

Internal Control System Analysis of Merchandise Inventory Process at PT. Midi Utama Indonesia Tbk Manado Branch

Raykes Hinrich Tuerah, Alpindos Toweula, Sintia N Korompis, Gloria Treisya Sahibondang

Politeknik Negeri Manado, Manado City, North Sulawesi Province, Indonesia^{1,2,3,4}

Email: raykes.tuerah@gmail.com¹

Abstract

Inventory is very important in supporting the operational activities of trading companies. Internal control aims to protect company assets that are vulnerable to damage, fraud and theft. This research was conducted at PT Midi Utama Indonesia Tbk Manado branch. The purpose of this study is to determine the application of internal control over merchandise inventory and whether the internal control over merchandise inventory has been running effectively and efficiently. The research method used in this research is descriptive qualitative which is described in the form of internal control system data in which there are types of inventory, purchasing procedures and merchandise expenditure. The results of the research show that internal control over merchandise inventory as a whole has been going well. This is indicated by the existence of an organizational structure that clearly separates the functions and responsibilities of inventory management, as well as a well-implemented authority system and procedure for recording inventory transactions. Recommendations for the organizational structure so that the company can maintain the separation of duties and responsibilities of each of its parts. And to prevent errors in recording goods, those in an oversight position must make notes to the personnel who will replace them, then conduct training and improve strict supervision and good control, so that employees can understand and apply what has become the provisions of the company.

Keywords: Internal Control, Inventory, Merchandise



This work is licensed under a [Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-nc-sa/4.0/).

INTRODUCTION

PT. Midi Utama Indonesia, Tbk is a company engaged in the retail sector which is currently one of the companies whose development is quite rapid. To help smooth the company's operations, inventory is needed with the flow that has been run by the company, where the DC (Distribution Center) section issues POs (Purchasing Orders) to suppliers then suppliers bring goods to DC according to the PO sent. After the goods enter DC, they are checked, then the goods will be entered into the warehouse and become the property of the company. After that the store will send a PO to the DC and the DC will send the goods to the store according to the PO that has been received. The supplies in this warehouse are in the form of food and medicinal drinks, they even sell skincare, cosmetics, household products, stationery, vehicle needs and so on, with thousands of units. Therefore, an internal control system is needed to prevent fraud.

This internal control system can be a suitable solution to prevent fraud by irresponsible parties. This cheating usually occurs because of a lack of oversight. Inventory can be highly vulnerable to theft, damage and record errors. For example damage due to being in the warehouse for too long, damage during delivery, order discrepancies and other possibilities that can occur or can cause inventory not to match what is in the warehouse. For this reason, a good internal control system is needed in order to minimize these unwanted events. Internal control over inventory at PT Midi Utama Indonesia Tbk still has a number of problems experienced by the company, such as the difference between the data reported and the actual physical amount. This happens because of the negligence of employees.

If this problem occurs continuously and the company does not carry out further handling, then the management of this inventory activity and the company's operations will not run effectively. For that internal control is needed in the company in increasing the effectiveness and efficiency to protect the company's inventory. How is the application of the internal control system to the process of merchandise inventory at PT. Midi Utama Indonesia, Tbk Manado Branch, is the internal control system for the process of merchandise inventory at PT. Midi Utama Indonesia, Tbk has been effective and efficient.

Research objectives to determine the application of internal control systems to the process of inventory of merchandise at PT. Midi Utama Indonesia, Tbk Manado Branch. To find out the internal control system for the process of merchandise inventory at PT. Midi Utama Indonesia, Tbk Manado Branch has been effective and efficient or not. In Pascal Selanno's research (2018) with the title Internal Control System Analysis of Toyota Car Spare Parts Inventory at PT Hasjrat Abadi, Manado's Tendean Branch, the results show that the internal control system for Toyota car spare parts inventory as a whole has been going well, where there is an organizational structure formed as a whole. functional, carrying out stock taking at the end of each month preparing clear procedures, complete transaction evidence that has been authorized by the authorities, adequate records and documents, monitoring by assessing and analyzing.

RESEARCH METHODS

The type of research used is qualitative research which is descriptive research. This study uses in-depth analysis at PT. Midi Utama Indonesia, Tbk Manado Branch where researchers conducted research by going directly to the field to conduct observations, interviews, and analyze the company's data.

