

Evaluation of the Implementation of Internal Control on Cash Sales at CV. Rudang Jaya

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ABSTRACT

This research aims to determine the description of the system in the company and evaluate whether the internal control structure for cash sales that has been implemented by the company is adequate and has been implemented effectively. Data collection techniques in this research were carried out using two techniques, namely library techniques obtained through books, previous research, papers, journals and articles. The second technique is a field technique obtained through interview, observation and documentation techniques. Data analysis was carried out by comparing the implementation of internal control over cash sales implemented by the company with existing theories. The results of the research and discussion show that the implementation of internal control over cash sales at CV. Rudang Jaya is good, visible from organizational elements, elements of authorization and recording procedures, as well as elements of healthy practices. Therefore, companies need to supervise the implementation of internal control over cash sales so that the company's existing system can continue to run smoothly..

INTRODUCTION

The development of the business world in the current era of globalization is increasingly rapid and tight in terms of business competition, so that companies are required to compete in order to seize and control market share by providing the best service to consumers. This is because consumers are increasingly critical of the quality of high quality goods/services at competitive prices. Therefore, companies must follow up with good company management so that they can remain competitive with competing companies.

In a trading company, sales can be divided into two types, namely credit sales and cash sales. Cash sales are where the buyer directly hands over an amount of cash which is recorded by the seller through the cash register. This time the author took cash sales in his writing, because it is directly related to cash. In this research, supervision is needed regarding cash sales. Cash sales are carried out by companies by requiring buyers to pay the product price first before the company hands over the product to the buyer. After the money is received by the company, the product is then handed over to the buyer and the cash sales transaction is then recorded by the government (Mulyadi, 2013: 445). The internal control system in cash sales is very important because management can monitor problems that can cause the company to experience losses.

CV. Rudang Jaya is a company selling laboratory equipment and materials for school practice. In its sales activities CV. Rudang Jaya has a main goal that is almost the same as other companies, namely getting the maximum profit possible. As a company operating in the sales sector, CV Rudang Jaya must have good internal control implementation to carry out its activities.

The system in CV. Rudang Jaya sells laboratory equipment and materials that are still used manually, namely using cubication so they are still not accurate and recording notes is still handwritten. Cash sales accounting system carried out by CV. Rudang Jaya has not been well coordinated in terms of the division of duties and authority of the marketing department and other departments. This is proven by the marketing department which is tasked with receiving orders from customers and making cash sales receipts, being able to receive money from buyers and at the same time preparing goods. On the other hand, the cashier can receive orders and make cash sales receipts when the person on duty is not there because, in this incident, the cashier forgot to report to the sales department what items had been sold as a result of the double duty carried out by the cashier.

Good internal control is needed so that these problems can be reduced and so that they do not happen again. The authorization system and recording procedures in the cash sales system are less strict. If it is not addressed immediately and is not re-evaluated, it will certainly open up opportunities for irregularities and result in suboptimal service to customers. Cash Sales Accounting System CV. Rudang Jaya needs to be evaluated because the internal control system at CV. Rudang Jaya has not been implemented effectively.

Based on the results of sales research that occurred at CV. Rudang Jaya, the author realized the importance of the effectiveness of internal control on sales so the author conducted research with the title: "Evaluation of the Implementation of Internal Control on Cash Sales at CV Rudang Jaya".

LITERATURE REVIEW

Researchers saw that there were recording errors made by responsible functions that occurred in the company. Employee errors in recording due to forgetfulness or fatigue (human error) cause incorrect writing of item names, item quantities, prices and calculations, making the resulting information inaccurate. When there are many customers, notes are not made, recording is only in the sales archive book. The unavailability of other documents to match sales transaction data means that management does not know the quantity of goods sold and the information is irrelevant because there is a difference between the amount of money and the amount of inventory and the records in the sales archive book. Of course, this will have an impact on the ineffectiveness of recording within the company.

METHODOLOGY

Research sites

The research carried out in this thesis took place at CV. Rudang Jaya which is located at Jl. Dr. Mansyur No.12, Merdeka, Kec. Medan Baru, Medan City, North Sumatra. This research was carried out in June 2023 until this research was completed.

Data Sources and Types

The source and type of data used in this research is primary data. Primary data is data that is directly obtained from a source and given to data collectors or researchers. Primary data can be in the form of the subject's opinion, results of observations of a behavior or event, and test results (Indriartono and Supomo, 2002: 146-147). Primary data in this research was obtained through interviews with personnel managers and marketing departments CV. Rudang Jaya.

Data Collection Technique

The data collection technique used in this research in order to fulfill the required data, the author used the following data collection technique:

1. **Library Techniques**

Literature study is a technique for collecting data and information through reading literature or written sources such as books, previous research, papers, journals, articles, reports and magazines related to research. In this research process, researchers collect various references by studying various sources such as books, journals and previous research.

