

THE APPLICATION OF INTERNAL CONTROL SYSTEM ON CASH RECEIPT FOR THE ORGANIZER OF UMRAH AND HAJJ TRAVEL AGENCY PT. CITRA WISATA DUNIA CASE STUDY: HASUNA TOUR

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ABSTRACT

Keywords:

Internal control system, cash receipts.

A good internal control system is essential for a company to minimize errors and deviations that may occur. The function of internal control is based on management and financial systems, and it ensures that activities within the company are smooth and controlled. Internal control plays a crucial role in preventing, detecting, and protecting tangible and intangible organizational resources from misappropriation. Cash is one of the assets that plays a vital role in the company's development and is the most liquid asset. This study is a descriptive research that aims to provide an explanation of a problem and offer solutions to address it. The focus of the research is to understand the internal control system of cash receipts for the organizer of Umrah and Hajj travel agency, PT. Citra Wisata Dunia. Based on the analysis conducted, the Umrah and Hajj travel agency has implemented the components of internal control, including control environment, risk assessment, control activities, information communication, and monitoring activities. The company has implemented task segregation among employees, which enhances the effectiveness of the internal control system for cash receipts.

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1. INTRODUCTION

Internal control plays a role in preventing and detecting deviations and protecting tangible and intangible organizational resources [1]. Cash is one of the assets that plays a vital role in the development of a company, and it is the most liquid asset. A good internal control system for a company is one that can clearly separate functional responsibilities, has good recording procedures, authorization systems, and adequate resources.

A good internal control system enables a company to minimize errors and deviations that may occur. It is based on a sound management and financial system, ensuring smooth and controlled activities within the company. The internal control system for cash receipts at PT. Citra Wisata Dunia includes the coordinated structure, methods, and measures within the company [2]. The key elements of an internal control system include clearly separating responsibilities and authorities, authorization systems, recording procedures, sound practices, and competent employees. Establishing a good, effective, and efficient internal control system is beneficial for the progress of the Umrah and Hajj travel company.

The Umrah and Hajj pilgrimage activities have two aspects that need to be considered in their implementation: the standards during the stay in Indonesia and in Mecca. In terms of service standards in Indonesia, various important aspects need to be addressed, such as service provision (payment of ONH deposits to the bank, processing Umrah and Hajj documents, health checks for prospective pilgrims, provision of equipment, and religious consultation). The standards for Umrah and Hajj services in the holy land include guidance for Umrah and Hajj rituals, accommodation services, meals, and transportation.

Hajj is the fifth pillar of Islam and is mandatory for every able-bodied Muslim, physically, mentally, spiritually, socially, and financially, once in a lifetime. The organization of Hajj has often been associated with issues of misuse of funds and lack of transparency in the selection of Hajj pilgrims. Therefore, it is important to manage Hajj finances properly and be accountable. The implementation of Hajj is a series of religious rituals guaranteed by the Constitution of the Republic of Indonesia. Thus, the state is responsible for the implementation of Hajj. PT. Citra Wisata Dunia is a company that organizes Umrah and Hajj travel.

He Application Of Internal Control System On Cash Receipt For The Organizer Of Umrah And Hajj Travel Agency Pt. Citra Wisata Dunia Case Study: Hasuna Tour. Putri Ayu Pratiwi

In its operational activities, PT. Citra Wisata Dunia is involved in cash transactions, as the company receives various payments from customers. Therefore, the company requires internal control to support its operational activities in cash receipts. Problem formulation: How is the implementation of the Internal Control System on Cash Receipts for the Organizer of Umrah and Hajj Travel Agency PT. Citra Wisata Dunia?

Literature Review

Accounting Information System

An accounting information system plays a crucial role in providing information to management. Advances in technology, when utilized effectively by management, can provide benefits, especially in gaining a competitive advantage. An information system is a tool for implementing control, where each part involved controls one another.

An accounting information system is a collection of resources, such as human resources and equipment, designed to transform financial data and other data into information. An accounting information system is a system that collects, records, stores, and processes data to generate information for decision-makers [3]. Define an accounting information system as a process, procedure, and system that captures accounting data from business processes, records accounting data into appropriate records, processes detailed accounting data by classifying, summarizing, and consolidating, and reports summarized accounting data to internal and external users [4]. An accounting information system is an organized formulation, records, and reports that are coordinated to provide the financial information needed by management to facilitate company management [5].