RESEARCH RESULTS AND DISCUSSION

1. Organizational structure. Every company operation requires authorization from officials. The organizational structure of PT Midi Utama Indonesia Tbk, the DC (Distribution Center) section, especially for purchasing merchandise, has segregated tasks consisting of helper functions, picker functions, checker functions, officer functions, DC coordinator functions, and DC manager functions. Likewise, when dividing the task of issuing merchandise, there is a function of delivery and the store that receives the goods. Each function that has been separated has clear duties and responsibilities related to merchandise inventory. Therefore it is concluded that the company already has an element of internal control in the organizational structure and has been running well.
2. Authorization system and record-keeping procedures
 - a. Authority system. In this authority system, an organization regulates the authority of each level within its ranks. When making an agreement between MD and Supplier, use the work contract document signed by the MD Manager. Furthermore, when purchasing merchandise, the documents used are PO (Purchasing Order), Invoice from supplier, and LPB (Goods Receipt Report) then signed by the DC section and the supplier who delivered the goods. Furthermore, in the process of removing merchandise from the DC to the store using the Transfer Out Invoice document, which is signed by the DC admin and the head of the store if the goods have arrived at the store
 - b. Recording procedure. Good record-keeping procedures will result in accurate and reliable information about the wealth, debt, income and expenses of an organization.

PT Mdi Utama Indonesia Tbk carries out transactions in accordance with the existing procedures as follows:

1. The procedure for recording purchases from suppliers uses the Perpetual method with the following journal example:

Purchase of 10 Cards of Mie Sedap Goreng for	Rp. 1,125,000
Journal: Merchandise Inventory	Rp. 1,125,000
Input VAT	Rp. 112,500
Trade Payable	Rp. 1,237,500

2. The following is the recording of the release of goods from DC to the Store with the journal as follows:

An example of a case of releasing 15 Boxes of Pocari Sweat 500ml from DC to Shop for	Rp. 2,400,000
Journal: Shop Merchandise Inventory	Rp. 2,400,000
DC Merchandise Inventory	Rp. 2,400,000

The occurrence of the journal above is because the warehouse is the center of each store's inventory. Then the inventory that will be sent to the store is supplied from the warehouse of PT Midi Utama Indonesia Tbk. So there is a journal like the one above. Based on the explanation above, it can be concluded that the company already has an authority system and recording procedures that are running well.

3. Healthy practice. The documents used at PT Midi Utama Indonesia Tbk are documents with serial number to print. For users to be able to easily use the document to avoid errors in filling out, the document format is made simple and easy to understand. Sudden inspection (Surprised Audit). This unannounced check is carried out at PT Midi Utama Indonesia to assist employees in carrying out their duties so that it can be said that this unannounced check can encourage employees to continue working honestly under any circumstances to carry out their duties and responsibilities in accordance with the regulations set by the company. Every transaction that is carried out from start to finish cannot be carried out by only one person without interference from other departments. PT Midi Utama Indonesia Tbk has a group of people who are responsible for their work so that every procedure for purchasing and releasing goods is not only done by one person. We can observe the efforts of PT Midi Utama Indonesia Tbk in implementing healthy practices within the organization that the company is able to take responsibility for every employee who works at PT Midi Utama Indonesia Tbk. From the implementation of the healthy practices described above, it can be concluded that the company is able to carry out healthy practices and has been running well.
4. Quality of employees. The quality of employees is very important in the company, even though the four elements above have been carried out properly, but the quality elements of employees are not carried out properly, so the company is considered unable to implement the elements of control. From the observations made, there are still activities that the company has not been able to run properly. It was found that employees were inaccurate in inputting data into the system, causing problems for the company, namely the discrepancy between the data reported and the actual physical amount. In this case it can be concluded that the element of internal control over the inventory of merchandise within the company has not been fully running well.

CONCLUSION

Based on the results of the research and discussion on the analysis of the internal control system for the merchandise inventory process, the authors can conclude that: The organizational structure of PT Midi Utama Indonesia Tbk has carried out segregation of duties and parts that are clearly related to merchandise inventory, namely the DC (Distribution Center). MD (Marchendising), Supplier, Delivery, Administration and Stores that are already

running well. The authority system at PT Midi Utama Indonesia Tbk has exercised its respective authority. The MD and the supplier use the work contract documents for a mutual agreement and are signed by the MD manager. When purchasing goods from suppliers, the documents used are POs, invoices from suppliers, LPB and signed by the DC department and the supplier who delivered the goods. Then when there is a release of goods or supplies to the store, the document used is the Transfer Out Invoice and is signed by the DC admin and the Head of the Store. The recording procedures that have been carried out at PT Midi Utama Indonesia Tbk have also been carried out in accordance with the procedures. When a transaction occurs, a journal will be formed using the perpetual method.