2. Field Techniques

a) Interview technique

Interviews are a data collection technique that is carried out by directly asking relevant sources for the required information. Interview techniques are used to strengthen the results of documentation techniques, namely regarding the duties and responsibilities of each section, the function of the documents and records used as well as the procedures that form the Cash Sales System.

b) Observation

Observation is a data collection technique by conducting direct observations at the company. Observation techniques are used to strengthen the results of documentation techniques such as the Internal Control System in the company's Cash Sales System.

c) Documentation

Documentation is a technique for collecting documents that can be used as data to support research. Documents themselves are records of past events, which can be in the form of writing, drawings or other works.

Data Analysis Technique

The data obtained in this research is in the form of qualitative data, namely by collecting, analyzing and interpreting the data obtained, so that the problems faced in this research can be overcome with the data obtained because the data can provide a clear picture of the existing problems. . In analyzing the Implementation of Internal Control in Cash Sales, look at the related sections, Cash Sales procedures, documents and records used in Cash Sales.

RESEARCH RESULT

In the results of this research the author will explain the implementation of internal control over cash sales at CV. Rudang Jaya. The data presented is primary data by collecting data based on the results of interviews, observations and documentation. Implementation of internal control over cash sales at CV. Rudang Jaya is good, visible from organizational elements, elements of authorization and recording procedures, as well as elements of healthy practices. However, there is still a weakness in dividing tasks between the sales department and the cashier section because the cashier section can accept orders from buyers, which is the job of the sales department.

Functions Related to Cash Sales

Functions related to cash sales at CV. Rudang Jaya is as follows:

a. Sales Department Functions

- 1) Receive purchase orders (PO) made by prospective customers via telephone, email, WhatsApp chat, or by coming directly to the shop. After receiving an order from a customer who has agreed on what goods will be purchased, the sales department writes the goods order on a cash sales invoice containing the transaction date, type of goods purchased, quantity

of goods, and price of goods for the purpose of paying the price of goods to the cashier..

- 2) Create the necessary documents in the form of cash sales invoices, travel documents and receipts as proof of cash sales in 3 copies and distribute them:

Sheet 1 : handed over to the buyer for payment to the cashier.

Sheet 2 : submitted to the warehouse.

Sheet 3 : archived based on serial number.

b. Fungsi Bagian Kasir

- 1) Receive cash sales invoices, travel documents, and receipts from the sales order section
- 2) Receive an amount of money from the customer in the amount stated on the cash sales invoice or receipt which has been stamped with the company stamp.
- 3) Hand over the cash sales proceeds to the finance department, where the finance department will deposit them into the bank.

c. Warehouse Section Functions

- 1) Receive the cash sales invoice, waybill, and second sheet receipt and prepare the goods according to the quantity on the waybill.
- 2) Record the mutation of goods leaving the warehouse and handed over to the shipping department in the warehouse card.

d. Delivery Department Functions

- 1) Receive cash sales invoices, travel documents and receipts from the warehouse.
- 2) Send the goods to the buyer along with the necessary documents such as cash sales invoice, travel letter and receipt.
- 3) Check that the goods received are in accordance with the cash sales invoice, travel letter and receipt.
- 4) Request a signature from the buyer on the delivery note that the goods received are in accordance with the request.

e. Functions of the Finance Department

- 1) Receive the money from cash sales from the cashier, then the next day deposit it into the bank.
- 2) Make a cash receipts journal from cash payments and cash incoming deposits to the bank.
- 3) Check the money deposited to the bank with proof of bank deposit whether it matches the information on the amount of incoming cash deposited to the bank.
- 4) Archive proof of bank deposit according to the date.

Documents Used in Cash Sales

Documents used in cash sales on CV. Rudang Jaya namely:

- 1) **Cash Sales Invoice**

Cash sales invoices in companies come in formal printed form and are a blank sheet of paper filled in by the sales department function. This document is used to record cash sales transactions, knowing the buyer's name, buyer's address, transaction date, name of goods, quantity of goods, packaging, unit price and total price.

2) Proof of bank deposit

This document is created by the finance department as proof of cash deposits to the bank. Proof of this deposit is made in 3 sheets and submitted by the finance function to the bank, along with the cash deposit from the cash sales to the bank. Two copies are requested to be returned from the bank after being signed and stamped by the bank as proof of cash deposit to the bank. The proof of bank deposit is used by the finance department as a document for recording cash receipt transactions from cash sales

Notes Used in Cash Sales

Accounting records used by CV. Rudang Jaya on cash sales, namely:

1) Cash Receipts Journal

The cash receipts journal is created by the finance department to record cash receipts, namely based on proof of bank deposits

2) General Journal

A general journal is created by the finance department to record the cost of products sold.