Objectives of Accounting Information System (AIS)

The objectives of an accounting information system [6], are:

1. Ensuring that all obligations meet the qualifications according to the authority given to an individual. Company management refers to the responsibility of management to clearly allocate resources owned by the company.
2. Generating valuable information for management decision-making. The information system provides information to support every decision made by the leaders in accordance with the established responsibilities.
3. The information system is needed to support the smooth operation of the company on a day-to-day basis.

Internal Control System

The internal control system is a set of policies and procedures to protect a company's assets or viability from any form of misuse, ensure the availability of accurate accounting information, and ensure that all legal regulations, laws, and management policies are complied with by all employees of the company [7]. The internal control system is an integral process of actions and activities carried out by management and its subordinates to provide adequate assurance of achieving organizational objectives through effective and efficient activities, reliability of financial reporting, security of state assets, and compliance with regulations [8].

Objectives of Internal Control System

The objectives of establishing an internal control system are as follows:

1. The company's assets are safeguarded appropriately and used for the company's interests, not for individual interests.
2. Internal control is implemented to ensure that all company assets are well-protected.
3. Accurate and reliable accounting information is available.
4. Employees comply with laws and regulations.

Components of Internal Control System

The internal control system consists of five interconnected components [7]:

1. Control Environment

The control environment should create and maintain an organizational environment that promotes positive behavior and supports sound internal control. The control environment includes several aspects:

- a. Integrity and ethical values

- b. Commitment to competence
 - c. Organizational structure
 - d. Assignment of authority and responsibility
 - e. Human resource policies and practices
2. Risk Assessment
Internal control should provide an assessment of the risks faced by the organizational unit, both internal and external. Risks relevant to financial reporting include internal and external events and circumstances that may adversely affect the entity's ability to initiate, record, process, summarize, and report financial data consistent with management assertions in the financial statements.
 3. Control Activities
Control activities ensure that management directives are carried out. Control activities should be efficient and effective in achieving organizational objectives. These control activities help address risks and ensure that actions to achieve entity objectives have been taken.
 4. Information and Communication
Information should be recorded and communicated to management and other designated parties. The objective of financial reporting, including the accounting system, consists of methods and records built to capture, process, summarize, and report entity transactions and to maintain accountability for the related assets, liabilities, and equity. Information is presented in a certain format and in a timely manner to enable management to exercise control and fulfill their responsibilities.
 5. Monitoring Activities
Monitoring is the process of assessing the quality of performance over time and ensuring that recommendations from audits and other reviews are promptly acted upon. Monitoring includes determining the timely design and operation of controls and taking corrective action. This process is carried out through ongoing activities, separate evaluations, or various combinations of both. Monitoring should assess the quality of performance over time and ensure that recommendations from audits and other reviews are promptly acted upon.

Principles of Internal Control System

To safeguard assets and improve the accuracy and reliability of accounting information records, companies implement five principles of internal control. The extent and scope of internal control are adjusted based on the size of the business, the nature or type of business, and the company's management philosophy. The principles of the internal control system are as follows:

1. Assignment of Responsibility
The primary characteristic of internal control is the assignment of responsibility to specific employees. The assignment of responsibility aims to ensure that each employee works according to their assigned tasks.
2. Separation of Duties
The separation of duties refers to the division of functions or job assignments. There are two common forms of implementing the separation of duties:
 - a) Different tasks should be performed by different employees.
 - b) There should be a separation of duties between employees who handle asset recording and employees who handle the physical assets directly.The rationale behind the separation of duties is that the work of one employee should provide an adequate basis for evaluating the work of other employees. Therefore, the results of one employee's work can be cross-checked for accuracy by another employee.
3. Documentation
Documentation serves as a means of communicating information throughout the organization. Documents provide evidence that business transactions or economic events have occurred by providing signatures on the documents for easy identification. Documents can provide adequate assurance that all assets have been properly controlled, and all transactions have been accurately recorded. These documents include various elements such as sales invoices, purchase requisitions, sales journals, and time cards.

