

Operational Audits on Goods Purchase and Payment of Debt

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Abstract: The purpose of this research is to assess the performance of PT Serpong Cipta Kreasi especially in the process of purchasing goods and paying debts, whether the process has been running effectively, efficiently, and economically. The method of data collection is done by means of interviews and questionnaires given to parties related to the process of purchasing goods and payment of debts. From this research it can be seen that the company still has some shortcomings in the activities of purchasing goods and debt payments such as, there are still advantages and disadvantages of stock of goods, goods received are not in accordance with the orders, fictitious suppliers, and delays in paying debts.

1 INTRODUCTION

In general, all companies, both small and large companies, are required to be able to compete in this fast-paced and modern era (Hall, 2011). Of course every company must be able to achieve its goals, the main goal of the company is to make a profit. There are several activities that can affect the company's profit, these activities are the purchase of goods and the payment of company debts (Agoes and Hoesada, 2012). In carrying out these activities, companies generally require substantial operating and investment funds (Agoes, 2012). Therefore, company management must be able to design a plan so that purchasing and paying debt activities can be carried out efficiently and effectively (Arens, 2015). Good company management can make the company make useful purchases, and be able to pay debts on time (Arens et al., 2011). Paying debts on time is very important because delays in paying debts can cause waste and create a bad image of the company. In order for the entire implementation to run effectively and efficiently, there are several efforts that company management can make, one of which is by conducting an Operational Audit (Arens, 2015). Operational Audit aims to assess whether the company's operational activities have been carried out effectively, efficiently and economically and provide

recommendations for improvement to management (Susanto, 2013). Identification of problems in this thesis are:

- Has the purchase and payment of debt at PT Serpong Cipta Kreasi run effectively, efficiently and economically?
- What weaknesses occur in the purchase and payment of debt activities?
- What steps are taken by PT Serpong Cipta Kreasi in dealing with problems that arise in the purchase and payment of debt? The objectives to be achieved in this research are:
 - To find out the process of purchasing and paying debts at PT Serpong Cipta Kreasi.
 - To find out whether the implementation of the Operational Audit in the activities of purchasing and paying debts at PT Serpong Cipta Kreasi has been running effectively and efficiently.
 - To provide suggestions and recommendations if there are weaknesses in the existing systems and procedures at PT Serpong Cipta Kreasi.
- For the Company. As an input that is used to improve the weaknesses that exist in purchasing and paying debt activities, so that the company can prevent these weaknesses in the future.
- For the author. By conducting this research, it is expected to increase the knowledge and insight

of the author and how to apply the theories that have been studied during lectures, regarding operational audits of the purchase and debt payment process.

- For Readers. The results of this study are expected to provide new information and knowledge about operational audits of debt purchases and payments.

2 RESEARCH METHODOLOGY

In preparing this thesis the writer uses qualitative methods. The ways in which the authors collect data and information are as follows:

- Library Research. In conducting this research the writer reads and studies books and other reference materials related to the research discussed in this thesis.
- Field Research. The author also conducts direct visits to the field to obtain information and data needed in this study. The following are some of the techniques used:
- Observation. The author directly observes the activities of purchasing and paying debt so that the author can understand well and obtain accurate information.
- Interview. The author conducts interviews with the parties concerned by having prepared the right questions in order to obtain information about the problem under study.
- Documentation. The author collects data in ways such as observing, studying, and investigating documents that are sources of information relating to purchases and debt payments.
- Questionnaire. The author makes a list of questions related to purchasing and paying debt activities and their controls which will be filled in by the parties concerned.

3 RESULT AND DISCUSSION

At this stage, the authors evaluate the company's internal control by providing a questionnaire filled in by the relevant department in order to better understand the data obtained. The questionnaire given relates to the purchase and payment of debt at PT Serpong Cipta Kreasi as well as objective questions that have short answers in the form of "Yes" and "No". The list of questions is as follows:

3.1 Accounts Payable Table

Based on the results of the questionnaire questions, we can conclude the overall internal control of PT Serpong Cipta Kreasi. PT Serpong Cipta Kreasi already has good internal control in purchasing and paying debt, this can be concluded from the results of the questionnaire answers. Although overall the company already has good internal controls, there are still advantages and disadvantages as follows:

- The company already has clear and written policies and procedures related to purchasing goods and paying debts.
- There is already a clear and equitable division of duties, so that no more one person does two jobs at once.
- There is prior authorization in order to reduce the occurrence of errors.
- There are completeness of each required document related to the purchase and payment of debt.
- The company has a procedure for selecting suppliers, so that purchases can run efficiently and effectively.
- The company will repay the debt that has been settled, thus avoiding double payments.
- The company evaluates every activity carried out to get improvements if there are errors.