3) Warehouse Card

Warehouse cards are made by the packaging department to record outgoing goods and inventory of goods stored in the warehouse.

Procedures Used in Cash Sales

Procedures that form cash sales at CV. Rudang Jaya namely:

1) Sales Order Procedure

The procedure for ordering sales of goods begins with sending a letter offering goods by the marketing department. After the customer decides what items to order, the customer will provide a PO (Purchase Order). Based on the PO, the stock and price will first be checked to see whether they are appropriate.

For customers who have not sent an offer of goods to the marketing department, the sales department will record directly what goods the customer wants and the price on a blank sheet of paper. Next, we will first check the stock and confirm again with the customer whether the goods match the price that has been filled in by the sales department. After the customer agrees, the sales department will fulfill the customer's request.

2) Cash Receipt Procedures

In this cash receipt procedure, the cashier receives payment of the price of goods from the buyer which is written on the cash sales invoice which has been stamped with the company stamp by the sales department which is used by the buyer to collect the goods.

3) Goods Delivery Procedure

In the goods delivery procedure, the warehouse prepares the goods to be sent according to the customer's PO. Before being sent, the goods are checked again to ensure they match the delivery note, cash sales invoice and receipt. After the goods are received by the customer, the customer will receive proof of a copy of the red waybill and the original white waybill which will then be signed by the customer as proof that the goods have been received as requested. The travel letter is brought back by the shipping department to be archived by the finance department.

4) Cash Sales Recording Procedures

This procedure is carried out by the finance department to record cash sales in the cash receipts journal.

5) Cash Deposit Procedures to the Bank

This procedure is carried out by the finance department to create proof of bank deposit which will be ratified by the bank after the finance department deposits all the money from the cash sales.

6) Cash Receipt Recording Procedures

This procedure is carried out by the finance department to record cash receipts in the cash receipts journal based on data obtained from the cashier department.

Elements of Internal Control in Cash Sales

a. Organization

CV Rudang Jaya's organizational structure has separated functional responsibilities. This is demonstrated by the separation of responsibilities between the relevant sections in the cash sales accounting system at CV. Rudang Jaya.

1) Fungsi bagian penjualan terpisah dari bagian kasir

The purpose of separating the sales function and the cashier function in the company is to make the company's operations easier. The separation between the sales department and the cashier department has indeed been separated, this separation has been carried out by providing different places and people to carry out their duties, the separation of duties is as follows:

- a. The sales function, receives orders from customers and then creates sales invoices. This sales function is under the marketing department.
- b. The cashier function is to receive price details from the sales invoice and then create proof of cash incoming. The cashier function is under the manager and finance department.

Based on the results of observations in the field, CV Rudang Jaya is less strict about separating the sales department from the finance department. When the sales department is not available, the cashier may accept orders from buyers while waiting for the sales department to prepare other buyers' goods.

2) The function of the cashier section is separate from the finance section.

The purpose of separating the cashier function and the financial function is to facilitate the running of company operations so that accounting data reliability can be achieved. The separation is carried out by:

- a. A separate place is provided between the cashier section and the finance section.
- b. Between these parts there is no element of family lineage or related relatives.
- c. The cashier section is the party who receives money from customers and the financial administration section is the party who makes journals and makes deposits to the bank.
- d. The cashier department is responsible to the finance department and the director, while the finance department is directly responsible to the director.
- e. Sales transactions are carried out by the sales function, cashier function, financial administration function, warehouse function and driver.

3) Cash sales transactions must be carried out by the sales function, cash function, delivery function and accounting function.

Cash sales transactions involve these four functions. By carrying out these various functions, there will be an internal check on the work of each function by the other functions

b. Authorization system and recording procedures

Authorization that occurs for every cash sales transaction at CV. Rudang Jaya namely:

- 1) Acceptance of orders from buyers is authorized by the sales function using a printed cash sales invoice form and a blank sheet of paper on which a list of goods orders is written by the sales department when the customer purchasing goods comes to the shop.
- 2) Cash receipts are authorized by the cashier function by affixing the company stamp to the cash sales invoice, travel letter and receipt written by the sales department.
- 3) Delivery of goods is authorized by the goods delivery function by writing on the delivery note "goods have been received" as proof that the goods have been received by the customer and payment for the goods has been made.

c. Healthy practices within the company

- 1) Cash sales invoices, travel documents and receipts used with serial numbers are made manually and are accounted for by the sales department.
- 2) The amount of cash received from cash sales is deposited in full to the bank.
- 3) Transactions carried out by CV. Rudang Jaya from start to finish is not carried out by just one section but there are certain sections which are given their respective duties and authorities, this is intended to minimize errors.

