. It is important for the company to separate major IT-related functions from key user department functions.

2. Proper authorization of transaction and activities

There are two kinds of authorization types:

- General Authorization

In general authorization, management has establishes policies and subordinates are instructed to implement them by approving all transaction according to the policy. General authorization includes the issuance of fixed price list for the sale products, credits limit for customers, and fixed reorder points for making acquisitions.

- Specific Authorization

Specific authorization applied by the individual transaction. For example is the authorization of sales transaction by the sales manager for the used-car company.

3. Adequate documents and records

The criteria for the adequate documents and records are:

- Prenumbered consecutively to facilitate control over missing documents and records and as a code in locating them when they are needed at later date. Maintaining the documents and records above important for the completeness transaction-related audit objectives.
- Prepared at as soon as possible when the transaction occur.
- Can be created for multiple uses to reduce the number of different forms.

- Created in manners that encourage correct preparation by preparing internal checks within the form or record.
4. Physical control over assets and records

Assets and records must be protected, to maintain adequate internal control. Assets can be stolen if it left unprotected. If records are not protected, they can be stolen, damaged, altered or lost and disrupt the accounting process. The company's computer equipment, programs, and data files must be protected because if the data damaged could be costly or even impossible to reconstruct.
 5. Independent checks on performance

The need of independent checks increases because the internal control is possible to change over time. Personnel are likely to forget to follow procedures. If there is lack of supervision and control, personnel can make errors or commit fraud. Personnel responsible for performing internal verification procedures must be independent of those originally responsible for preparing the data.

II.1.3.4.Information and Communication

The purpose of an entity's accounting information and communication system is to initiate, record, process, and report the entity's transactions and to maintain account ability for the related assets.

As stated by Arens, Elder, Beasley (2012), “To understand the accounting information system, the auditor determines (1) the major classes of transaction of the entity; (2) how those transaction are initiated and recorded; (3) what accounting records exist and their nature; (4) how the system capture other event that are significant to the financial statements, such as declines in asset values; and (5) the nature and details of the financial reporting process followed, including procedures to enter transaction and adjustment in the general ledger.”(p.301)

Meisser, Glover, Prawitt (2008) state, “The information system relevant to financial reporting objectives, which includes the accounting system, consists of the procedures, whether automated or manual, and records established to initiate, record, process, and report entity transactions and to maintain accountability for the related assets, liabilities, and equity. Communication involves providing an understanding of individual roles and responsibilities pertaining to internal control over financial reporting.”(p.193)

II.1.3.5.Monitoring

According to Meisser, Glover and Pawitt (2008), “Monitoring control is a process to assess the quality of internal control performance over time. It involves assessing the design and operation of controls on a timely basis and taking necessary correction action.”(p.193)

Monitoring activities deal with assessment of quality of internal control by management to determine that controls are operating as desired and that they are modified as appropriate for changes in conditions. The information being assess comes from a varies of sources, including studies of existing internal control, internal auditor reports, bank regulatory agencies, feedback from operating personnel, and complaints from customers about billing charges.

II.2.Internal Control over Sales Procedure

II.2.1.Nature of Sales

Sales, according to Arens, Elder and Beasley (2012) is, “The sales and collection involve in the decisions and processes necessary for the transfer of the ownership of goods and service to customers and ends with the conversion of material service into an account receivable and ultimately into cash.” (p. 443)

According to Boynton and Johnson (2006), “An entity’s revenue cycle consists of activities related to the exchange of goods and services with customers and to the collection of the revenue in cash. For a merchandising company, the classes of transactions in the revenue cycle include (1) credit sales (sales made on accounts), (2) cash receipts (collections on accounts and cash

sales), and (3) cash sales adjustments (discounts, sales returns and allowances, and uncollectable accounts provisions and write offs).”(p.629)

The economic enterprises, through their business process, generating their revenue and constitute revenue cycle. The enterprises are exchanging their product and or services to generate revenue. In its simplest form, the revenue cycle is the direct exchange of finished goods or services for cash in a single transaction between a seller and a buyer.

II.2.2.Sales Processing System

According to Hall the manual procedures of a sales order processing system consists of several points as follow:

1. The sales process begins with a customer contacting the sale department. This initial contact may be by telephone, mail or in person. The sales department captures the essential details of this event on a sales order.
2. The first step in the sales process is to authorize the transaction by obtaining credit approval for the customer.
3. When credit is approved, the sales information is released to the billing, warehouse and shipping process.
4. Ship the merchandise once the credit approval is done. The shipping process reconciles the product received from the warehouse with the sales

information that it received earlier. The shipping information is then sent to the billing process.

5. The billing process compiles the relevant facts about the transaction and bills the customer. The billing process then transmits this information to the account receivable and inventory control processes.
6. Account receivable receives the billing information and records this in the customer's account.
7. Inventory control uses information from billing to adjust the inventory records to reflect a decrease in inventory.
8. Periodically, the billing, accounts receivable, and inventory control processes transmit summarized information to the general ledger process.

II.2.3.Document of Sales

Refer to Boynton and Johnson (2006), "The numerous documents and records used by large companies in processing credit sales transaction often include the following:

- **Customer order.** Request for merchandise by a customer received directly from the customer or through a salesperson. May be a form furnished by seller or the buyer's purchase order form.
- **Sales order.** Form showing the description, quantity, and other data pertaining to a customer order. It serves as the basis for initiating the

transaction and internal processing of the customer order by the seller.

- **Shipping document.** Form used to show the details and date of each shipment. It may be in the form of a bill of lading, which serves as a formal acknowledgement of the receipt of goods for delivery by a freight carrier. Other shipping documents may include a packing slip with details on the items included in a shipment.
- **Sales invoice.** Form stating the particulars of a sale, including the amount owed, terms, and date of sale. It is used to bill customers, and it provides the basis for recording the sale.
- **Authorized price list.** Listing or computer master file containing authorized prices for goods offered for sale.
- **Sales transaction file.** Computer files of completed sales transaction. Used to print the sales invoices and sales journal, and to update the accounts receivable, inventory, and general ledger master files.
- **Sales journal.** Journal listing completed sales transaction.
- **Customer master file.** Contains the customer's shipping and billing information, and the customer's credit limit.
- **Account receivable master file.** Contains information on transaction with, and the balance due from, each customer. Serves as the basis for the account receivable subsidiary ledger.

- **Customer monthly statement.** Report sent to each customer showing the beginning balance, transactions during the month, and the ending balance.” (p.640)

II.2.4.Internal Control over the Sales

There are six classes of internal control activities that guide the management in designing and evaluating transaction processing controls. They are transaction authorization, segregation of duties, supervision, accounting records, access control, and independent verification.

Refer to Hall (2004), “The specific control activities used in the revenue cycle are:

1. Transaction Authorization

The objective of transaction authorization is to ensure that only valid transactions are processed. Transaction authorization can be divided into two points; credit check and return policy.

Credit Check. The credit department is the point of authorization for sales order processing. This department ensures the proper application of the firm’s credit policies. In making the judgment, the credit department may employ various technique and test. The complexity of credit procedures will vary depending in the organization, its relationship with the customer, and the materiality of

the transaction. The specific authorizations required in unique circumstances (such as first time customer request for credit) may take time. Once credit is approved the transaction can then be processed further.

Return Policy. The credit department authorizes the processing of sales returns. This determination is based in the nature of the sale and the circumstances of the return. The concepts of specific and general authority also influence this activity.

2. Segregation Duties

Segregation of duties ensures that no single individual or department processes a transaction in its entirety. The number of employees and the volume of transactions being processed influence how segregation is accomplished.

Rule 1. Transaction authorization should be separate from transaction processing. Within the revenue cycle, the credit department is segregated from the rest of the process, so formal authorization of a transaction is an independent event. To achieve their personal objective of maximizing sales volume, sales personnel may not always consider creditworthiness of the prospective customer. The credit department, acting as an independent authorization group, detects risky customers and discourages poor and irresponsible sales decisions.

Rule 2. Asset custody should be separate from the task of asset record keeping. In the sales order processing system, the inventory warehouse has custody of the physical assets, and the accounting function (general ledger and inventory control department) maintains the records.

In cash receipt system, the cash receipts department takes custody of the physical assets (cash), and the accounting function (general ledger and account receivable department) keeps the accounting records. The cashier reports to the treasurer, who has responsibility of the controller. These two functions should not be commingled.

Rule 3. The organization should be structured so that the perpetration of a fraud requires collusion between two or more individuals. The record keeping function must be carefully divided. Specifically, the subsidiary ledgers (AR and inventory), the journals (sales and cash receipts), and the general ledger should be separately maintained. An individual with total record keeping responsibility, in collusion with someone with assets custody, is in a position to penetrate fraud. By separating these tasks, collusion must involve more people, which increases the risk of detection and is, therefore, less likely to occur.

3. Supervision

The function of supervision is that, by closely supervising employees who perform potentially incompatible functions, a firm can

compensate for the exposure inherent in a system. Supervision can also provide control in systems that are properly segregated.

4. Accounting Records

A firm's source documents, journals, and ledgers must form an audit trail that allows independent auditor to trace transactions through their various stages of processing. This control is also an important operational feature. Sometimes transactions get lost in the system. By following audit trail, management can discover where in the system an error occurred. Several specific control techniques contribute to the audit trail.

Prenumbered Source Documents. Prenumbered sources documents consists of sales orders, shipping notices, remittance advices and so on; are sequentially numbered by the printer and allow every single event through the accounting system.

Special Journals. By grouping similar transactions together into special journals, the system provides a concise record of an entire class of events. For this purpose, revenue cycle systems use the sales journal and cash receipt journal.

Subsidiary Ledger. Two subsidiary ledgers are used for capturing transaction event details in the revenue cycle; the inventory and account payable subsidiary ledger.

General ledger. The general ledger control accounts are the basis for financial statement preparation.

Files. The revenue cycle employs several temporary and permanent files that contribute to the audit trail. These files are the physical repositories for various documents.

5. Access Controls

Access controls prevent and detect unauthorized and illegal access to the firm's assets. The physical assets of the revenue cycle are inventories and cash. Limiting access to these assets includes:

- Warehouse security, such as fences, alarms, and guards.
- Depositing cash daily in the bank.
- Using a safe or night deposit box for cash.
- Locking cash drawers and safes in the cash receipts department.

6. Independent Verification

The objective of independent verification is to promote and verify the accuracy and completeness of procedure performed by others in the system. Independent verification controls in the revenue cycle exist at the following points:

- The shipping department verifies that the goods sent from warehouse are correct in type and quantity. Before the goods are

sent to the customers, the stock release and the packing slip are reconciled.

- The billing department reconciles the shipping notice with the sales invoice to ensure that customers are billed only for the quantities shipped.
- The general ledger department reconciles journal vouchers that were independently prepared in various departments.” (p. 192)

CHAPTER III
METHOD OF DATA PROCESSING
AND
COMPANY'S EXISTING CONDITION

III.1.Data Collection

The type of the data used in this research is primary data. Primary data is defined as the specific data which is collected for research purposes. In conducting research, researcher uses several methods to gather the data such as observation, interview, and documentation. Each of the method to gather the data is mentioned below:

1. Observation

Researcher did observation to collect the data by seeing, hearing, and feeling to assess certain activities in the company. The researcher was conducted a passive observation which means researcher only watch the sales activity of PT Candi Jitu Indonesia rather than taking part. From this procedure, researcher obtained information regarding application of certain procedures for sales activity.