Besides having these advantages, of course the company also has several weaknesses such as:

- The company carries out purchasing activities not in accordance with applicable procedures due to sudden or urgent purchases. This makes it ineffective and economical.
- There is still a piling up of excess inventory.
- There are no sanctions given if there is a delay in receiving the goods.
- There is no minimum stock implementation in purchasing activities.
- The company is still experiencing delays in paying debt due to the absence of an authorized official to carry out the authorization.

3.2 Audit Findings from the Results of Examination of Goods Purchasing Activities and Debt Payment

This stage is the final stage in conducting an operational audit. At this stage the author will evaluate and analyze the results of questionnaires, observations, and direct interviews that have been carried out in the process of operational purchases

and debt repayments made by PT Serpong Cipta Kreasi, and also to assess the results of the company's internal control whether it is running well. right. Judging from the results of the evaluation that has been done, the authors found that there are findings in the company's internal control. From these findings, it will be described in several audit findings consisting of company weaknesses that were found, the causes of these weaknesses, the impact arising from these weaknesses that are felt by the company and other interested parties, and provide recommendations in the form of suggestions or improvements. that can be done by the company to prevent and reduce existing weaknesses, so that they do not happen again in the future. Some of these findings are as follows:

3.2.1 There Is a Process of Purchasing Goods with a Direct Point System

The purchase process is carried out by direct appointment at a sudden situation. What is meant by direct appointment is, the company directly appoints one supplier without making comparisons with other suppliers. The purchasing process should have followed the existing rules, namely by comparing several suppliers first, and generally the ones chosen are those who are able to provide good prices and quality, this is done especially if you are going to make purchases in large quantities.

This direct pointing system occurs because the company does not have an adequate inventory estimate and does not have careful planning, so that when the inventory runs out, the company must make direct appointments so that the stock of goods in the company is fulfilled. By implementing this direct pointing system, the company actually suffers a loss because the price of the goods purchased is higher than the market price because the company does not have time to negotiate the price. In addition to prices that may be higher than the market, the quality of these goods is not necessarily what the company wants, this is all because the purchases are made in a hurry so there is no time to test the quality of the goods.

To prevent this from happening again, the party who will make the purchase should make estimates and careful planning before submitting a purchase request to the purchasing department. The competent authorities should also routinely check the items to be purchased whether the number of orders is in accordance with the needs.

3.2.2 The Existence of Excess and Lack of Inventory

There are items that have been ordered but have piled up in the warehouse and are unused, this is due to excess orders so that the goods are not used. But companies also often experience shortages of inventory.

The goods that have been ordered should not be piled up in the warehouse, or even become unused. Should all these items be used sufficiently then an estimate will be made of the number of items to be purchased to meet the needs of each part. The stock of goods in the warehouse cannot be empty either.

Cases such as shortages of goods occur because the company has not implemented a minimum stock system at the time of purchasing goods. When going to buy goods, only based on an estimate of how many items to buy, so there will be excess inventory.

The accumulation of goods can cause the company to suffer losses, because the goods that have been piled up can no longer be used. From this case, it can be concluded that the purchasing activity has not been running effectively and economically.

To prevent shortages of inventory, the company should apply a minimum stock. The department head who will ask for the purchase process should also do an evaluation so that the purchase is in accordance with the needs so that there is no excess purchase.

3.2.3 Found a Fictitious Supplier

There were findings that a purchase transaction was made with a fictitious supplier, when it was checked it turned out that the address or contact that could be contacted was incorrect. The impact is that the company becomes difficult to ask for information or when it requires maintenance of the items purchased.

Goods purchase transactions should be carried out with clear suppliers so that the quality of the goods is maintained and the company is easy when they want to carry out maintenance of the items purchased. The existence of this fictitious supplier is because the company only carries out supplier maintenance once a year, and the company does not check in more detail on supplier information when it is about to carry out the purchase process

The disadvantage for the company with this fictitious supplier is that the company may get a price that is higher than the market price and the quality of the goods is not suitable, if this happens then the company will return the goods and of course this will take a long time. So that the process of purchasing goods runs ineffectively.

PT Serpong Cipta Kreasi has to make changes in its supplier maintenance, which was originally only done once a year. Supplier maintenance should be carried out at least twice a year. That way the company can always be updated about the status of the supplier and the company's relationship with the supplier is getting better. Then when going into the buying process, the company should check the supplier starting from the appropriate address and contact number.