Cash Sales flowchart

This flow chart outlines the operation of the cash sales system at the CV Rudang Jaya Company which is carried out between the customer and the Company. Cash Sales flow chart on CV. Rudang Jaya is as follows:

1) Sales Department

- a) Receive orders from buyers
- b) Fill in 3 cash sales invoices and distribute them with details: sheet 1 is handed over to the cash department via the buyer to make payment for the goods, sheet 2 is handed over to the packaging department to prepare the goods ordered by the buyer and sheet 3 is temporarily archived based on the date
- c) Take FPT sheet 3 archives and then based on FPT sheet 3, this section makes 3 travel documents then the documents are handed over to the shipping section, then FPT sheet 3 is archived permanently based on number.

2) Cashier Department

- a) Receive cash sales invoice sheet 1 from the sales department.
- b) Receive money from buyers.
- c) Make 2 receipts with details: sheet 1 for the buyer as proof of payment, sheet 2 as a basis for making proof of deposit. Cash sales invoice sheet 1 is then submitted to the shipping department.
- d) Take sheet 2 receipts from the temporary archive, based on sheet 2 receipts, this section will be handed over to the finance department to deposit cash to the bank
- e) Archive sheet 2 receipts permanently by number.

3) Packaging Department

- a) Based on the cash sales invoice sheet 2 received from the marketing department, this section then prepares the goods to be sent to the buyer.
- b) Record warehouse cards based on cash sales invoice sheet 2.
- c) Submit sheet 2 of the cash sales invoice along with the goods to the shipping department.

4) Delivery Department

- a) Receive cash sales invoice sheet 1 from the cash department.
- b) Receive cash sales invoice sheet 2 from the packaging department.
- c) Receive a delivery note for 3 pieces from the sales department.
- d) Compare the cash sales invoice sheet 1 with sheet 2 for further investigation.
- e) Hand over the goods to the buyer together with sales invoice sheet 1, sales invoice sheet 2 is submitted to the finance department. Delivery note sheet 1 is handed over to the buyer, sheet 2 is affixed to the packaging, sheet 3 is filed by date

5) Finance Department

- a) Receive cash sales invoice sheet 2 from the shipping department.

- b) Receive proof of bank deposit sheet 2 from the cash department.
- c) Record in the cash receipt journal based on the cash sales invoice and proof of bank deposit.
- d) Archive proof of bank deposit sheet 2 according to date.
- e) Permanently archive cash sales invoice sheet 2 by number.
- f) Based on the recap of the cost of goods sold, then record it in the general journal.
- g) Recap of cost of goods sold is then archived permanently based on number.

DISCUSSION

Based on research results and research discussions on the implementation of internal control over cash sales at CV. Rudang Jaya can be concluded as follows:

1. CV. Rudang Jaya has involved responsible departments in their duties. These sections include the sales order section, cash section, packaging section, shipping, finance section.
2. Documents used in cash sales on CV. Rudang Jaya includes cash sales invoices, travel documents, receipts and proof of bank deposits.
3. Notes used in cash sales on CV. Rudang Jaya, namely cash receipts journal, general journal, warehouse card. The notes used are distributed according to the needs of each section so that each relevant section can view the notes according to their authority.
4. Cash sales procedures on CV. Rudang Jaya consists of sales order procedures, cash receipt procedures, goods delivery procedures, cash sales recording procedures, cash deposit procedures to the bank, cash receipt recording procedures, and cost of goods sold recording procedures.
5. The distribution of authority in granting authorization to the CV Rudang Jaya cash sales system has been regulated according to each function.
6. CV. Rudang Jaya has a cash sales system flow section that has been determined in accordance with the responsibilities and authority of each section.

CONCLUSIONS AND RECOMMENDATIONS

Based on research conducted by the author, the author tries to provide several suggestions that can be useful for improving the implementation of internal control over cash sales at CV Rudang Jaya, namely:

1. Cash Sales System in CV. Rudang Jaya is quite good and must be maintained by the company by supervising the implementation of internal control over cash sales so that the company's existing system can continue to run smoothly.
2. For the use of documents in the cash sales system, it is best to use printed serial numbers so that their use can be controlled.

3. CV. Rudang Jaya needs to carry out regular checks, this can be done by surprise checks on employees. These activities need to be carried out to minimize employee fraud.
4. To record cash receipts from cash sales, it is best to use computer assistance, so that the resulting data is more accurate and makes it easier for companies to store sales data.

ADVANCED RESEARCH

This research still has limitations so it is necessary to carry out advanced research related to the topic "Evaluation of the Implementation of Internal Control on Cash Sales at CV. Rudang Jaya" to perfect this research, as well as increase insight for readers.

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