The researcher observed the employee or individual who performed certain activity regarding to the sales. In this procedure, researcher was observing whether the person assigned to the job has done the job in accordance with the established policy.

Researcher started the observation on October 28, 2014 on the PT Candi Jitu Indonesia's store, finance department, and warehouse. In the store Researcher observed the sales procedure from receiving the customer order and initiating the credit application to the leasing company. Company would receive order after the customer negotiating the price with SPM. After that the SPM would lead the customer to the leasing company's staff which available in the store. The customer then proposed a credit application to the staff. The credit application was approved for about 2-3 days after the survey. After the credit application was approved, the customer paid the first installment and administration cost to the cashier.

After the customer paid for the sales transaction, customer might take home the product. If customer was willing the product to be delivered, the store delivery staff would coordinate with the warehouse to prepare that product. The product was delivered minimum a day after the sales transaction occurred or according to the customer willingness. Before the product was shipped, the product would be checked by checker to validate that the stated information in the document was the same with the product.

The next process was done by the finance department. The finance department would receive the sales document such as the sales invoice, SJK and delivery memo. Finance staff checked the invoice with the data inputted by the cashier on the program. After that the invoice was forwarded to the AR staff. AR staff maintained the leasing company has paid the remaining payment from the customer in a given period. After the receivable was transferred by the leasing company, the finance staff updated the system.

2. Interview

Researcher was gaining information by directly and verbally asked employees who have understanding to the topic. Interview also helps the researcher to get direct confirmation relates to all questions arise during the observation.

Researcher interviewed several departments such as the Human Resource Department, Sales Department, Warehouse Department and Finance Department. The summary of the interviews are as follows:

No.	Date	Department	Interview content	Ref.
1.	October 29, 2014	HR	Company profile, policies, procedure.	A.I
2.	October 29, 2014	Sales Department	Sales procedure	A.II
3.	October 30, 2014	Warehouse Department	Preparation and delivery procedure	A.III
4.	November 3, 2014	Finance Department	Collection and recording process	A.IV

Table 3.1: Interview Schedule

After performing interview to several departments, researcher was gaining information, such as:

1. PT Candi Jitu Indonesia is a retail company which sells electronics devices and home appliances. The sales system is done in cash and credit.
2. The Company is supported by leasing company for the credit system.
3. PT Candi Jitu Indonesia is using the leasing company to do its credit sales because it wants to simplify the credit sales procedure, expect the AR always collected, and follow the market trends.

4. The sales procedure in PT Candi Jitu Indonesia is contributed by several departments such as sales department, finance department, warehouse and leasing company.
5. The recording process is not assigned to the accounting department.
6. The Company does not establish written organizational structure and job description for each position. However, there is written Standard Operational Procedure (SOP) for the warehouse staff.
7. The CEO has practiced a high ethical standard to the employees and pushes the employees to follow the Company's work culture.
8. The Company does not have audit committee but there is a board of commissioner.
9. The Company has proper warehouse and CCTV to protect its product.
10. The sales process is started when the SPM receive the order from customer. SPM then direct the customer to the leasing company representative staff. The leasing company then processing the credit application. Once the credit application is approved, the leasing company will send payment agreement to PT Candi Jitu Indonesia. The payment agreement then sent to the SPM to make

the sales invoice the invoice then forwarded to cashier, delivery staff, and warehouse staff. The product is then delivered.

11. Each department in the Company has maintained the authorization process.
12. The sales staff is separated from credit department and finance staff.
13. The documents used in the sale procedure are sales invoice, payment agreement, *Surat Jalan Keluar*, delivery memo and out form.
14. Warehouse is responsible to prepare the product to be shipped and then ship the product to the customer.
15. The finance department is responsible to manage the Company financial matters, the cash in and out and record the transaction.
16. The accounting cycle is done by the accounting software and is assigned to the finance staff.

3. Documentation

In doing documentation, researcher was examining documents that support the sales procedure. In checking or examining the documents, the researcher checked what documents being researched, what are the function of the documents, who made the documents, who are the person who authorized the documents and where the documents distributed. The

documents which were being examined were the documents that were used in the sales activity. Those documents are company profile, company culture, payment agreement, invoice, SJK, delivery memo and out form (see appendix B.I – B.VII).

III.2.Company’s Existing Condition

III.2.1.Company’s History and Profile

PT Candi Jitu Indonesia is an electronic and home appliances company located in Surakarta. It is established by Ardian Ayat Santiko. Its founder looks for the opportunity in the electronic market which is very promising in Surakarta for a business strategy. On July 18, 2011, the head store of Candi Elektronik was opened. The head store is located on Jalan Yos Sudarso No. 350, Dawung, Surakarta. In the late 2012, PT Candi Jitu Indonesia joined with JITU Group with Jimmy Soegiarto as the owner. To extent the business, PT Candi Jitu Indonesia enlarged its store operation by opening a more convenience branch store in Jalan Slamet Riyadi 153, Surakarta on July 2013.

“Candi” is chosen because the name is simple and can be known easily by the people. The temple depiction is also become the company’s logo. In philosophy, Candi or temple is a heritage place or a building devoted to the worship. A temple usually has a “Stupa” at the top part of the building. In the

company's logo, is illustrated an upward cone-shaped Stupa, indicating that PT Candi Jitu Indonesia wish to always continue the business development from the bottom to reach the top. The logo is also a red colored on the whole logo, it is as a symbol of its tagline, "Cheapest and Reliable", which means that PT Candi Jitu Indonesia dare to come up with fresh ideas to compete with other electronics' company. Besides, the red color also symbolizes luck.



Figure 3.1: Company's Logo

III.2.2. Company's Product

The product sold by PT Candi Jitu Indonesia is diverse and covers up all kinds of electronics needs and home appliances for customers. The company provides products such LCD TV, washing machine, smart TV, dispenser, refrigerator, Air Conditioner, kitchen set, camera, PC, smart phone and other electronic devices. Those products are supported from several famous brands such as LG, Samsung, Sharp, Panasonic, Sony, Modena, Electrolux, Polytron, Hitachi, Sanken, Niko Premium, Midea, Gea, Getra, Philips, Cosmos, Toshiba,

TCL, Sanyo, Mytron, and RSA. With the availability of such diverse electronic products, PT Candi Jitu Indonesia is becoming the largest electronics retailer in Surakarta in recent years.



Figure 3.2: Company's product in the store

III.2.3. Company's Department and Job Description

In store, there are several staff which contribute in the sales process. They are Store Manager, SPM (Sales Promotion Man), Cashier, Delivery staff, Customer Care staff and Customer Service staff and Checker. The job description and the responsibilities of each staff are as follows:

- Store Manager
 - Give briefing to the all of the store staff before the office hour.
 - Manage the purchasing system from vendor.
 - Manage all of the sales procedure.

- Monitor the sales procedure.
- Monitor the delivery system.
- SPM – Sales Promotion Man
 - Greet the customers and offers the available products according to the customer's need.
 - Inform the customer about the products specification and price.
 - Make and authorize the sales invoice.
- Leasing Company (representative)
 - Explaining the credit system to the customer
 - Maintain the customer to fulfill the credit proposal
 - Authorize the payment agreement and send to PT Candi Jitu Indonesia.
- Cashier
 - Accept payment from customer
 - Sign the sales invoice made by SPM
 - Input the information in the sales invoice to the computer software
 - Report the total sales in a day to the store manager
 - Store all the cash in a day to the finance.
- Store Delivery Staff
 - Schedule the delivery routes

- Make the SJK (Surat Jalan Keluar) and delivery memo to be sent to warehouse
- Record the delivery status in Ms Excel.
- Monitor the delivery process and update the status after customer received
- Customer Care and Service staff
 - Accept complain, recommendation and suggestion from customer
 - Fill in the Customer Complaints book about the customer's and product's identity.
 - Call SPM according to the product's brand.
 - Follow up the customer's complaint and update the customer complaint book's status (clear, pending, refuse).
- Checker
 - Ensure the product is match with the document it delivered.
 - Ensure the product is in a good condition, sealed properly and packed neatly.

Warehouse is one of the essential elements of the selling process for PT Candi Jitu Indonesia. The company has two kinds of warehouse; branch warehouse and central store. The branch warehouse is relatively smaller than the central warehouse. The central warehouse is the main warehouse of PT

Candi Jitu Indonesia. All of the products out and in are managed by the central warehouse and all of the shipping matters are prepared by this warehouse. The central warehouse is located for about five kilometers from the store. This main warehouse office hour is from 8 am to 5 pm. In the warehouse, there are several functions which contributed to the main activity of the out store warehouse. The functions and the responsibilities are as follows:

- Head of Warehouse
 - Manage all warehouse activities.
 - Monitor the preparation of product and shipping matters.
- Supervisor
 - Monitor and ensure the implementation of the activities in the warehouse is going well such as goods receipt, shipping, and stock opname.
- SJK or Surat Jalan Keluar Staff
 - Receive SJK from delivery staff in store
 - Summarize the product that will be prepared by the carrier in an out form.
- DO or Delivery Order Staff
 - Manage all goods receipt by supplier which are purchased by the Company.

- Shipping Staff
 - Update the status of delivery process.
 - Doing monthly recap and report the total delivery to the head of warehouse.
- Stock Staff
 - Update the warehouse stock IN and OUT
 - Perform stock opname weekly.
- Head of Driver
 - Take the payment agreement, delivery memo and invoice from store.
 - Provide the effective routes to ship the product.
 - Manage the driver that will distribute the product
- Carrier
 - Accept the out form
 - Take the product that will be shipped to the available place before the product shipped.
- Checker
 - Identify and ensure all products IN and OUT from warehouse in match with the document.
- Driver
 - Shipped the product to customer

In the finance department there are several staff that are responsible for each function. The staff are the one who responsible for accounts such as cash out, cash in, account receivable, account receivable, purchasing, stock and invoice, and tax. In the credit sales transaction, the staff that are directly related to the sales transaction are cash in staff, account receivable staff and stock and invoice staff. The job descriptions of each staff are:

- Cash in staff
 - Manage all of the company cash which comes from banks, leasing company and other parties.
- Cash out staff
 - Manage all of the payment of company operational and non operational activity.
- Account Receivable staff
 - Collect the account receivable from the leasing company.
- Purchasing staff
 - Maintain the company's purchase for the product/inventory.
- Stock and invoice Staff
 - Match the invoice with the stock (product)
- Tax Staff
 - Responsible for the company's tax.

III.2.4. Company's SWOT

The company has a SWOT (Strength, Weakness, Opportunity, Threat). The following is the explanation regarding to the company's SWOT assembled by the management.