3.2.4 The Goods Received Are Different from the Goods Ordered

After placing an order for goods, sometimes the goods that arrive do not match what was ordered from the supplier. The goods that arrive should match what has been ordered, so that there will be no return of goods to the supplier.

The mismatch of goods that arrive occurs due to lack of checking when the goods arrive, when the goods arrive, they are only received by the warehouse department but not accompanied by the department who ordered the goods. The warehouse department cannot ensure that the goods arrived in accordance with the goods ordered.

Cases like this can affect the performance of a part of the company, especially the parts that really need the goods. If there is an error in receiving such goods, then the goods must be returned to the supplier, and it will take a long time for the appropriate goods to be sent back by the supplier. Of course this process is very ineffective and inefficient.

When the process of receiving the goods takes place, the warehouse department must be accompanied by the person who ordered the item, so that it can help check whether the item that arrived is in accordance with the order. If it turns out that the item that arrived is wrong, you can immediately return it to the supplier. It would be even better if when ordering goods the company confirms with the supplier.

3.2.5 Payment of Debts to Suppliers Is Late

Based on existing audit findings, it is known that the company was late in paying its debts. Based on the provisions, debt payments should be made before the due date. In the debt repayment process, the finance department cannot immediately make payment transactions, because the authorized official must first sign the current account that will be used.

But sometimes the authorities are not in the office or on duty outside the city. If this happens it will take longer because the finance department has to ask for

the signature of another competent authority whose position is higher.

Delays in paying debts can create a bad company image in the eyes of suppliers, so that suppliers are hesitant if they want to extend their cooperation with the company. To prevent delays in paying debts, the authorized official should check the due date then set a schedule for signatures on the current accounts to be paid.

4 CONCLUSION AND SUGGESTION

4.1 Conclusion

After conducting an operational audit of the activities of purchasing goods and paying debt at PT Serpong Cipta Kreasi, it can be concluded that the activities of purchasing goods and paying debt are sufficient, but there are still some weaknesses in the company. These weaknesses are:

- In purchasing activities, sometimes it is not in accordance with the applicable procedures. As with the direct point purchase method, this direct point method is carried out if it is an urgent or important condition. It should be in accordance with the applicable procedures, the purchasing department should make a comparison of several suppliers first, but this direct point method does not make a supplier comparison first and immediately appoints one supplier as a supplier.
- There are still shortages and excess inventory of goods. This is because the company does not apply the minimum stock method and does not make careful purchase plans. Of course, this weakness can hurt the company from an economic point of view.
- There is a fictitious supplier in the purchase of goods. This happens because of the lack of supplier maintenance carried out by the company and not doing a more detailed check on the supplier before making a transaction with that supplier.
- The goods that came do not match what was ordered. This can happen because when the goods are received, the warehouse department is often not accompanied by the part that ordered the goods, so the warehouse department cannot fully ensure that the goods that arrive are exactly what they ordered.

- There is a delay in payment of debt. The late payment of this debt is due to the absence of an authorized official to sign the current account used for debt repayment.

4.2 Suggestion

Based on these findings, the author will provide some suggestions to PT Serpong Cipta Kreasi, especially in the activities of purchasing goods and paying debt, this suggestion is an improvement for the future, so that it is expected to minimize the occurrence of errors in the future. The following suggestions are given:

- The company must use the minimum stock method, and the part that will make the purchase must estimate the goods to be purchased so that there is no accumulation of goods and shortages of stock. How to calculate the minimum stock can be by using the average with the lead time for the fulfillment of goods, for example, item A is used on average as many as 5 pcs or 5 pcs / day, and the lead time starts from purchase request to arriving at the warehouse on average. time of 10 days. Then the minimum stock = 5 pcs x 10 days = 50 pcs.
- The company should carry out supplier maintenance at least twice a year, so that the company will get the latest information from the supplier and the relationship with the supplier will be better. The company must also provide sanctions if an employee is involved in a fictitious supplier. If a purchase occurs outside the supplier list, verification and checking must be done first.
- The procedure related to the receipt of goods must be in accordance with the procedure, namely, when receiving goods, the warehouse department must be accompanied by the department who ordered the goods, in order to ensure that the goods arrived are as ordered.
- The authorized official in charge of signing the current accounts must have a schedule for signing the demand deposits so that the debt payment process can be carried out before the due date. The finance department must also make a schedule for requesting signatures, for example, at the beginning of each month, they ask the competent authority to sign the current account to be used.

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