4. Physical, Mechanical, and Electronic Controls
Examples of using physical, mechanical, and electronic controls include:
 - a. Cash and securities should be stored in a safe deposit box.
 - b. Important accounting records should be stored in a locked filing cabinet.
 - c. Not all employees can access the warehouse where inventory is stored.
 - d. Use of cameras and monitor screens.
 - e. Adequate fire suppression systems or alarms.
 - f. Use of password systems.
5. Independent Checks or Internal Verification
Most internal control systems provide independent checks or internal verification. This principle involves reviewing, comparing, and reconciling data prepared by different employees.

Cash Receipts Control System

The majority of a company's cash receipts come from its normal business activities, such as cash sales (for both trading and service companies) or collection of accounts receivable from customers (for credit sales). Other cash receipts arise from non-operational activities of the company. Examples of other sources of cash receipts include interest income, rent, dividends, owner deposits, bank loans, sale of unused fixed assets, and issuing and selling stocks, bonds, and other securities [9].

In general, here are some applications of internal control principles for cash receipts:

Only specific employees are assigned to handle cash receipts.

- a. There is a separation of duties between recording cash receipts, individuals receiving cash, and individuals storing cash.
- b. Each cash receipt transaction must be supported by documentation (as transaction evidence), such as payment slips, cash deposit receipts, and receipts (in the case of cash received over the counter).
- c. Daily cash sales or accounts receivable collections must be deposited into the bank by the cash department.
- d. Independent checks or internal verification are conducted.
- e. Employees handling cash receipts are bound by bonding.

2. METHOD

Populasi

The type of data used in this study is qualitative data. Qualitative data consists of a series of observations that cannot be expressed in numerical form [10]. Using this type of data, efforts will be made to create a systematic, factual, and accurate depiction or description of the nature, facts, and relationships among the phenomena being investigated.

Data or Data Sources

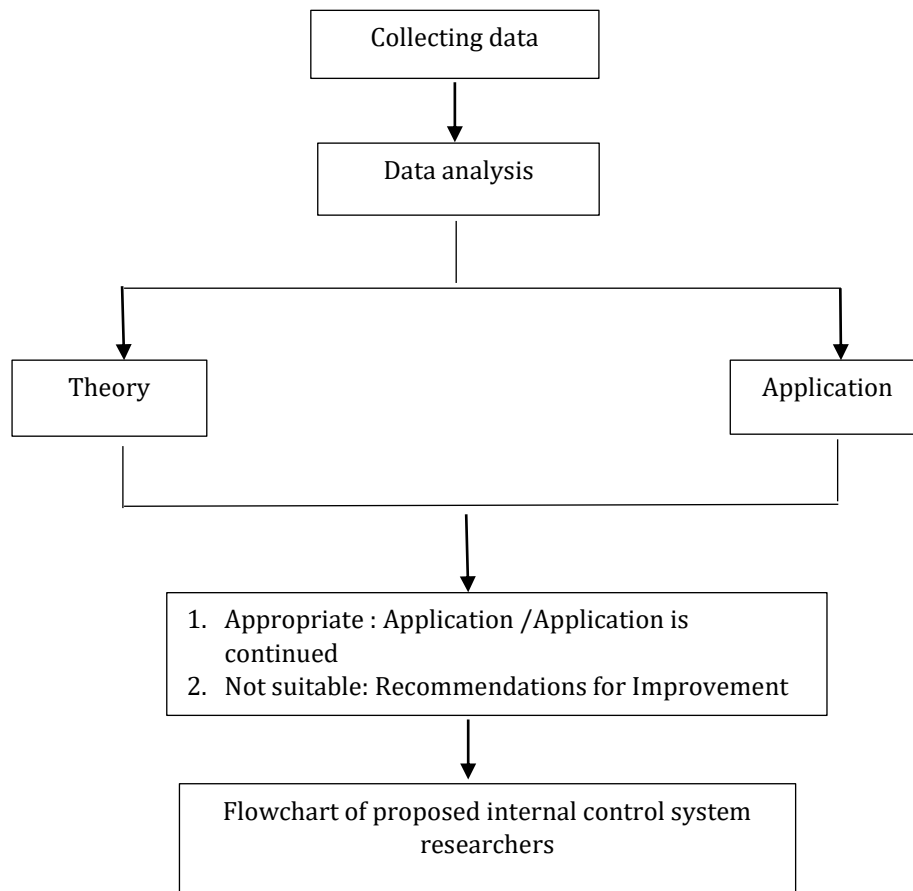
The data or data sources used in this study are primary data. Primary data is data obtained directly from the company or data that occurs in the field, such as interviews with the financial department related to the Internal Control System procedures.