Strength	Weaknesses
<ul style="list-style-type: none"> - Showroom is larger and more convenience - Cheapest price with highest quality of product - Service is friendly and satisfactory - Free delivery cost - Cash and credit payment system 	<ul style="list-style-type: none"> - Operational cost is higher - Need many number of employees - Warehouse and freight cost is quite high - Unqualified human resource - System is still being improved and developed
Opportunity	Threat
Buyers can choose various brands of electronic goods in one location and confirmed with the cheapest price, so they do not need to go to another place	The employee has limited knowledge about the product. This gives an unsatisfactory answer when there is question about the products.

Table 3.2: Company's SWOT

III.3.Sales Procedure in PT Candi Jitu Indonesia

As stated above, the sales process of PT Candi Jitu Indonesia done by several functions. The discussion of the sales procedure will be explained systematically in two sub points according to the process taken place; store and warehouse.

III.3.1.Sales Procedure in Store

The sales procedures of PT Candi Jitu Indonesia's store are as follows:

1. The sales procedure begins when the SPM or Sales Promotion Man from each vendors of electronic brands which available in PT Candi Jitu Indonesia received order from customer. In this stage, customer expresses the product, brand, and price they wanted. SPM explains the specification and offer the best deal with customer.
2. In credit sales, then, after customer deal to purchase the electronic product with the corresponding specification and price, SPM then directs the customer to select the desired credit system. SPM lets the customer choose the leasing company available in store to fulfill the credit application. Before that, SPM makes a memo that defines the customer order to the leasing company.
3. At the stage of credit application with the leasing company, the customer is served by the leasing company's representative who available at PT Candi Jitu Indonesia. The leasing staff then conducts

several procedures of the credit submission called “Application” phase. The credit application is sent to the head quarter of leasing office to be authorized and approved. Next, a team from the leasing company will conduct a survey to qualify credit application that has been determined. The survey stage takes up to 2-3 days. If the submission of credit application has been approved and authorized, the lease staff sends a payment agreement addressed to PT Candi Jitu Indonesia on behalf of the credit applicant through facsimile or carrier. At this point, cashier accepts the payment agreement from leasing company. Furthermore, the leasing staff who available at store informs the customer by phone that the credit application has been approved and confirmed the payment and delivery system.

4. After the credit application is approved, customer then pays the installment and administrative cost to the cashier. If the payment terms have been fulfilled, the cashier will authorize the sales invoice made by SPM for further processing. Cashier then sign the invoice and input the transaction into the computer system.
5. The next process is the distribution process of products to customer. Customer may choose whether the product will be taken home by the customer or using delivery service from the company. If customer desires to take the product by himself, he can take home the product after the payment process completed. Before the product is out from the

store, the checker gives a sign and stamp in the sales invoice which indicates that the product is allowed to be out from the store. If the customer desires to use the delivery service from the company, after the payment is completed, cashier delegates their responsibility to the delivery function. The delivery function then informs warehouse to prepare the related product. The delivery function then prepares the SJK (Surat Jalan Keluar), delivery memo and the sales invoice to be sent to the warehouse. At this point also, the delivery function confirms the destination where the product will be shipped. The delivery function authorizes the sales invoice while the process done. The product sold in PT Candi Jitu Indonesia is delivered minimum a day after the customer's purchase.

III.3.2. Warehouse Department

In the sales procedure of the company, warehouse plays a quite significant role to the sales activity. As state before, all of the shipment processes are done by warehouse. There are three main activities in warehouse such as accepting the product received, maintain the product out or shipping process and stock opname. In this discussion, the warehouse's activity which is closely related to the sales procedure is shipping activity. Because of that, researcher only elaborates about the shipping procedure. The delivery procedures of PT Candi Jitu Indonesia's warehouse are as follows:

1. Every afternoon, about 4-5 p.m., one of the warehouse staff takes the sales invoice with the delivery memo from the store.
2. While the warehouse staff takes the sales invoice, the delivery department on the store will make SJK or Surat Jalan Keluar for each product that will be shipped and available at the main warehouse then send it through Accurate (Accounting software) to the SJK staff in the warehouse. Once the SJK received, the SJK staff then input all the information from the SJK as the warehouse's archive.
3. SJK staff then prepares an "Out" form as the list for the warehouse staff to take the product from the warehouse.
4. After receive the "Out" form, the staff will immediately check the availability of the stock and prepare the product that will be shipped to the front side of warehouse.
5. Warehouse and store has different work hour. Warehouse open from 8 a.m. to 5 p.m., however the store open from 10 a.m. to 9 p.m. This discrepancy affects the sales transaction which occurs from 5 p.m. to 9 p.m. The shipment process of the product is a day after the purchase, means that the transaction which occurs from 5 p.m. to 9 p.m. still not prepared by warehouse but should also be delivered in the next morning. To accommodate this problem, the warehouse staff will update the transaction and prepare the product in the morning before the shipment starts.

6. In the shipment day, the product is arranged and carried into the available cars and trucks. Before that, the checker will re-examine the correspondence between the physical goods and the information in the documents. If there are products which available in the store and needed to be delivered, the driver should pick those product up first before ship the products to customer. After all delivery requirements are met and the products are packed, the products are distributed to each customer according to each routes.
7. In the delivery process, the driver is equipped with the sales invoice and delivery memo. Once the product is received by the customer, the customer should sign the invoice and delivery memo which indicated that the product has been received by the customer.

III.3.3.Finance Department

The following are the procedure done by the finance department from the invoice acceptance until the report.

1. Cashier submits the white sales invoice and payment agreement to the stock and invoice staff. The stock and invoice staff then matches the information from the sales invoice to the information inputted by cashier in the computer. The white sales invoice is copied then the original submitted to the account receivable staff.

2. Account receivable staff checks the white sales invoice to the computer about the receivable amount and terms from each leasing company (the terms for each leasing company to pay its payable is one week).
3. Account receivable staff records and summarizes the receivable from each sales invoice and then submits the sales invoice to the leasing company.
4. Account receivable staff coordinates with the cash in staff to check whether the receivable has been transferred from the leasing company by e-banking.
5. If after the given terms the leasing companies have not pay their payable, the account receivable staff contact the leasing company then commanding for collection.
6. After the payment received, AR staff informs the cash in staff to update the system.

III.4. Documents and Records

There are several documents provided by PT Candi Jitu Indonesia in the sales procedure, as follows:

1. Sales Invoice

Sales invoice is a form used when the sales transaction occur. The sales invoice consist information of the customer purchase such as; the

date, customer name, customer address and customer phone number; types of payment (General customer FIF Spektra, Kredit Plus); product quantity, product name, price and total price; delivery type (the customer bring the product by himself or use the delivery service by PT Candi Jitu Indonesia); the authorization (sign and stamp) from several departments.

The sales invoice is made in four colors or in three copies. The colors are white, pink, yellow and green. Each color has its own function. The copy of sales invoice is given to some parties such as; white for leasing company, pink for customer, yellow for delivery function or checker, green for cashier.

2. Payment agreement

Payment agreement is an agreement made by the leasing company as the evidence that the credit submission done by the customer has been confirmed and agreed. The payment agreement is called as purchase order or PO by PT Candi Jitu Indonesia staff. In credit sales, the payment agreement functions as the primary document for cashier to authorize the sales invoice. The payment agreement is authorized by the leasing company. Then the leasing company sends or faxes the document to PT Candi Jitu Indonesia. The payment agreement consists of information such as; credit applicant name, address and phone

number; down payment amount; rate per month; installment payment amount and administrative cost; credit term; the product information.

3. Delivery Memo

Delivery memo contains information about the delivery of the product purchased by customer who needs to be shipped, whether to the customer's address or the specified receiver's address. Delivery memo is made to facilitate the delivery department in reaching the location. This document is copied into three colors; white, red and yellow. The white one is given to the delivery function, red is given to driver (warehouse) and yellow is kept as the store archive. This delivery memo contains information such as; sales invoice and SJK code/number; name, address, and phone number of the receiver; delivery time preferable (morning, noon, evening); specified legacy to enter the location; location type (apartment, housing); delivery fee; installation (if needed); location map.

4. SJK (Surat Jalan Keluar)

Surat Jalan Keluar is a document as the basic for warehouse to prepare the product. The SJK is prepared by store delivery function and send it to the SJK staff at the warehouse. After that the SJK staff prints the SJK to be authorized by the head of warehouse. The SJK contains the information such as; date and number of SJK; customer name; product

code, product name and product quantity; information about the payment and delivery date.

5. Out Form

Our form is a memo prepared by the SJK staff for the purpose of taking and preparing the goods to be delivered. Out form will be given to the carrier. The form consists of information about the list of product name and the quantity per customer that should be prepared to be shipped.

