



Analysis of Internal Control System of Cash Receipts and Expenditures of Muhammadiyah Development Islamic Vocational School Tana Toraja

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Abstract. This study aims to determine the suitability of internal control in the cash receipt and cash disbursement system of SMK Pesantren Pembangunan Muhammadiyah Tana Toraja with the components of internal control according to experts, one of which is according to Widjajanto, the components tested in this study are the organizational structure that clearly separates functional responsibilities, the authority system and recording procedures, healthy work practices, employees whose quality is in accordance with their responsibilities. The variables of this study are: the internal control system of cash receipts and disbursements as a single variable using qualitative methods. The population of this study is the internal control system of cash receipts and disbursements of SMK Pesantren Pembangunan Muhammadiyah Tana Toraja, while the sample is the internal control system of cash receipts and disbursements of SMK Pesantren Pembangunan Muhammadiyah Tana Toraja for the last year of the 2020 period which was taken using data collection and data analysis techniques. Data collection was carried out by interviews (using Internal Control Questionnaires), observation and documentation. Data analysis was carried out using qualitative descriptive (ICQ and flowchart). The results of this study indicate that the internal control system for cash receipts and disbursements at SMK Pesantren Pembangunan Muhammadiyah Tana Toraja is not fully in accordance with the application of internal control elements contained in the theory that is guided by the Standard Operating Procedure (SOP) for Financial Management at SMK Pesantren Pembangunan Muhammadiyah Tana Toraja.

Keywords: Disbursement, Internal, Receipt

1. INTRODUCTION

Internal control is one of the important aspects in supporting the success of an organization. An organization will run well if it has good internal control. Internal control is needed to ensure that the process of achieving goals can be carried out and reduce various unwanted risks, including educational organizations in this case SMK Pesantren Pembangunan Muhammadiyah Tana Toraja (hereinafter SMK PPM TATOR). SMK PPM TATOR is one of the non-profit organizations in the education category, this is in accordance with the statement of Financial Accounting Standards No. 45, namely that non-profit organizations obtain resources from resource providers who do not expect repayment in accordance with the resources provided.

According to PSAK No. 45, non-profit organizations obtain resources from donations from members and from other parties who do not expect any compensation from the organization, including organizations in the field of education that have management activities related to the field of human resources and finance in carrying out their activities, schools need supporting tools that can improve the quality of school management such as good leadership and organizational structure as well as budget plans, good administration systems and financial management systems. A good management system needs to pay attention to how to manage

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finances and report school financial information. This financial information is useful both for internal parties in the decision-making process and conducting financial management audits and external parties to the organization in assessing, analyzing and evaluating the organization. With the implementation of strict internal control, it is expected that all school operational activities can run in an orderly and controlled manner.

In order for the application of the internal control system to run well, the elements of internal control must be followed, namely:

1. An organizational structure that clearly separates functional responsibilities.
2. Authority system and recording procedures.
3. Healthy work practices.
4. Employees whose quality matches their responsibilities.

The application of internal control elements is carried out in order to protect assets and increase the accuracy and truth of an organization's accounting records. Schools as non-profit organizations need to follow the elements of internal control.

Non-profit organizations in this case schools are inseparable from cash transactions, one of the school assets or assets that require special attention and management is cash. Cash is part of the most liquid assets, therefore cash is easily misused and transferred. Therefore, to maintain the existence of cash, an appropriate system is needed to manage and internally control cash. Some of the cash systems include the cash receipt system and the cash disbursement system. The cash receipt system is one of the operational activities related to the receipt and recording of incoming cash received by the school which usually comes from donors and other contributors. The cash disbursement system is also one of the main activities in school operational activities related to recording outgoing cash which usually comes from paying debts and school expenses.