Data Collection Techniques

The data collection technique used in this study involves qualitative data analysis by analyzing the internal control system implemented for Umrah and Hajj travel. The data collection techniques used are as follows: Interviews, Interviews involve direct question-and-answer sessions with the financial department. Observatio, Observation is a research technique that involves direct observation of the company being studied. Direct observation by the researcher can be realized by taking notes on information related to the financial department, observing the work processes, and documenting the accounting department. Direct observation can provide a clear understanding of the data in various situations for the researcher.

Data Analysis

The data analysis used in this study is descriptive analysis. Data analysis is the process of systematically searching for and organizing data obtained from interviews and direct observations so that it can be easily conveyed to others [11]. Data Analysis Technique: Descriptive Analysis (Comparative Analysis)



3. RELUST AND DISCUSSION

Based on the background, problem statement, and theoretical review that have been explained, this chapter will present the research analysis results through a comparison of theory and application.

Implementation of Internal Control in PT. Citra Wisata Dunia

Here is a recapitulation of the comparisons made:

No	Indicators of Internal Control Components of Cash Receipts	Theory	The Practice of Application of the Cash Receipt System of PT. World Tourism Image	Assessment of Conformity of Practice In accordance	Conformity of Practice with Theory It is not in accordance with	Keterangan	No Further or Solutions offered by Researchers
1.	Control Environment a. Integrity and ethical values. The product of the entity's ethical	Company leaders and all employees must create and maintain an overall environment that creates positive behavior and supports healthy internal	- The finance department and front office have a high value of integrity, discipline and responsibility. - Hasuna Tour arranges	In accordance		All control environments which consist of integrity and ethical values, the assignment of authority and responsibility as well as	Not continue

The Application Of Internal Control System On Cash Receipt For The Organizer Of Umrah And Hajj Travel Agency Pt. Citra Wisata Dunia Case Study: Hasuna Tour. Putri Ayu Pratiwi

	and behavioral standards.	control and management.	all activities in the company. Employee discipline has been regulated, if there are employees who violate the rules that have been set, they will be followed up.		human resource policies and practices have been carried out in accordance with the duties and responsibilities of each employee properly.
b.	Delegation of authority and responsibility. Influence the understanding of the reporting and responsibilities assigned within the entity.		- The procedure for cash receipts has been clearly defined which departments are involved according to their respective duties.		
c.	Human resource policies and practices. Employee practices and policies relating to hiring, training orientation, evaluation, and corrective action.				
2.	Risk assessment	The process of identifying, analyzing and managing risks that affect company objectives.	- Every physical cash transaction held by the finance	In accordance	There are Not calculations, continue matching and reporting from the finance department

	Internal control must provide an assessment of the risks faced by the company.	departm ent must have a signatur e as proof of the transacti on that occurred		to superiors.		
3.	Control activities	Control activities help ensure that the directives of superiors or leaders are carried out. Control activities must be effective and efficient in achieving company goals.	<ul style="list-style-type: none"> - In making approval decisions when holding anything, must wait for direction or approval from the director of the company. - Accountin g records are done using ms.excel and manually - Hasuna Tour's superiors guard assets by recording any assets in Hasuna, for example: computer s, printers, LCD projectors (liquid crystal displays), air condition ers, fans, cabinets, 	In accordance	All practices implemented by Umrah and Hajj travel companies at Hasuna Tour have carried out all directions from superiors. Recording on this trip already uses a computer system, namely by safeguarding assets and keeping money yourself and the director knows about this.	Not continue