III.5.Sales Procedure Flowchart

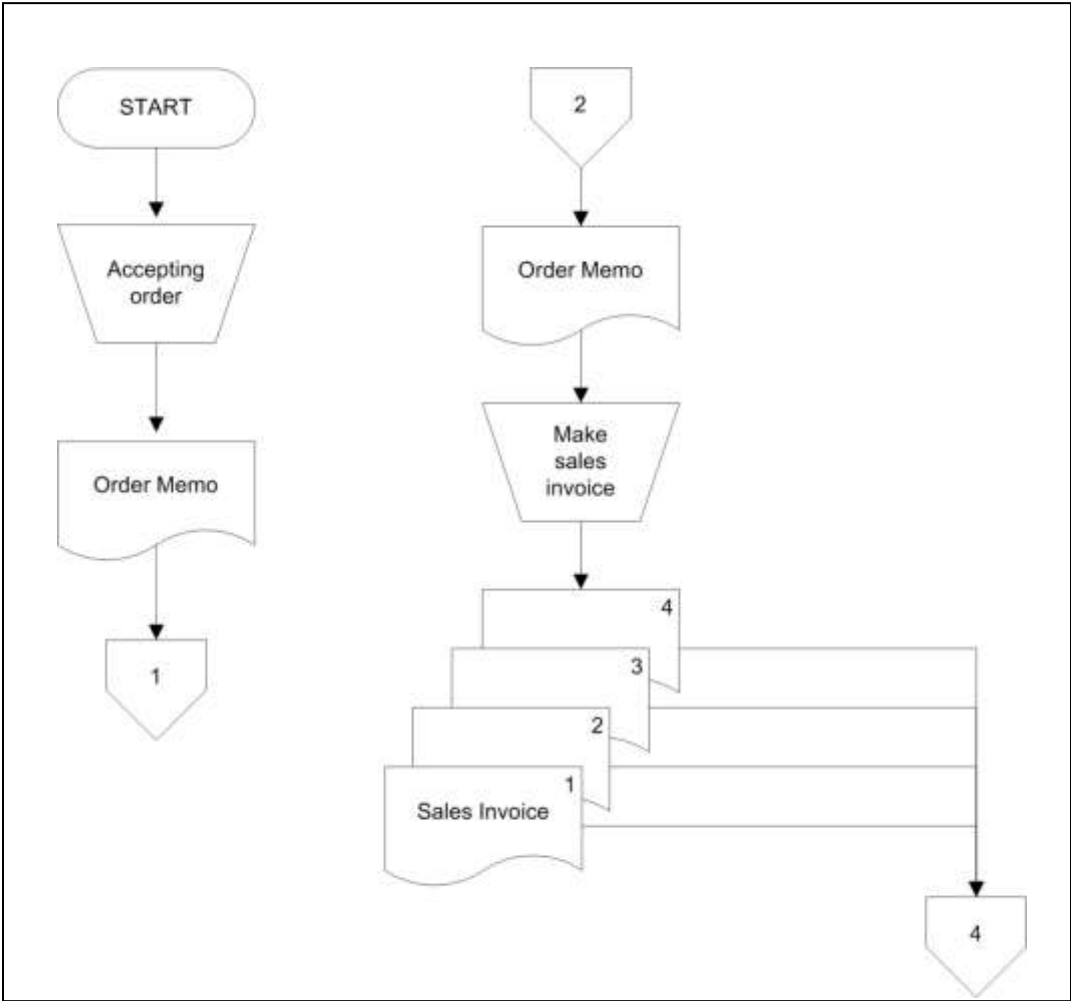


Figure 3.3: Sales Department Flowchart

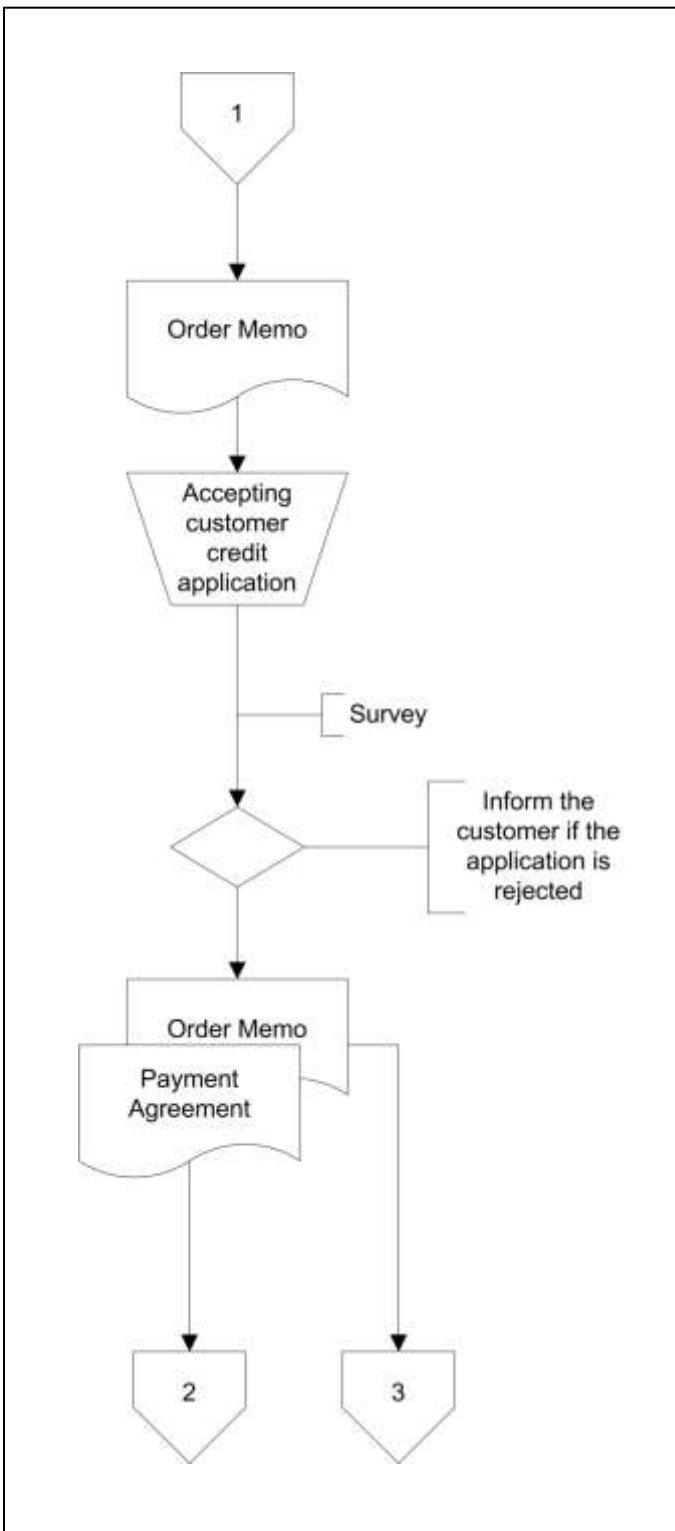


Figure 3.4: Leasing Company Flowchart

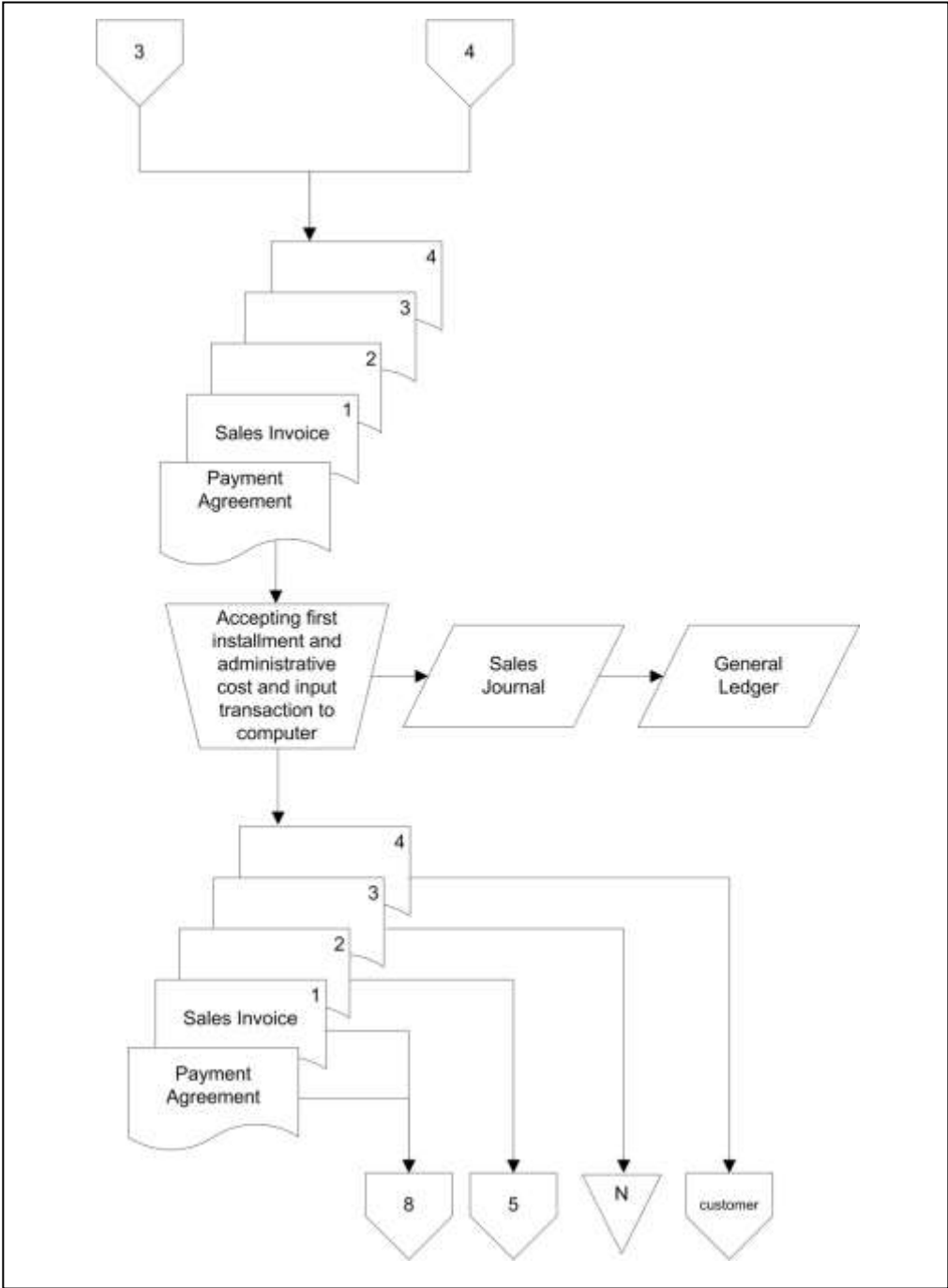


Figure 3.5: Cashier Flowchart

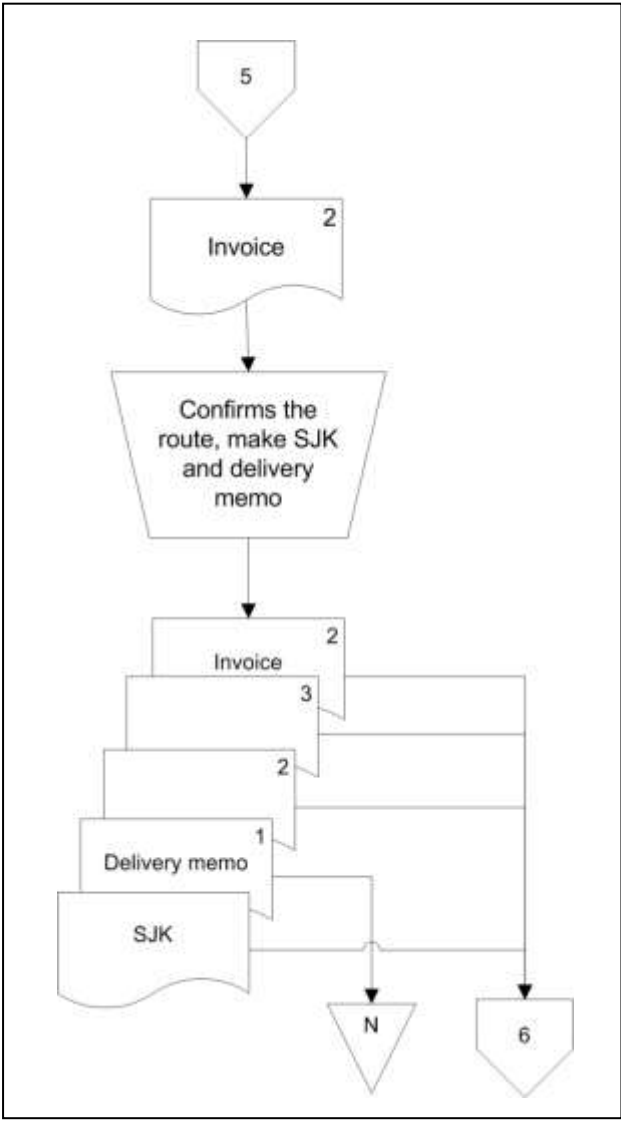


Figure 3.6: Delivery Staff Flowchart

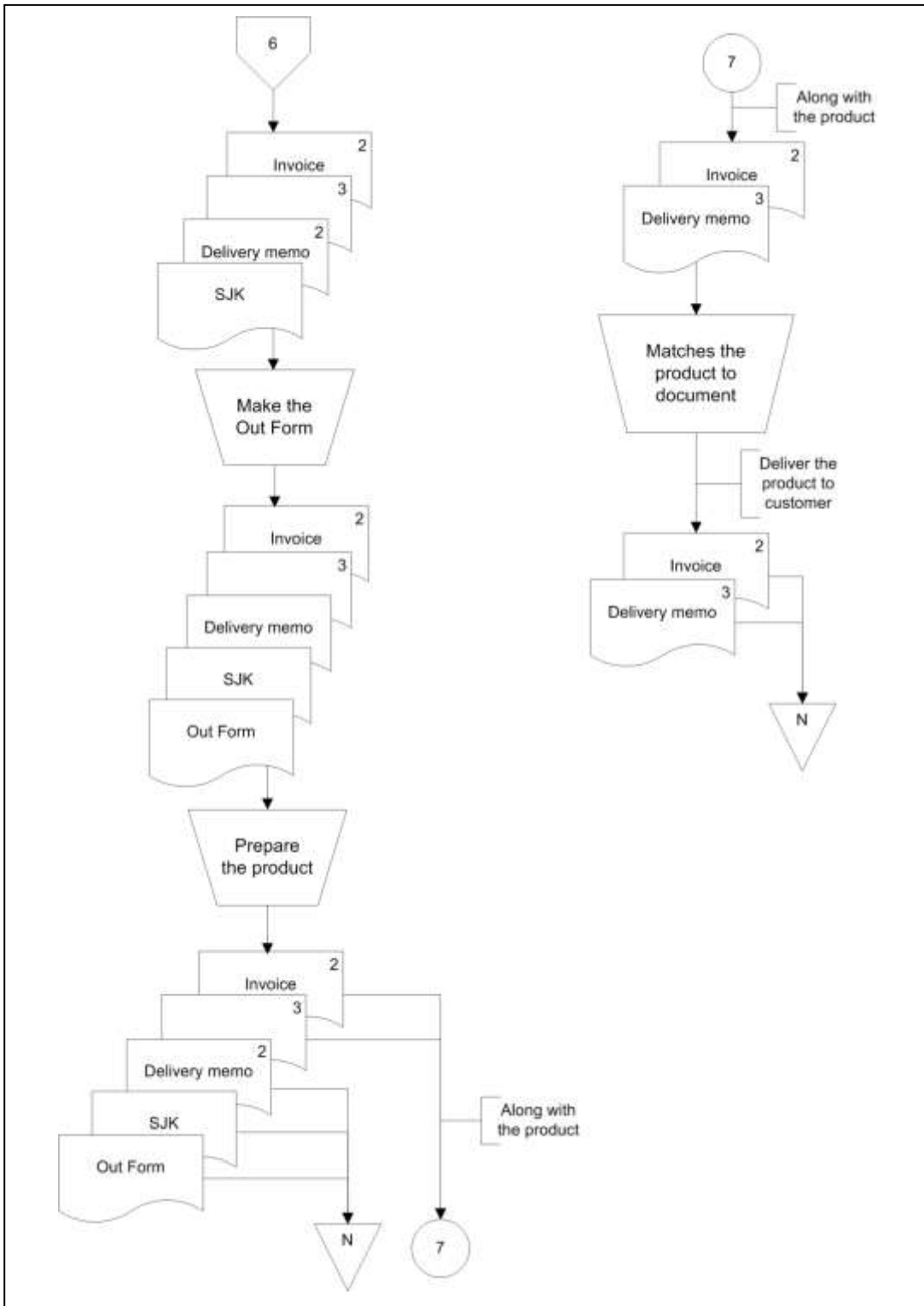


Figure 3.7: Warehouse Flowchart

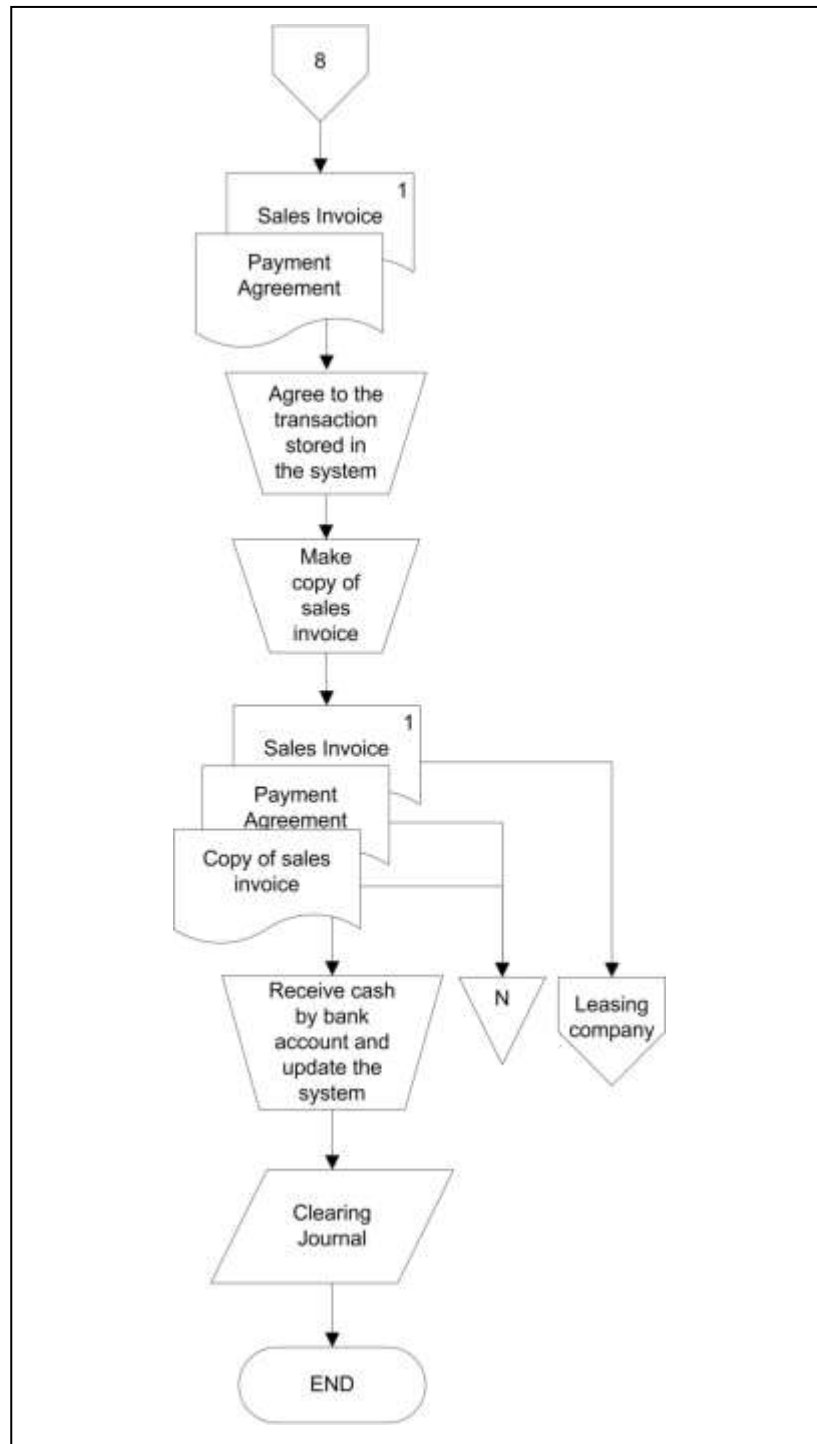


Figure 3.8: Finance Department Flowchart

CHAPTER IV

EVALUATION OF INTERNAL CONTROL OVER SALES PROCEDURE AT PT CANDI JITU INDONESIA

This chapter explains the evaluation of internal control over sales procedure in PT Candi Jitu Indonesia. In order to maintain the credit sales in PT Candi Jitu Indonesia, the procedure should be well implemented by establishing an effective internal control system. The purposes of the internal control done by PT Candi Jitu Indonesia are to maintain and secure the assets owned by the company to prevent from theft and misuse, create efficiency and effectiveness in the company's activities and minimize the risk of fraud done by the key personnel. The discussion ahead will focus on the strength and weakness of the internal control implementation according to the elements of COSO's control environment and control activity.

IV.1. Strengths

1) The CEO has demonstrated high integrity and ethical value

The CEO of PT Candi Jitu Indonesia has demonstrated high integrity and ethical values to the staff. The integrity and ethical values that are applied to the staff is conducted by the CEO verbally. Integrity and ethical value are important to reduce the possibility of the staff doing

dishonest, illegal, or unethical acts. CEO is applying integrity by providing a high awareness to the staff for example by involving the staff in the process of discussion for the determination of the sales strategy. CEO is always giving spirit verbally to the staff, especially to the staff who have low performances.

To build a work culture that is good for the company, the CEO has made a handbook for the staff so that they perform the work with high ethical values. In that guideline book, the staff are encouraged to always learn with the time and ready for a better change. Staff are also required to dare to try new things with the creative youth spirit and become a person who has high morale to achieve the target. In a problem solving procedure, the staff are encouraged to solve the problem in the most effective and efficient manner; and also create open, honest, and communicative work environment.

2) *Company performs clear and strict authorization process*

The company has performed an adequate authorization system. Authorization system has been done by the adequate official. The credit department; the leasing company is the one who has the authority to approve the credit application. The sales department, SPM, is the one who prepares the sales invoice and authorized it. The next sign is given by cashier, delivery staff, checker and warehouse staff. The authorization