2. LITERATURE REVIEW

Internal Control System

Internal control is a common term and is widely used in various interests. (Romney and Steinbart, 2015) define internal control as a process and procedure that is carried out as a guarantee that the control objectives have been met. "Internal control explains the policies, designs, and procedures carried out by organizational management for the purpose of protecting assets, ensuring the accuracy and completeness of financial information, and also to meet the business objectives of the organization"

Elements of Internal Control System

The elements that support or assist the implementation of a good internal control system according to (Widjajanto 2001) are as follows:

- 1) Organizational structure that clearly separates functional responsibilities. A division of responsibilities according to function and hierarchy. The preparation of the organizational structure must therefore take into account all existing functions and then divide these functions to the parties who must be accountable for them. The principles that must be upheld in preparing the organizational structure are:
- 2) There must be a separation of duties between the functions of recording, execution, and storage or management.

A function should not be given full responsibility for executing all stages of a transaction from start to finish.

The system of authority and recording procedures, which provide adequate protection against wealth, debt, income, and expenses. The organizational structure must be equipped with a division of tasks that regulate the duties, rights and authorities of each official and all of his staff according to their functions. In order for the procedures and regulations that are obeyed easily, a flowchart of procedures can be used and supported by forms which will facilitate compliance.

- 1) Healthy work practices, in carrying out the duties and functions of each organizational unit. Healthy work procedures are the implementation of work to achieve internal control objectives, namely:
 - a. Use of printed, sequentially numbered forms, so that their use can be monitored.
 - b. A surprise inspection of objects that are considered, for example, the amount of cash stored in the cashier, valuables, and valuable items.
 - c. Rotate positions between employees with the aim of breaking the existing chain of collusion.
 - d. Physical matching of company assets with its records, with the aim of maintaining the accuracy and reliability of data while also revealing any irregularities or misappropriation in asset management.
 - e. The existence of internal audit staff within the company (SPI).

- 2) Employees whose quality matches their responsibilities. Employee quality is determined by 3 aspects, namely education, experience and morals.

1. Cash

(Hery, 2012) in his book on intermediate financial accounting one said that Cash includes coins, paper money, checks, money orders, and deposits. Cash is the most liquid asset compared to other assets. Therefore, cash is the most popular asset to be stolen, manipulated, and misappropriated.

a. Internal control over cash receipts

Most of the company's cash receipts of course come from the results of its normal business activities, namely through cash sales (both for trading companies and service companies), or as a result of collecting accounts receivable from customers.

Application of internal control principles for cash receipts.

- b. Only certain employees are specifically assigned to handle cash receipts.
- c. There is a separation of duties between individuals who receive cash, record or book cash receipts, and those who store cash.
- d. Every cash receipt must be supported by documents (as proof of transaction), such as payment slips, receipts, and copies of proof of cash deposits to the bank.
- e. Cash from daily sales receipts or the results of collecting receivables from customers must be deposited into the bank every day by the cashier department.
- f. Independent checks or internal verification are carried out.
- g. Bind employees who handle cash receipts to insurance money.

2. Internal control over cash disbursements

Some applications of internal control over cash payments.

- 1) Only certain officials have specific authorization to sign checks (usually the financial manager).
- 2) There is a separation of duties between individuals who approve cash payments, make cash payments, and record/book cash disbursements.
- 3) Using checks that have been printed sequentially, each check must be accompanied by proof of billing.
- 4) Store unused check blanks in a special check cabinet, and only one designated person or person with an access code to open it. Print the amount (value) of the

check to be paid and the destination and recipient of the payment using a printing machine.

- 5) Conduct an independent check or internal verification. Compare the check with the billing evidence and match it with the bank statement or monthly bank statement.

3. METHOD

The research used is a qualitative descriptive research type. This research was conducted at SMK Pesantren Pembangunan Muhammadiyah Tana Toraja to obtain the required data. The data source used in this study uses secondary data and is in the form of data obtained from written materials through documents, namely the SMK PPM TATOR cash financial report consisting of (cash receipts and disbursements) and the SMK PPM TATOR Financial Management Standard Operational Procedure (SOP). To obtain information and data as material for this research, the data collection method used by the researcher is documentation and interview techniques. After the data is obtained, the data is analyzed using the Internal Control Questionnaire (ICQ) and flow chart.