In supporting healthy practices for carrying out duties and functions at PT Midi Utama Indonesia Tbk, the company has implemented the use of printed serial numbered documents to prevent fraud and abuse. The company also conducts a Surpeised Audit to encourage employees to work honestly and responsibly with their jobs. Every transaction that is made, the company also tries not to do the work itself but requires other employees in order to minimize the time available. Job rotation also rarely occurs, but when the employee who is responsible at the time is absent, the employee who is in place can temporarily replace the employee who is not present.

Elements of the employee quality internal control system are not well implemented. An activity was still found that had not been able to run properly, namely the inaccuracy of employees in inputting data in the system, causing problems for companies where there was a difference between the reported merchandise inventory data and the physical amount of real merchandise inventory in the warehouse or DC (Distribution Center). In this case, we all know that the element of internal control over the inventory of merchandise within the company, especially the element of Employee Quality, has not been fully running well.

BIBLIOGRAPHY

- Dindayani, N. (2020). Analisis Sistem Informasi Akuntansi Penjualan Tunai Dalam Menunjang Efektivitas Dan Efisiensi Sistem Pengendalian Intern Pada PT Optik Tunggal Sempurna Cabang Mall Ratu Indah. Skripsi. Economics Bosowa, 5(003), 172-185. Makassar.
- Karongkong, K. R., Ilat, V., & Tirayoh, V. Z. (2018). Penerapan Akuntansi Persediaan Barang Dagang Pada Ud. Muda-Mudi Tolitoli. *Going Concern: Jurnal Riset Akuntansi*, 13(02).
- Kolibu, C. J. (2017). Analisis Pengendalian Intern Atas Persediaan Food And Beverage Dan Operating Supplies Dalam Upaya Meningkatkan Efektivitas Dan Efisiensi Pada Hotel Gran Puri Manado. Skripsi. Politeknik Negeri Manado. Manado.
- Lathifah, N. 2021. Konsep Dan Praktik Sistem Pengendalian Intern. CV. Insan Cendekia Mandiri. Sumatra barat.
- Marlina, K., & Dewi, E. P. (2020). Analisis Pengendalian Intern Atas Persediaan Barang Dagang Pada Toko Bangunan Rajawali Steel. *Jurnal Buana Akuntansi*, 5(2), 13-25.
- Mulyadi. (2018). Sistem Akuntansi. Edisi 4. Selambe Empat. Jakarta.
- Nurdiansyah, M., & Retnani, E. D. (2018). Penerapan Audit Manajemen Untuk Meningkatkan Fungsi Pengendalian Persediaan. *Jurnal Ilmu dan Riset Akuntansi (JIRA)*, 7(9). Sekolah Tinggi Ilmu Ekonomi Indonesia. Surabaya.
- Rahayu, S.K, Suhati E. (2013). Auditing. Konsep Dasar Dan Pedoman Pemeriksaan Akuntansi Publik. Edisi Pertama. Graha Ilmu. Yogyakarta
- Salomonsz, A. J. C. (2020). Evaluasi Penerapan Program Aplikasi Sakti V9 Dalam Kegiatan Pencatatan Transaksi Dan Pelaporan Keuangan Pt. Samudera Puranabile Abadi. Skripsi. Politeknik Negeri Manado. Manado
- Sastroatmodjo, S., dan E. Purnairawan. (2021). Pengantar Akuntansi. CV. Media Sains

- Selanno, P. (2018). Analisis Sistem Pengendalian Intern Atas Persediaan sparepart Mobil Toyota pada PT Hasjrat Abadi Cabang Tendeand Manado. Skripsi. Politeknik Negeri Manado. Manado Sugiyono. (2017). Metode Penelitian Kuantitatif, Kualitatif dan R&D. Alfabeta. Bandung
- Tamodia, W. (2013). Evaluasi penerapan sistem pengendalian intern untuk persediaan barang dagangan pada PT. Laris Manis Utama Cabang Manado. Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi, 1(3). Universitas Sam Ratulangi Manado. Manado
- TMBooks. (2017). Sistem Informasi Akuntansi. Andi. Yogyakarta
- Umami, L. (2019). Analisis Laporan Realisasi Anggaran Untuk Menilai Efektivitas Dan Efisiensi Kinerja Keuangan Pada Rumah Sakit Umum Daerah Dr. Soedomo Trenggalek Ditinjau Dari Perspektif Islam. Skripsi. Institut Agama Islam Negeri Tulungagung. Tulungagung
- Vikaliana, R., Y. Sofian, N. Solihati, D. B. Adji, dan S.Suci. (2020). Manajemen Persediaan. CV. Media Sains Indonesia. Bandung