system also allows each transaction and activities are transparent. This is proved by the strict provision of sign and stamp on each department to authorize documents such as sales invoices, delivery memo and SJK. Each staff that sign the sales invoice, SJK and delivery memo also put their name there. It is very useful to keep track of a mistake made by the staff so that it can immediately be solved. In the process of data input to the computer, the system allows the user to write their name who input the data. Because of that the authorization process becomes clear and controlled. Furthermore, in the delivery process, the customer must sign the yellow invoice and delivery memo as proof that the products have been received and in accordance with the one they purchased. By analyzing the above authorization cycle, researcher catches that the company has performed an adequate authorization system to implement an effective internal control.

3) *The sales invoice is designed for multiple uses.*

The sales invoice is primarily used as the proof of the sales transaction. Besides, the sales invoice is also used for another department as the basis for the operation. For example, the shipping department received the yellow copy of sales invoice as a basis document to deliver the products. The sales invoice is also used by the warehouse department in releasing the products from the warehouse. In the sales invoice, stated

the product name and quantity, warehouse staff uses the information to prepare the product that will be shipped. The company has show an efficient internal control since this multiple use document is aimed to minimize the different forms.

4) *The Company keeps the products in proper warehouse and conduct stock opname periodically*

The products in PT Candi Jitu Indonesia are stored in an appropriate central warehouse. This central warehouse function is as the central storage and distribution of products. The items stored at the central warehouse such as refrigerators, LCD, TV 29 ", washing machines and other large products. The relatively small size products are stored in the warehouse contained in the outlets. The process of arranging the products are based on the brand on each product which most often out from the warehouse or fast moving. The most fast moving product's brand is located at the nearest to the warehouse's main doors. This system is aimed to minimize the movement of personnel in locating and taking goods. The arrangement is done according to the type of products. For example, washing machines arranged along with washing machine, refrigerator adjacent to the refrigerator and so forth. In structuring electronic products, the products are encouraged to be not stacked above to minimize the damage. In the delivery process, the products have been well arranged to

minimize the risk of cracked and falling down from the car. In the delivery process, the company has to have the appropriate transport to deliver various types of goods by looking at the size, height and vulnerability of goods. The processes are already equipped with such a safety rope and fabric cover.