4. RESULT AND DISCUSSION

Results

The organizational structure that separates responsibilities at the Muhammadiyah Tana Toraja Development Boarding School Vocational School

a. Cash receipts

Summary of the organizational structure that separates responsibility for cash receipts at SMK PPM TATOR.

- 1) For cash receipt transactions, it is carried out by more than one officer, namely the school treasurer and the BOS treasurer, in accordance with the Financial SOP of SMK PPM TATOR (Article 9:7). The object of the research is a school where their internal control must run in accordance with the Financial SOP that has been made by the Minister of Education, Culture, Research, and Technology. So that when viewed from the theory and internal regulations at SMK PPM TATOR, cash receipts have been running well, namely by staff who have been given responsibilities according to their respective positions.
- 2) There is no separation of duties between the counter and the treasurer because in the SMK PPM TATOR Financial SOP (Article 9:7) only the treasurer has full

control over cash receipts and the BOS treasurer and school treasurer are in their respective positions.

- 3) In the organizational structure, the responsibilities of each position are explained. The school treasurer is responsible for all revenues other than BOS funds, and the BOS treasurer is fully responsible for BOS funds.
- 4) There is an internal audit function for incoming SMK PPM TATOR funds. This function is carried out by the school's internal monitoring and evaluation team and the principal (Financial SOP Article 13 and Article 16) who ensure that each time funds come in, what is reported is the same as the records of the BOS treasurer and the school treasurer.

Cash receipt transactions are not carried out by one treasurer alone but by two treasurers, namely the BOS treasurer and the school treasurer. Each is responsible for their duties so that there is no interference from other employees.

b. Cash disbursement

Summary of the organizational structure that separates responsibility for cash disbursements at SMK PPM TATOR.

- 1) Cash disbursement transactions are carried out by the treasurer (Financial SOP Article 9:2). This procedure is carried out by SMK PPM TATOR by assigning the BOS treasurer and the school treasurer to manage the cash disbursements that occur.
- 2) TATOR PPM Vocational School does not have a separation of duties between executors and recorders of cash disbursement transactions. Cash outs are made entirely by the school treasurer and BOS treasurer.
- 3) Cash disbursement transactions are not carried out by just one treasurer, but cash disbursements are carried out by treasurers who have been given their respective tasks, the BOS treasurer is responsible for BOS funds and the school treasurer is responsible for school funds.

Authorization and recording system

a. Cash receipts

Summary of the authorization and recording system for cash receipts at SMK PPM TATOR

- 1) All cash receipts, for BOS funds, are sent directly to the school's account and for general funds such as SPP which are paid directly, are received by the school treasurer, then the school treasurer records them in the cash book, then stores them in the treasurer's safe.
- 2) In recording the cash receipt journal, it must be based on proof of receipt belonging to SMK PPM TATOR which will be filled in by the BOS treasurer and the school treasurer.
- 3) SMK PPM TATOR has a procedure that clearly regulates cash receipts. Cash receipts are guided by the SMK PPM TATOR Financial SOP that has been made by the principal which is taken from the central SOP, so that there is no misappropriation of cash receipts. For the school treasurer, every cash expenditure is based on what is stated in the SMK PPM TATOR RKAS, making it easier for the BOS treasurer and the school treasurer to manage cash receipts.
- 4) SMK PPM TATOR cash receipts have been authorized by the authorized parties, namely the principal, monitoring and evaluation team, and treasurer, which are carried out at the end of each cash receipt stage (Financial SOP Articles 18 and 13).

b. Expenditure

Summary of the authorization and recording system for cash expenditures at SMK PPM TATOR

1. Cash expenditures made by SMK PPM TATOR have been carried out properly by obtaining authorization from the authorized council, namely the principal and treasurer.
2. The recording of cash disbursement journals obtained by researchers from sources has been based on evidence of cash outflows or RKAS and accompanied by evidence from notes, receipts. However, after being examined by researchers on the general cash book and school treasurer, it was found that receipts and notes for BOS funds were incomplete, for school funds themselves there were no receipts and notes because expenses were usually in small amounts.