			FC machines, money counting machines.			
			- Regarding authority, Hasuna can only agree on results that have been determine d by the director of the company at the time the meeting was held.			
4.	Information and communicat ion	I Information must be recorded and reported to the top management (directors) and other specified parties. Information is presented in a certain form and means and in a timely manner so as to enable company leaders to carry out their controls and responsibilities.	- If there is an error in inputting the transactio n, the error must be corrected immediat ely.	In accordanc e	Employees in charge of each task must inform and communicate fellow employees to the director so that the results are the same.	Not continue
5.	Monitoring activity	Monitoring must be able to assess the quality of performance from time to time and ensure that recommendatio ns from audit results and other reviews	- The director of the company carries out evaluation s every day to control and see the	In accordanc e	In each section, the director always monitors the results of employee performance and every month a cash check will be carried out.	Not continue

can be followed up immediately.

- When there is an error in the recording of the cash receipts financial report or program that has been planned, it must be corrected immediately.
- There were technical problems related to missing notes, thus hindering the input process to the finance department.

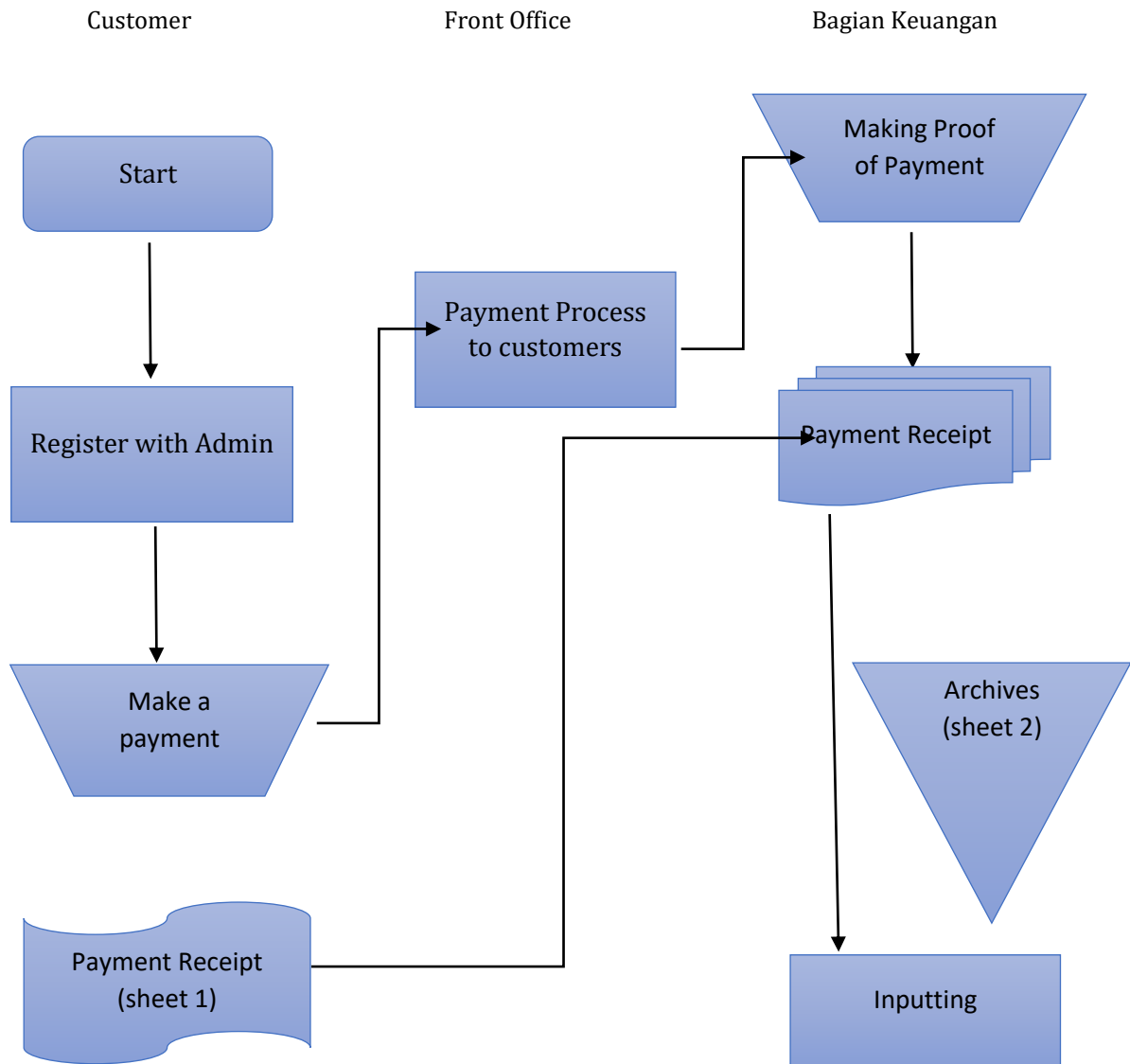
Internal Control System for Cash Receipts in the Organizer of Umrah and Hajj Travel, PT. Citra Wisata Dunia