To ensure the quality and availability of goods contained in the warehouse, the company has a policy to conduct the inventory taking. In this stock taking, other than to know the quantity of products available, it can also indicate the products which packaging is damaged due to water or animals. The stock take is done once a week, the management may consider whether the product is fast-moving or slow-moving. However, fast moving products do not always have such movement; the company needs to do a rearrangement for the products.

5) *Limited access for several computer user*

In accessing the computer, company has set that only several computer key users which can access the whole computer program, especially the accounting software. Those users are the CEO, manager, several finance staff. The key users have their own password to enter the computer. They can access the whole computer program in all accounting cycle. For example, the manager may log in the computer to access the daily report sales. The other computer users such as cashier; is limited

only to enter the sales transaction. Cashier's area is only entering the sales invoice and input the sales transaction in the accounting software. This access limitation to the computer secures the company from such data manipulation done by the staff.

IV.2. Weaknesses

Besides the strengths control that the company has, there are also weaknesses in internal control which affect the company's operation, as follows:

1) Company does not have written organizational structure and job description

According to the interview and observation, researcher found that the Company does not have written organizational structure which describes the authority, responsibility and line of reporting clearly. Management only verbally inform about the level of the position, duties and authority of each employee. Since there is no organizational structure, the Company also does not have written job description which identifies the job specification, list of task and responsibility of position, and to whom the position reports.

The organizational structure is needed by the company. Organizational structure defines how authority and responsibility is delegated. The structure becomes the framework in which an entity's activities for achieving entity-wide objectives are planned, executed, controlled, and reviewed. The job description is important to stretch the staff experience, grow their skills, and develop their ability to contribute within their organization.

The top management states that the Company does not need the organizational structure and job description yet. The relatively small sized of company is becoming the reasons for the management to not creating organizational structure. They assume that the staff have been understood clearly about their task and responsibility.

Since there is no written organization structure and job description which communicated to the whole staff, the staff does not have clear understanding of their responsibility. Several staff does not know the type and level of position of the management. The staff work on the basis of a verbal command by the top management. Moreover, there are overlapping responsibility and unclear task reporting by the staff. It also affects the aspects of separation of duties that should be implemented by the company.

The Company needs to establish a suitable organizational structure and well structured job description for each position. The Company can

establish a divisional organization structure which focuses on the result. The division managers are responsible for what happens to their products. Organizational structure separates the duties and responsibilities clearly. The organizational structure and job description must be written and communicated to all of the Company's staff. With the clear job description, staff will work effectively and efficiently according to the job description since the list of task and responsibility is written and clear. By creating a well structured organizational structure and job description, the Company can delegate and monitor the performance of the staff properly.

2) *There is no independent accounting records bookkeeper*

During the observation, researcher found that the custody of assets functions is not separated from the accounting function. The cashier as the recipient of the first installment and administrative cost from the customer can record those transaction to the system. Once the customer purchases the product, cashier will enter the transaction to the system and the sales journal is automatically posted. The finance staff who responsible as the cash receipt function can maintain the record keeping also. After the AR staff informing that the receivable has been collected, finance staff who responsible for the "Cash In" will check the balance of the cash by e-banking. Once the finance staff confirming that the cash has been

collected, that staff will update the system and automatically doing clearing for the account receivable.

Cashier main duty is to receive the cash from the customer. The finance function main duties are to focus on seeking funding, managing the fund, and allocate the fund for company's operational activity. The function which deals with the company operational activity and as the custody of assets should not perform data entry. All record keeping procedure should be performed by the accounting department.

Not segregating the custody of assets with the bookkeeping function is chosen by the company because it assumes that the record keeping function is not necessary to establish because the company has the computerized system for recording and financial reporting processes. The computerized system has been able to replace the work of accounting staff to run the accounting cycle. The use of computerized accounting systems also facilitate the process of recording the transaction since the company has a high amount of transactions compared with the recording process manually.

Not segregating the custody of assets with the bookkeeping function of the company has open big possibility for the personnel to do activity which detrimental to the company. The staff could pocket the cash received and adjust the customer's account by failing to record a sale or by recording a fictitious credit to the account. The personnel also might

change the customer's account to improve its reported financial performance. Since finance department is the one who handle the money and also doing record keeping procedure, this department has possibility to conduct fraud by embezzling company's money and manipulating financial statements. Moreover, the computerized system to record the sales transaction and provide the financial statement does not controlled by the record keeping function. If once the system provides such unreliable data because of the wrong journalizing for several accounts, the presentation of the financial statement becomes unreliable too.

By analyzing the finding above, company must give more concern to the record keeping procedure. In order to prevent the company from the risk yang affect by the merging of those functions, it is better for the Company to segregate those functions. Company needs to establish a new system to record and control all transactions occur in the company operation and assigns a professional staff to be the bookkeeper. With the segregation of both functions, the risk of theft and embezzlement of the company money is reduced. The record keeping procedure also can create a reliable and relevant financial statement for the Company.

3) *The system cannot prevent cashier to do wrongly input the sales transaction*

Cashier, as the staff who inputs the sales transaction to the computer is frequently make mistakes in data input process. The mistake in inputting the product code is the most frequent mistake done by cashier. As a result, the cashier must create a new sales invoice and re-input data to the computer. This case might be crucial since the product code is used in another operation by another department such as delivery department and warehouse. The delivery staff uses the information to as the basis to create the Surat Jalan Keluar of SJK which is used by the warehouse to prepare the product. This case also affects the customer satisfaction about the company service if the customer receive different product.

Since the Company is retail, the use of computerized system is fully needed. The computerized system used by the company should facilitate the record process of all transactions. The user of the computerized system must at least the staff who has experienced to use that system. The user of the system must deeply understand about the manual of the program. If there are several cases which make the system do not run as usual, the user must understand how to recover it.

Based on the inquiry to the Company, the system does not allow replacing the finished data inputted. If cashier enters the transaction and finalizes it by clicking 'Paid', the information cannot be modified again. It

is important to control the risk of manipulation to the inputted data. Therefore, if there is any wrong data which has been inputted to the system, cashier cannot modify the transaction. The Company also states that the cashier has a long work hour, from 10 a.m. to 9 p.m. This condition may result to exhaustion and disturb the focus of the cashier to enter the transaction to the system. The above reasons are often make cashier wrongly input the sales transaction.

The wrongly input data done by the cashier affects several departments and processes which related to the sales. In the distributing process, the delivery and warehouse staff relates to the information in the sales invoice to prepare the product and deliver it. The delivery and warehouse function might prepare and ship wrong product to customer. Therefore, if there is a wrong input data to the system, cashier should replace the sales invoice to maintain the prenumbered which makes it not efficient in maintain the adequacy of documents. Cashier also should report to the finance department about the case. If once the supervision is weak and the wrong product is shipped to the customer, it can disturb the customer's trust to the Company.

For this case, researcher provides several recommendations that might be applied by Company as a future improvement. The Company should prepare an effective induction program to train the new employee especially for the cashier. Cashier must be deeply understood about the

consequences of doing a wrong input in the computer. If once the wrong input is happened again, company should still maintain the blank canceled sales invoice as an archive to keep the order of the prenumbered invoice. Company also should consider the work hour of cashier by reducing the work hour or creating a shifting system. This is important to maintain the focus of cashier to input the transaction. Company may also start to use barcode system to facilitate the sales transaction. The product will be labeled with barcode which consist of information such as the product name, code and price. Once the transaction occurs, the scanner read the barcode then the information related to the product is inputted automatically to the computer. However, the implementation of the barcode system should be concerned by the management since the Accurate program may not compatible to use barcode scanner. Management must consider either adjusting the Accurate or replacing to the new program to implement the barcode system. If the program should be replaced, management should maintain the migration of the data. Therefore, well constructed internal check of the system will prevent the fault from human error. This system provide several benefits such as accelerate the data input process, the data inputted is more accurate, reduce the cost since the risk of error data recording also reduce, and improve the management performance.

4) *The Company does not properly maintain and keep the documents*

The sales invoice, purchase orders, SJK and delivery memo are the sales documents which becomes the physical evidence of the sale transaction on PT Candi Jitu Indonesia. In the sales transaction, the document is authorized by several departments such as cashiers, delivery staff, and checkers. The documents are then forwarded to the finance staff as documents collector. Those documents are stored as archives and evidence of the sale transaction. The documents are bundled per day in accordance to the number and then put in the paper box.

Documents related to the operations must be stored properly to maintain the adequate internal control of physical documents. If the documents are not adequate protected, it can be stolen, broken or lost. The documents which in a paper based must be securely kept in a proper place. The place should be able to protect documents from temperature, weather and animals. The place should also be resistant to fire and water so that in case of a flood or fire, the document will remain protected. The place must also ensure security so that only specific person who can access the document. In storage, documents which have the serial number can be stored according to the code printed on the document and the Company can put codes in that storage in order to facilitate the search when needed.

Based on the researcher's interviews to finance staff, sales document such as sales invoices, SJK, purchase order, and delivery

memos are stored in paper box because the company has not found deficiencies that may interfere to the document storage process. Although the staff sometimes feels difficulty to look for the document, it is still always be overcome. Until now, the sales document is still considered safe from the weather, animals, temperature, fire and water, so that the Company has not decided to store the document properly.

The storage of the documents as mentioned above has poor control. Sales invoice stored in a paper box makes it susceptible to damage caused by weather, climate and animals. The possibility of the destruction of documents in the event of a disaster such as a fire or flood is also increasing. The sales invoice is not stored properly also gives its own difficulties for the company. The difficulty can be seen when the document is required for the checking and matching process. The document is difficult and takes time to be found. The damage of the important documents may interfere with the Company's operations and it can be impossible to reconstructs.

With the weakness that researcher found while doing observation at PT Candi Jitu Indonesia, the researcher wants to give several recommendation related to the physical control of the documents. Company needs to apply filing cabinet system with sufficient quality to keep these documents. The document is laid out in accordance with the order of printed serial number per day. Company can provide separate

columns on the filing cabinet so that it can be easily to be checked and matched when needed. The cabinet also should be resistant to disturbances such as temperature, weather and animals. In addition, the cabinet also should be resistant to fire and water. Company also must ensure the security of the cabinet and limiting the user who can access the filing cabinet.

CHAPTER V

CONCLUSION AND RECOMMENDATION

V.1. Conclusion

V.1.1 Strengths

1. The CEO has demonstrated high integrity and ethical value

The CEO of PT Candi Jitu Indonesia has demonstrated high integrity and ethical values. It is important to reduce the possibility of the staff in doing dishonest, illegal, or unethical acts.

2. Company performs clear and strict authorization process

The sales document such as sales invoice, delivery memo and SJK are authorized by the adequate staff by putting name and sign in those document so that it is easy to be tracked if once mistakes occurred.

3. The sales invoice is designed for multiple uses

The sales invoice is created in four different forms for different departments. The multiple use of the invoice minimizes the use of different forms.