3. Cash disbursement evidence is authorized by the authorized party. The authorized parties here are the principal and treasurer. Authorization is needed to prevent errors in the cash disbursement transaction process.
4. All cash expenditures of SMK PPM TATOR are carried out with cash expenditure documents. This is good to do so that transactions can run smoothly and SMK PPM TATOR also has clear records.
5. Healthy practices

c. Reception

Summary of healthy practices in carrying out tasks on cash receipts at SMK PPM TATOR

1. Routine checks have been carried out. This has been done well so that the treasurer of SMK PPM TATOR is more careful in summarizing the cash disbursement transactions that occur.
2. There is no interference from others in the implementation of the transactions that occur. This activity is only carried out by authorized parties considering that the transactions carried out only require 2 people, namely the school treasurer and the BOS treasurer.
3. Periodically, the physical amount of cash on hand is matched with the amount of cash according to the records. This is good to do to see the development of cash expenditure management that has occurred so far.
4. After obtaining authorization from the authorities, cash receipts are not deposited into the bank because the cash condition of SMK PPM TATOR is not large and is only for school operational costs every month. For this reason, the cash received directly is first stored in the school treasurer's safe. This has been done by SMK PPM TATOR to avoid fraud.
5. There is routine reporting, namely reporting is carried out every 3 months in accordance with the disbursement of BOS funds.
6. For BOS funds, they are not held by the BOS treasurer but are sent directly by the ministry to the relevant school account, while for non-BOS funds, they are stored in the school treasurer's safe.

Cash disbursement

Summary of healthy practices in carrying out tasks on expenses at SMK PPM TATOR

1. Routine document checks have been carried out. This is done to prevent fraud in the cash disbursement transaction process and to maintain the smoothness of the SMK PPM TATOR cash disbursement process.
2. At SMK PPM TATOR, a sudden cash expenditure check was once carried out. This activity is carried out by the school only when there is something important that is needed in the report.
3. There is no interference from others in the implementation of the transactions that occur. In this transaction, the school treasurer manages school expenses and the BOS treasurer manages BOS fund expenditure transactions.
4. The treasurer is equipped with tools to prevent theft of school cash in hand. The tools provided include cabinet keys that are only held by the school treasurer, basic documents and supporting documents.
5. For expenditure funds using BOS funds, a sequential number has been given, for cash expenditures, only the transaction date is given according to what happened. This is not good enough because it will cause confusion in recording cash expenditure transactions that occur.
6. Employee quality

Summary of employee quality whose quality is in accordance with their responsibilities in internal control of cash receipts at SMK PPM TATOR.

The quality of competent employees is one of the elements of internal control over cash, even competent employees are one of the elements that have a big role. No matter how good the organizational structure, authorization system and recording procedures are applied, their implementation also depends on the quality of the employees who run them, what SMK PPM TATOR does in finding and improving the quality of employee work is as follows:

1. Conduct a selection process first when recruiting the employees you need.
2. Every employee who works at SMK PPM TATOR has worked according to their abilities. This can be seen from the educational background of SMK PPM TATOR employees who have met the requirements given by the school.
3. Special training or coaching is carried out for employees, especially treasurers related to finance. This is done so that employees are more competent in carrying out their

respective mandates. This training is carried out to make employees understand more about finance, through managerial training conducted by other parties.

In addition, for internal control of cash expenditure, SMK PPM TATOR also does several things to get employees whose quality matches the criteria sought.