Internal control is an organized plan, methods, and coordinated measures to safeguard the organization's wealth, protect assets, use accurate and reliable information, improve efficiency, and promote compliance with company management policies. One way to assess the effectiveness of internal control is through the occurrence of errors, as these errors are directly related to the company's operational standards. Internal control is crucial for a company that aims to establish and operate a business or activity effectively. A good internal control system will promote and establish management guidelines. One of the objectives of internal control is to prevent various deviations and deviations from the procedures established by the company and carried out by employees.

The cash receipts procedure involves a series of processes, including classification, recording, transaction summarization, and financial reporting for accountability purposes [12]. Each financial transaction that occurs is recorded in the accounting records through predetermined procedures. Therefore, every transaction takes place with authorization from various authorized parties and in accordance with the recording procedures. As a result, the security of the company's cash receipts is ensured, and the recorded accounting data is reliable. The researcher created a flowchart based on the interviews conducted with the financial manager of the Umrah and Hajj travel company, as the company does not have an official reference flowchart.

He Application Of Internal Control System On Cash Receipt For The Organizer Of Umrah And Hajj Travel Agency Pt. Citra Wisata Dunia Case Study: Hasuna Tour. Putri Ayu Pratiwi

The following is the cash receipt flowchart of PT. World Tourism Image



Internal Control System for Cash Receipts in Umrah and Hajj Travel Organizer, PT. Citra Wisata Dunia Based on the recapitulation of the conducted comparisons, the implementation of the internal control system for cash receipts at PT. Citra Wisata Dunia (Hasuna Tour) is as follows:

1. Control Environment

The control environment is the most important basic component of other internal control components. The actions and attitudes of the directors towards employees reflect the control environment of a company. The implementation of the control environment at PT. Citra Wisata Dunia (Hasuna Tour) is in accordance with the internal control environment component. Discipline and ethical values have been applied since the establishment of the Umrah and Hajj travel company. The company has supervisors who monitor the financial aspects by submitting monthly reports to the directors for review.

2. Risk Assessment

The performance of the financial manager is related to the classification, recording, processing, storage, and archiving of cash receipts. Each transaction that occurs must have a signature as evidence for physical verification of the cash held by the financial manager to avoid errors and misunderstandings between employees and customers during the cash input process.

The Application Of Internal Control System On Cash Receipt For The Organizer Of Umrah And Hajj Travel Agency Pt. Citra Wisata Dunia Case Study: Hasuna Tour. Putri Ayu Pratiwi

3. Control Activities

The safeguarding of assets owned by Hasuna Tour is currently not guaranteed due to the absence of asset-related issues in Hasuna. The financial department only records the company's inventory assets, such as computers, printers, air conditioners, fans, and photocopy machines, with assigned receipt numbers. Additionally, it is important to store money in accounts and safes to prevent fraud and theft. Regarding the implementation of the internal control system, the financial manager must obtain approval from the director to inform them about the planned programs and their corresponding expenditures since the director holds full responsibility for the company.

4. Information and Communication

The policies and procedures for internal control of cash receipts at Hasuna Tour have been systematically established. The obtained information must be recorded and reported to the top management (director) and all employees in the company to avoid miscommunication among employees.