4. The Company keeps the products in proper warehouse and conduct stock taking periodically

The Company provides an adequate warehouse to store the products. Company also conducts stock taking weekly to ensure the quality and availability of the product.

5. Limited access for several computer user

In accessing the computer, only several key users can access the whole computer. This access limitation to the computer secures the Company from such data manipulation done by the staff.

V.1.2 Weaknesses

1. Company does not have written organizational structure and job description

The Company does not have written organizational structure which describes the authority, responsibility and line of reporting clearly. Company also does not have written job description which identifies the list of task and responsibility of position, to whom the position reports, and job specification. As a result, staff does not have clear understanding of their responsibility which ruins the work performance.

2. There is no independent accounting records bookkeeper

The cashier as the recipient of the first installment and administrative cost from the customer can record the sales transaction to the system. The finance staff who responsible as the cash receipt function can maintain the record keeping for clearing purposes. The Company has open big possibility for the personnel to do activity which detrimental to the company such as pocketing the company money, adjusting the customer's account, and improving the financial performance.

3. The system cannot prevent cashier to do wrongly input the sales transaction

Cashier often make mistakes when inputting the data to the computer such as mistake in input the name and code of the product. The delivery and warehouse staff might prepare and deliver different product with the customer's purchased. It can lead to customer dissatisfaction about the Company.

4. The Company does not properly maintain and keep the documents

The documents such as Sales Invoice, SJK and Delivery Memo are stored in paper box. The documents which stored in a paper box make it susceptible to damage caused by weather, climate and animals and increase the possibility of the destruction caused by disaster such as fire or flood.

V.2. Recommendation

1. The Company needs to establish a suitable organizational structure and well structured job description for each position. The divisional model of organization structure can be applied by the Company. Organizational structure separates the duties and responsibilities clearly. With the clear job description, staff will work effectively and efficiently according to the job description since the list of task and responsibility is written.
2. It is better for the Company to segregate the record keeping function with cashier and finance staff then assigns a professional staff to be the bookkeeper. With the segregation of both functions, the risk of theft and embezzlement of the company money is reduced and reliable financial statement is guaranteed.
3. To reduce the wrong input data to the system, the Company must establish effective induction training to the cashier. Cashier should be well understood about the system. Company also should consider the work hour of cashier by reducing the work hour or creating a shifting system. An effective work hour increases the focus of the cashier in inputting the sales transactions. Company may starts to implement a barcode system to increase the accuracy of data inputted and to facilitate the sales transaction.

4. The Company should improve the physical control of the document by applying a filing cabinet system to the documents. The cabinet should be resistant to disturbances such as temperature, weather and animals. It should be anti fire and flood too.

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APPENDIX A

Interview (A.I – A.IV)

A.I Interview with Head of Human Resources Manager

A.II Interview with Store Manager

A.III Interview with Head of Warehouse

A.IV Interview with Finance staff

A.I. Interview to Human Resource Department, Mr. Ade Kurniawan as HRD Manager, October 29, 2014.

1. First of all, can you tell me about what is PT Candi Jitu Indonesia? Its profile and history.

PT Candi Jitu Indonesia is a retail company which sells electronic devices and home appliances. The company is established by Mr. Ardian Ayat Santiko in July 18, 2011. In 2012, JITU Group which owned by Mr. Jimmy Soegiarto joined with the company then established PT Candi Jitu Indonesia as a limited company. The purpose of the company is to become the biggest retail electronics company in Surakarta and around.

2. What are the main activities undertaken by the company?

The main activity of this company is to sell the electronics devices and home appliances with the best quality and cheapest price.

3. What is the department or function that forms PT. Candi Jitu Indonesia? (eg sales department, accounting department, parts delivery, CEO, HR, etc.)

There are several departments; sales department, floor, warehouse, finance and HR. In store, there are store manager, SPM or sales promotion man, cashier, delivery staff, customer care staff, customer service staff, and checker. Whereas in warehouse there are several staffs such as head of warehouse, admin warehouse and driver. For the finance division, there are several staffs which deal with company financing such as expenditure and revenues. There are also new division called human resource and general affair division.

4. How about the accounting division?

The finance division is also work as the accounting division.

5. What is the number of workers employed by the company?
We have about 70 employees.
6. Is there any of organizational structure for the company? Can I see it?
We still do not have organizational structure, we still working on it.
7. Is there any of written Standard Operational Procedure and job description?
Can I see it?
Yes we have SOP. But it is not written. Sure you can have it but I have to prepare it first. I'll send you email. We do not have written job description.
8. Is there any of written code of ethics? How the CEO practice the code of ethic in this company?
There is no written code of ethic but there is written work culture. Our CEO has high concern and care to his employee. CEO always encourages employees and teaches the employee to be able to perform better. If the CEO makes a mistake, he also did not hesitate to apologize.
9. Is there any of training and learning given to the employees before they start to work?
Yes there is training for them for about three months, in three months we are still tolerating their mistakes.
10. Is there any of job rotation?
We have not performed job rotation so far.
11. Is there any of commissaries and audit committee?
We have board commissaries but we have no audit committee.

12. Is there any of authority delegation from the top management to their subordinates?

The delegation scales is made by each of departments. Those departments will arrange the delegation of authority of their staff. There is no written policy of authority delegation.

13. Are there sanctions provided if the employee was found guilty?

Yes there are sanctions for those who found guilty. There are several stages of the sanction. Such as warnings, reprimanded and given SP.

14. How is the strategy for the company to protect its assets?

To protect our product, we have a proper warehouse to keep that product. In the store, we also set CCTV camera in several locations.

15. How is the process of employee recruitment in this company?

We will open a job vacancy for several positions we need. We require the candidate to send their CV to us. We then select the CV and call them to have interview.

16. How is the process of evaluating employee work performance?

For staffing levels we provide a performance appraisal once a month, but in each three months we have value them.

A.II Interview to Sales Department, Mr. Fuad as Store Manager, October 29, 2014.

1. So far, how is the sales activity in this company in your opinion?

In my opinion, the sales activity has so far so good. We have get customer's interest especially in Surakarta and around this city to purchase the electronic devices and home appliances.

2. What products are sold by this company?

Well, we sell a lot of electronic devices and home appliances such as television, AC, refrigerator, kitchen set, watching machine and et cetera. The products come from several brands such as Sharp, Polytron, Samsung, and others.

3. How is the sales system in this company?

The system can be cash and credit. In credit we use leasing company to provide the credit system to the customer.

4. Why the Company using the third parties (leasing company) to provide its credit system?

Our concern to use leasing company to support the credit sales is because we want to simplify the credit sales process by using leasing company instead of establishing an internal department from our company. We have a lot of transaction for both cash and credit, the cash transaction is very high. We also expect that the receivable is always collected according to the period. Besides, we also want to adjust the nowadays trend, people now often uses leasing company to support their credit system.

5. How is the process of credit sales with leasing company?

The sales transaction is started when the SPM received the order from customer. The SPM then coordinate with the leasing company. Leasing company will process the credit application by the customer. Leasing company is a multi finance company which provides a credit system to our customer. After two or three days, the leasing company will send a payment agreement as the purchase order to us. The customer then is informed to pay for the first installment and administrative cost to the cashier.

6. Does the company provide delivery service to ship the product?

Yes we give a free shipment for the customer who wants the product to be delivered by us.

7. In every sales transaction, does the Company maintain the authorization process?

Of course, in the sales invoice and purchase order, is provided with a space to be signed by the staff who is related to the process.

8. Does the staff who handle payment is different with sales staff?

Yes. The payment of the customer's purchase is the responsibility of cashier and finance. The SPM is the one who accept order from customer.

9. What documents needed to accommodate the sales transaction?

Sales invoice is a document which function is as the proof of the transaction.. There is also purchase order, delivery memo and et cetera.

10. Is there any performance review for the sales activity?

Every morning we have a morning briefing before the store is opened. So does after the store is closed, we have review for today performance.

**A.III Interview to Warehouse Department, Mr. Agus as Head of Warehouse,
October 30, 2014.**

1. What is the main function of the warehouse?

The main function of warehouse is to keep the inventory or product also to prepare the product to be delivered. We are also responsible to ship the product to the customer.

2. What are the responsibilities of warehouse staff?

There are several staffs in the warehouse. Here I am as the head of warehouse. There are several admin staff, supervisor and driver. All the staff is responsible to manage the product in and out, prepare to be shipped and ship the product every day. There is also a weekly stock opname to count the inventory.

3. How is the flow of the delivery?

The product is delivered normally a day after the customer's purchase. Each day, our staff received the list of product that need to be delivered along with the sales invoice and delivery memo. One of our staff called SJK staff will receive SJK or Surat Jalan Keluar to release the product from warehouse. After we receive the document, we then prepare the product in the front side of the warehouse. In the next morning, we will update the products which are needed to be shipped, because the work hour of store is longer than warehouse so that the transaction in the evening has not prepared yet. Next, checker will match the product with the document then driver will distribute the product to customer.

4. Does warehouse provides other document to support the sales activity?

The other document maybe is the out form. It is a form which function is to list the all product that should be prepared by the carrier.

5. Is there any periodic evaluation of the warehouse activity?

We conduct stock opname every week. Every evening, we do a briefing to report and evaluate today's activity. I push the staff to do all the activities done by warehouse according to the data such as sales invoice, SJK and delivery memo. If the documents are not complete, we will not deliver the product.

6. Is there any specific policy in keeping the product in the warehouse?

For electronic devices and home appliances such as refrigerator, washing machine, television and et cetera, actually we do not have any specific policy because usually each product brands have had its own policy to protect the product. In general, we do not stack the product to the top. We also maintain the warehouse is free from water and fire.

A.IV Interview to Finance Department, Mrs. Yuli as Finance staff, November 3, 2014.

1. What is the responsibility of finance department?

The responsibility of the finance division is to manage the company financial matters.

2. In detail, what activities does the finance department do when there is sale transaction?

When there is sales transaction, cashier will input the data into the system. At that time, we oversee whether cashier has inputted the data properly. The data inputted is automatically become journal in the system. Every morning, one of the finance staff receives the total invoice from cashier. That staff will match the data in the sales invoice with the system. If there is receivable from customer or leasing company, that staff will forward the invoice to AR staff. The AR staff will coordinate with the cash in staff who handle all the cash comes from other parties. In credit sales, the AR staff will receive the receivable in a week.

3. How is the division of duties in the financial department?

In finance department there are several staffs which account for items such as; cash in, cash out, account receivable, stock and invoice, and tax.

4. How is the accounting cycle from the beginning until the reporting process?

The accounting cycle is all done by the system. We are using Accurate software. So from journalizing until reporting, we do it by system.

5. What documents needed by the finance department to make financial reports?

The documents we need are sales invoice and purchase order.

6. Does the finance department prepare the financial statement periodically?

We report the financial report weekly. The content is about the total profit we have for a week.

7. How is the process of AR collection?


As stated above, the AR staff coordinates with the cash in staff. After one week from the transaction. Leasing company will pay their payable to PT Candi Jitu Indonesia. The AR staff will confirm to the cash in staff, ensuring the payment has been received.

