

Implementation Of The Internal Control System For Cash Disbursements At Nahdlatul Ulama Hospital Jombang

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Abstract

This study aims to determine the application of the Internal Control System for Cash Expenditures at the Nahdlatul Ulama Hospital Jombang. The type of research was descriptive qualitative. The data used were primary data obtained through in-depth interviews with key informants at RSNU. The results showed that the hospital had implemented the elements of internal control properly because it was in accordance with the objectives of the agency, namely maintaining the company's assets, checking the accuracy and reliability of accounting data. However, there were still a number of procedures that were still inadequate and evaluation was still needed, among others, the internal control system still had a dual function, had never been checked suddenly, and periodic physical cash matching had not been regularly scheduled.

Keywords: Internal Control System, Cash Expenditure

A. INTRODUCTION

Hospital is a health service institution engaged in the service sector. Hospitals provide services that include examinations, treatments, medical actions, medication, and others needed by the community with the main objective of providing good and satisfying services to the community.

Based on the Law of the Republic of Indonesia number 44 of 2009 concerning Hospitals and based on the Regulation of the Minister of Health of the Republic of Indonesia Number 1684 / MENKES / PER / XII / 2005 concerning Organization and Administration of Hospitals, hospitals need to establish the existence of an Internal Control Unit. The main purpose of an internal inspection is to help members of the organization carry out their responsibilities effectively. With the existence of the SPI, the hospital is able to improve the quality of services and develop management to be more efficient and effective, especially in managing funds. The system is a group of elements that are closely related to each other that function together to achieve certain goals that are made to handle something that occurs repeatedly or regularly (Mulyandi, 2014). Hospitals have a circulation of money every day, so it is necessary to have an accounting system in the hospital. The accounting system is an organization of forms, records and reports that are coordinated in such a way as to provide financial information needed by management to facilitate agency management (Mulyadi, 2014)

At this time, the use of computers in accounting information systems is necessary to expedite activities within agencies so that implementation can be faster (Mutiarini, R, 2017). As is the case at Nahdlatul Ulama Hospital in Jombang, where almost all of its activities have been computerized and using a Khanza application to simplify and streamline its activities, because the health services provided by the hospital need to be supported by the quality, quantity, and availability of human resources, capital resources, and use of technology. Hospital needs also cannot be separated from the financing needs, which are mostly used to purchase medical equipment and supplies such as medicines, non-medical equipment and equipment to support their activities or operational activities, as well as labor services, and other financing. Hospitals must have sufficient cash so that

their operational activities can run smoothly. These cash disbursements are used to finance the entity's needs for agency operations. Cash disbursements made outside of procedures can allow fraud and fraud. With good cash management, it will be implemented according to procedures.

Cash is a class of liquid assets that is liquid, because every transaction in an agency involves and affects cash so that cash is at risk of being manipulated. To be able to maintain control over the activities of management agencies must rely on various types of reports and analysis, to reduce the risk caused by errors that may arise in the process of presenting various types of reports and analysis management requires control tools. From this, it is necessary to have a control device in the form of internal control that is good enough so that it can minimize the frauds that occur as well as small problems that often occur related to cash disbursements such as differences that are usually caused by wrong input / typo (Arifiyani, HA, & Sukirno, S, 2012).

Adequate internal control can provide protection against human weaknesses and reduce the incidence of errors in various types of report presentation and analysis, because of the inspection and review functions (Mokoginta, M. C, 2015). A good control function based on a sound management and financial system will create a smooth, controlled, effective and efficient operational activity within the agency. Cash and cash disbursements must get special attention from management in order to achieve goals and anticipate if things happen that may not be desired by all layers of the hospital because cash is a liquid asset of the Hospital. Thus cash disbursements must be supervised by internal controllers so that things that are not desirable will not occur.

This study specifically aims to determine how the implementation of the Internal Control System for Cash Expenditures at Nahdlatul Ulama Hospital Jombang. The results of this research can be used as input for the management of Nahdlatul Ulama Hospital Jombang.

B. LITERATURE REVIEW

1. Internal Control System

The internal control system includes organizational structure, methods, and measures that are coordinated to safeguard the wealth of the organization, check the accuracy and reliability of accounting data, promote efficiency and encourage compliance with management policies, which apply in agencies that process information either manually or by computer (Mulyadi , 2014). Internal control also includes policies and actions taken within an organization to regulate and direct organizational activities so that the goals set by the agency are achieved.

The internal control system must have elements in order to achieve agency goals. The elements of the Internal Control System are: 1) An organizational structure that clearly separates functional responsibilities, 2) A system of authority and recording procedures that provides adequate protection against wealth, debt, income, and costs, 3) Sound practices in carrying out tasks and function of each organizational unit, 4) Employees whose quality is in accordance with their responsibilities (Mulyadi, 2014). Meanwhile, Frederick, L. Jones (2009) internal controls are: 1) Control Environment, 2) Risk Assessment, 3) Control Activities, 4) Information and Communication and 5) Supervision.