5. Monitoring Activities

Hasuna conducts daily evaluations to monitor the performance of each employee according to their respective tasks. The director usually inquires about any issues from the financial department and directly seeks solutions to resolve them quickly. Additionally, the director also evaluates other employees regarding the challenges they have faced.

There are three stages in the flow of the internal control system for cash receipts in PT. Citra Wisata Dunia's Umrah and Hajj travel operations: customers, front office, and the finance department. Based on the description of the flowchart of the cash receipts process in the internal control system of PT. Citra Wisata Dunia, it has advantages that support management activities within the company, as follows: The company can analyze the established Internal Control System for Cash Receipts set by the company. The supervision by the director on a weekly basis proves to be an action taken to improve the internal control system for cash receipts, making it better and more developed in the future. The company has implemented a computerized system, which allows for immediate correction of errors in recording and reporting, even though the company still uses a manual system for verification.

Starting with the registration process through the administrator, who will provide detailed and orderly explanations regarding the matters of Umrah and Hajj. Afterwards, customers who have registered with the administrator will make payments in order to obtain a queue number or allocation. Once the payment is made, the finance department will provide proof of payment, which is the payment receipt (page 1). Then, the finance department will archive the payment receipt (page 2) for computerized budget inputting purposes. Regarding fund disbursement, PT. Citra Wisata Dunia can disburse the funds through the designated bank.

The internal control implemented by PT. Citra Wisata Dunia (Hasuna Tour) is already sufficient, as the company has implemented a good internal control system. This can be seen from the company's adherence to recording procedures and authorization systems, functional responsibility segregation, and the execution of assigned tasks.

4. CONCLUSION

Based on the analysis of the research results and previous discussions, the author concludes that: The cash receipts system at PT. Citra Wisata Dunia (Hasuna Tour) for travel Umrah and Hajj is well-structured and accurate. The cash receipt process is organized systematically, facilitating overall transaction processing. The implementation of internal control systems for cash receipts at PT. Citra Wisata Dunia (Hasuna Tour) in terms of control environment, risk assessment, control activities, information and communication, and monitoring activities is in accordance with control components. To address the challenges faced by PT. Citra Wisata Dunia (Hasuna Tour) in travel Umrah and Hajj, proper guidance should be given to all employees to effectively overcome those challenges. The separation of tasks and functional responsibilities in the procedures of PT. Citra Wisata Dunia is clear. Each department has its own respective tasks. However, there are instances of task overlap, such as when the Director or the President Commissioner is unable to attend an event, the finance manager acts as their replacement. Additionally, there is task overlap between the front office and customer service in terms of providing

information to customers. The Director is responsible for all employees at Hasuna, from the finance manager to the customer service department. They establish and decide on the company's highest regulations and policies, take responsibility for leading the company, including both losses and profits, and plan and develop the company's sources of income. The finance manager is responsible for creating and preparing the company's budget, determining revenue sources, maintaining financial records related to income and expenditure processes, managing Hasuna's financial circulation, preparing monthly financial reports, and planning the annual budget together with the Director. The President Commissioner oversees and supervises the company periodically, evaluates the company's results, and approves the Director's proposed agenda. The marketing manager is responsible for assisting in all operational activities of the company and marketing Hajj and Umrah packages. The operational manager is responsible for improving the effectiveness and efficiency of the company's operations, managing and overseeing the production of goods or service providers (in the case of a service company), monitoring inventory, distributing goods, and managing operational facility layouts to enhance operational systems. The ticketing department is responsible for all matters related to tickets, such as obtaining ticket price information, checking flight availability, and making ticket reservations with airlines. The front office is responsible for receiving and handling customer complaints, operating software, and preparing documentation for Umrah and Hajj pilgrims. The customer service or admin department is responsible for understanding and meeting customer needs to increase sales. Thus, all employees are performing their tasks in accordance with their respective functions and responsibilities. The cash receipt process flowchart at PT. Citra Wisata Dunia is running effectively and adequately, as the company has implemented a good internal control system in accordance with applicable standard operating procedures.

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