APPENDIX B

Documents (B.I – B.VII)

- B.I Sales Invoice**
- B.II Payment Agreement**
- B.III Delivery Memo**
- B.IV SJK (*Surat Jalan Keluar*)**
- B.V Out Form**
- B.VI Company's SWOT**
- B.VII Company's Culture**

B.I Sales Invoice



Candi
ELEKTRONIK

Jl. Slamet Riyadi No. 153 Surakarta
Telp. (0271) 656500
Fax. (0271) 633021

No Nota : S **00611**

Tanggal : _____
 Nama : _____
 Alamat : _____
 Phone : _____

Pelanggan Umum Adira Quantum FIF Spektra Kredit Plus

No	Jumlah	Nama Barang	Harga	Jumlah
1				
2				
3				
4				
5				

Total
DP
Pelunasan

KEKURANGAN : _____

Bag Pengiriman DIKIRIM _____
 BAWA SENDIRI _____
 PENDING _____

()

Pembuat Nota Kasir Pembawa Barang Penerima Barang

() () () ()

NB : _____

STEMPEL
(UTM BARANG KELUAR MARGAS)

B.II Payment Agreement

UNDAH
PERSETUJUAN PEMBAYARAN
 27-10-2014
 No. Aplikasi: 102700019
 Date: 27 2014 00:00:00
 Page 1 of 1

PERSETUJUAN PEMBAYARAN

Kepada Yth:
 PT CANDE JTI INDONESIA SR

No. Aplikasi: 102700019
 Tanggal Pengiriman/Pembayaran: 27/10/14

Nama Pemohon: HERU HANDONO
 Apabila pengisian tidak sesuai ditandatangani sesuai dengan
 pernyataan, maka harus diberitahukan kepada bank secara resmi
 sesuai Perundang-Perundangan lainnya.

DP (Net): Rp 0,00
 DP (Gross): Rp 445.000,00
 Bunga per Bulan: 1,00 %
 Angsuran: Rp 295.000,00
 Masa Kredit: 12 bulan
 Nomor Telepon: 08130700019 / 08127807710

Diketahui/terima:
 HERU HANDONO
 JALAN RT 003/011
 JALAN JIPREK
 BOLD 57124

No.	Jenis Barang	Merk Barang	Type Barang	Numor Seri	Total Harga
1	MOBIL APPLANCE	SHARP	AIR CONDITIONER	401-401-5-1024	3.025.000,00

Sisa Administrasi: Rp 144.000,00 * belum termasuk biaya notaris Rp 8.000,00 (8 x 1000)
 Nilai Pembayaran (Invoice): Rp 3.576.000,00

Kami menyetujui Persetujuan Pembayaran ini.

Saya telah memstikan bahwa debitur adalah benar dan barang telah diterima oleh debitur.

Saya telah menyetujui segala ketentuan yang tercantum pada Persetujuan Pembayaran ini sesuai dengan perjanjian kredit yang saya ajukan.

4034CJ01 PT CANDE JTI INDONESIA SR

HERU HANDONO

Masa berlaku surat Persetujuan Pembayaran ini adalah 30 hari kalender, terhitung sejak tanggal diterbitkannya surat ini. Secara otomatis surat ini tidak berlaku lagi dan sekaligus berfungsi sebagai bukti konfirmasi pembatalan pembayaran kepada pihak toko dan/atau konsumen pada hari ke-31 dan seterusnya.

<http://bs4casaps2pdf.danamon.co.id:4444/ADIRA/CAMReportAL.los?activity=BDE&c...> 27/10/2014

B.III Delivery Memo

 **Jl. Slamet Riyadi No. 153 Surakarta**
Telp. (0271) 658 500 / Fax. (0271) 633 021

MEMO PENGIRIMAN
No. Nota: _____
No. S.J. _____

Telah Terima Dari _____
No. Telepon _____
Berupa _____

Untuk Dikirim Ke _____
Contact Person _____
Alamat _____
No. Telepon _____

Hari/ Tgl _____
Preferensi: Pagi () Siang ()
Waktu Pengiriman: Sore () Malam ()
Kondisi Rumah: Kosong Selalu Ada Orang

Izin Khusus Memasuki _____
Perumahan/ Apartmen: Ya Tidak
Jika Apartmen: No. Tower _____ No. Loading Dock _____
Perlu Konfirmasi Ulang: Ya Tidak
(Sebelum Pengiriman)

Biaya kirim: Rp. _____ Tidak
Instalasi: Ya Tidak
Hari/Tgl/Jam _____
Biaya Instalasi: Rp. _____

Tanggal: _____
Yang Menyampaikan: _____ Mengetahui: _____ Pengirim: _____ Penerima: _____

Daerah Lokasi Pengiriman: _____

Putih : Pengiriman Merah : Driver Kuning : Ansa

B.IV SJK (Surat Jalan Keluar)

P.T. CANDI JITU INDONESIA
 J. Yos Sudarso No. 350 Solo
 Phone : 0271 858 400
 Fax : 0271 838 955

Surat Jalan Keluar

Tanggal 29 Okt 2014
 No. SJK K30002

Dari: GUDANG
 GUNTUR

Ke: OKWONO
 BMT SURYA MANDIRI
 SURABAYA
 3018791001

Konsumen/Penerima

Tgl

Kode Barang	Nama Barang	Qty
KAMP SF 0002	STAND FAN NIKO KRSF 151/L	2
TVNOK TV 21 0003	TV NIKO FLAT 21 INCH	1
TVTOL LED 17 0001	TV TOL LED 17029B/PB	1
Total Jumlah Eng		4

Keterangan: Rp 8705/ KURANGAN 2.013.000/ KRM TOL 29 10 14

Dikirim: _____
 Diterima oleh: _____
 Ditransfer oleh: _____
 Diterima oleh: _____

Tgl _____
 Tgl _____
 Tgl _____
 Tgl _____

B.VI. Company's SWOT

JITU
group

DATA CLIENT

A. PROFIL PERUSAHAAN	
Nama Perusahaan	CANDI ELEKTRONIK
Alamat Perusahaan	Jl. Slamet Riyadi 153 Solo
Phone: (0271) 656 500	E-mail: dawung.candielektronik@gmail.com
Motto/slogan/tagline	Termurah Terpercaya!!
Bidang/orientasi	Penjualan alat-alat elektronik
Sejarah berdirinya perusahaan: Nama CANDI berasal dari Bapak Martono, pemilik Candi Aluminium. Alasan dipilih nama candi karena mudah diingat oleh masyarakat secara luas.	
	Filosofi nama dan logo: Logo berbentuk stupa candi menyesuaikan nama perusahaan. Bentuk stupa candi yang mengerucut ke atas, menggambarkan bahwa Candi Elektronik ingin terus berkembang dan bawah menuju kesempurnaan di titik teratas stupa tersebut. Warna merah yang pada umumnya bermakna berani, menggambarkan bahwa Candi Elektronik juga berani untuk berbeda dengan pesaingnya dengan harga termurah namun juga terpercaya. Selain itu, warna merah juga melambangkan keberuntungan.
STRENGTH Show room lebih besar dan nyaman, harga paling murah dengan kualitas terbaik, pelayanan lebih ramah dan memuaskan, gratis biaya pengiriman, cash/kredit lebih ringan.	WEAKNESS Operational cost besar dengan karyawan yang banyak pula, biaya gudang dan barang berhenti tinggi. SDM belum berkualitas, masih dalam pengembangan dan perbaikan sistem.
OPPORTUNITY Masyarakat dapat memilih aneka merek di satu lokasi dan dipastikan dengan harga paling murah, sehingga mereka tidak perlu ke tempat lain jika hendak membeli alat elektronik.	THREAT Pengetahuan SDM terhadap produk yang dijual masih kurang sehingga kurang memuaskan saat memberikan jawaban atas pertanyaan pengunjung terhadap produk tersebut.
SISTER COMPANY Candi Resto	PRESTASI YANG PERNAH DIRAJH Best Brand 2014 kategori Toko Elektronik (survey Solopos)
B. PRODUK PERUSAHAAN	
<u>Kelebihan dan Keistimewaan</u> Harga paling murah dengan kualitas terpercaya, fitur dan merek sangat lengkap sehingga customer memiliki banyak pilihan.	<u>Kelemahan Produk</u> -

Production | Jl. Dr. Rajiman 200, Solo 57131, Indonesia
Telp. (0271) 3020617
marketing@jitu.com

B.VII. Company's Culture

(JITU GROUP CULTURE)

- LEARNING ORGANISATION
- RESULT ORIENTED
- TRUSTWORTHY, HONESTY & FAIRNESS

LEARNING ORGANISATION

Mengejar pertumbuhan serta belajar terus menerus demi mengikuti perkembangan jaman.

Seluruh karyawan JITU GROUP DIHARUSKAN untuk tumbuh dan berkembang baik secara personal maupun profesional untuk dapat mengikuti perkembangan jaman. Sangatlah penting bagi para karyawan untuk secara terus menerus menantang dirinya sendiri untuk menjadi lebih baik. Ini berarti TIDAK ADA ZONA NYAMAN di dalam perusahaan ini.

Salah satu usaha management JITU GROUP untuk mendorong para karyawan belajar adalah melalui program membaca buku perpustakaan JITU GROUP (di luar jam kerja). Setelah diberi waktu untuk membaca selama 1 bulan, karyawan diminta untuk merangkum buku tersebut dalam 1000 kata tentang apa yang sudah dibaca dan bagaimana mengaplikasikannya untuk kemajuan perusahaan. Ringkasan ini nantinya akan digunakan sebagai kunci dalam pengambilan gaji.

Kami paham bahwa hal ini tidak mudah, dan seakan-akan menambah pekerjaan di luar kantor. Namun tanpa hal ini JITU GROUP tidak akan menjadi perusahaan yang hebat. Perusahaan yang hebat adalah perusahaan yang memiliki SDM berwawasan hebat pula.

Membuka hati, mendorong serta mendukung perubahan!

Bagi sebagian orang, perubahan yang terus menerus adalah sesuatu yang sulit diterima dan dijalankan. Namun jika Anda tidak siap untuk menghadapi perubahan yang cepat dan konstan, mungkin JITU GROUP-BUKAN PERUSAHAAN YANG COCOK bagi Anda.

Jl. Yos Sudarso No 350, Dawung, Surakarta

Telp. (0271) 655570 / 656400

Fax. (0271) 639355



COMPANY'S CONFIRMATION LETTER

Here with, I am :

Name : Ade Kurniawan
Function : HR&GA Manager
Company : PT Candi Jitu Indonesia
Address : Jl. Yos Sudarso no.350, Surakarta, Central Java

confirms that:

Name : Kinanthi Dea Prabawani
Student ID : 008201100085
Faculty/Major : Economics / Accountancy
Universitas : President University

has done her research in our company in order to write the skripsi, title :

EVALUATION OF INTERNAL CONTROL OVER SALES PROCEDURE AT PT
CANDI JITU INDONESIA

since October 28th, 2014 until November 4th, 2014, and has discussed with us the
content of her skripsi, including the findings and recommendations.

Surakarta, January 10th, 2015

PT Candi Jitu Indonesia

PT. CANDI JITU INDONESIA
Ade Kurniawan
HR&GA Manager