Summary of employee quality whose quality is in accordance with their responsibilities in internal control of cash expenditure at SMK PPM TATOR.

1. Conducting a selection of prospective employees in the cash disbursement section based on the requirements required by their work is carried out so that the management of cash disbursements at SMK PPM TATOR can run well every year and does not interfere with other activities at the school.
2. Once an employee has become an employee, career development is carried out while working at SMK PPM TATOR. The career development in question is by participating in activities held by the school or by participating in special training outside of school activities.

5. CONCLUSION

Based on the results of data analysis and discussion regarding internal control of cash receipts and disbursements applied at SMK Pesantren Pembangunan Muhammadiyah Tana Toraja from the elements of internal control according to (Widjajanto 2001) there are 4, namely, 1. Organizational structure, 2. Authorization and recording system, 3. Healthy work practices, 4. Competent employees which are then stated in the ICQ (Internal Control Questionnaire) so that the following conclusions are obtained:

1. Organizational structure

Based on the related functions above, in practice, SMK Pesantren Pembangunan Muhammadiyah Tana Toraja uses three functions, namely the function of the principal as the authorizing party, the function of the treasurer (BOS treasurer and school treasurer) as a member. In the implementation of cash receipts and disbursements, the BOS treasurer has carried out his duties as the BOS treasurer and the school treasurer has carried out his duties as the school treasurer. So in this case, not only one treasurer is used but it has been separated, in accordance with what is stated in the existing SMK PPM TATOR Financial SOP, SMK Pesantren Pembangunan Muhammadiyah Tana Toraja is quite good at applying the internal control system related to cash receipts and disbursements for the organizational structure.

2. Authorization system and recording process

Authorization system and recording procedures in the implementation of BOS funds and non-BOS funds carried out by SMK Pesantren Pembangunan Muhammadiyah Tana Toraja, every cash disbursement transaction always goes through the authorization system and there is not a single transaction that occurs that is not authorized by the authorized party. The authorized parties are the monitoring and evaluation team, the principal, the treasurer, this is in accordance with the Financial SOP of SMK Pesantren Pembangunan Muhammadiyah Tana Toraja (Articles 9 and 16). However, in the recording process for school funds, it has not met the criteria as referred to in the Financial SOP of SMK PPM TATOR (Article 12 paragraph 1).

3. Healthy practices

In the internal control system for the implementation of BOS funds and non-BOS funds at SMK PPM TATOR, there are work practices that have not been fully implemented by the school, these practices include forms, surprise checks. The form used for the implementation of BOS funds is to use notes and receipts that will be signed or authorized by the official responsible for BOS funds, but data in the form of receipts and notes were mostly not found.

SMK PPM TATOR each transaction is not carried out by one person or one organizational unit, and without interference from other people or organizational units. In addition, periodically BOS and non-BOS funds of SMK PPM TATOR are physically matched between the expenditures made with the records in the hands of the BOS treasurer and non-BOS treasurer. This is useful for maintaining organizational assets and checking the accuracy and reliability of accounting records.

4. Capable employees

The implementation of the three elements of the internal control system cannot be separated from the quality of human resources owned by SMK PPM TATOR. Because basically before holding a position as a BOS and non-BOS management team, it will be seen from the educational background that is in accordance with the position held. When viewed from SMK PPM TATOR, the entire BOS management team has an educational background that is in accordance with their responsibilities and always follows training and education in managing BOS and non-BOS funds. Of course, if so, when viewed from the element of capable employees at SMK PPM TATOR, they have capable, competent and trustworthy employees in managing SMK PPM TATOR funds.

From the results of the analysis conducted by the researcher, it was found that of the four elements of internal control of cash receipts and disbursements, these have not been fully implemented by SMK Pesantren Pembangunan Muhammadiyah Tana Toraja in terms of orderly recording and receipt evidence, many of which are still inconsistent with the general cash report.

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