The implementation of the internal control system has several objectives, namely: 1) Maintaining organizational wealth, 2) Checking the accuracy and reliability of accounting data, 3) Encouraging efficiency, and 4) Encouraging compliance with management policies

2. Accounting System

The system is a group of elements that are closely related to one another whose function is to achieve certain goals together, the system is made to handle something that occurs repeatedly or routinely. The main elements of an information system are forms, notes consisting of journals, ledgers, auxiliary books, and reports (Mulyadi, 2014). The accounting information system is a computerized accounting system for processing financial data related to transaction data and presenting it in the form of institutional financial reports (Mulyadi, 2014)

The general objectives of developing an accounting system are: 1) To provide information for the management of new business activities, 2) To improve information generated by existing systems, both regarding the quality, accuracy of presentation and information structure, 3) To improve accounting controls and internal checking, 4) To reduce costs in maintaining accounting records (Mulyadi, 2014)

The accounting information system consists of five components, namely: 1) People who operate the system and carry out various functions, 2) Procedures, 3) Data about organizational processes, 4) Software used to process organizational data and 5) Information technology infrastructure (Romney, Marshall B & Steinbart, Paul Jhon, 2014)

3. Accounting Information System for Cash Expenditures

The cash disbursement accounting information system is a network of procedures that is made in accordance with an integrated pattern to carry out activities including cash disbursements from routine activities to finance agency activities or operational activities (Mulyadi, 2014). Cash is a liquid agency asset that is easy to divert. In addition, there are also many transactions from agencies concerning cash expenses and disbursements. Therefore, to minimize the possibility of fraud or misappropriation involving agency cash, it is necessary to have good internal control over cash.

A good cash disbursement system is of course very much needed by every agency in order to achieve goals and avoid all types of fraud that can occur.

C. RESEARCH METHOD

This study used a qualitative descriptive approach, with a research focus on the application of an internal control system for cash disbursements at the Nahdlatul Ulama Hospital in Jombang. This study uses the indicators of Internal Control System Elements and Internal Control System Elements of Cash Expenditures which were adopted from Mulyadi (2014).

The informants involved in this study were employees of the financial staff, accounting staff, human resources staff, internal control units, admissions, cashiers. The data used are primary data obtained through in-depth interviews with informants. Furthermore, from the incoming data, it will be reduced and processed and the final results will be presented with the conclusions of the research results (Huberman, M., & Miles, M. B, 2002)

D. RESULTS AND DISCUSSION

Nahdlatul Ulama Hospital, located in Ceweng Village, Diwek District, Jombang Regency, East Java, is one of the health service institutions in Jombang Regency. This hospital is one of the institutions under the auspices of the Nahdhatul Ulama organization. Based on the research results, some information was obtained as follows:

1. Internal Control System for Cash Disbursements

- a. **Organization.** For the whole of Nahdhatul Ulama Hospital there is a separation of functions, but here there is still one dual function, namely the admission function, which at night doubles as a cashier function, which is also related to agency cash. Transactions of cash receipts and payments may not be carried out by one function, there must be interference from other functions. The procedures and systems that regulate the division of tasks for each unit which is included in the job description and has been explained at the beginning of the task.
- b. **Authorization system and recording procedures.** Disbursements of cash must be authorized by an authorized official. Every transaction is carried out based on authorization and must obtain authorization from the competent authority. The opening and closing of a bank account must be approved by the competent authority. The opening and closing a bank account must obtain prior approval from the competent authority. Recording of cash disbursements must be based on proof of cash out that has been authorized by the competent authority and accompanied by complete supporting documents. The recording of cash disbursements is based on cash out evidence that has been authorized by the competent authority and is accompanied by complete supporting evidence.
- c. **Healthy practices.** Cash on hand must be protected from theft or improper use. The cash balances in hand are protected from possible theft or improper use by being placed in a safe and with authorization and supervision. Basic documents and supporting documents for cash disbursements transactions must be affixed with the stamp "Paid off" by the cashier after the cash disbursement transaction is made. Nahdhatul Ulama Hospital Jombang has not implemented it because it does not have a "Lunas" stamp. The use of a bank statement which is information from a third party to check the accuracy of cash records by the internal examiner function, which is a function not involved in recording and storing cash. Nahdhatul Ulama Hospital the storage and disbursement of cash (especially non-cash) involved the bank. All cash disbursements must be made by check in the name of the paying company or by overbooking. All cash disbursements were made by check on behalf of the company receiving the payment or by transfer. If cash disbursements involve only a small amount, this expenditure is carried out by the cash disbursement accounting system through petty cash funds with an imprest system. The applies this well and accordingly. Periodically, the physical amount of cash in hand is made to match with the amount of cash according to the accounting records. The physical amount of cash in hand is held to match the amount of cash according to the accounting records, which is usually done once a month, but there is still no definite routine schedule, the time cannot be determined. Cash on hand and cash on hand are insured against losses. The cash on hand and cash on hand are not insured against losses. The cashier is insured. The cashier is insured, this is an effort to anticipate risks. The cashier is equipped with tools that prevent theft of cash on hand. The cashier has been equipped with tools to prevent theft of cash storage in hand, but it is still not appropriate because seeing the large amount of cash it would be better if the tools were much safer. All check numbers must be accounted for by the screen. All check numbers have been accounted for by the cashier department.
- d. **Employees whose quality is in accordance with their responsibilities.** Selection of prospective employees based on the requirements demanded by the job. The selection of each prospective employee based on the requirements demanded by the job. Development of employee education while being an employee in accordance with the demands of their job development. At Nahdhatul Ulama Hospital there has been

educational development for employees as long as they are employees in accordance with the demands of their work.

2. Internal Control System

- a. An organizational structure that clearly separates functional responsibilities. Nahdhatul Ulama Hospital there is already a separation of functions, but here there is still one dual function, namely the admission function which at night doubles as a cashier function.
- b. Authority systems and recordkeeping procedures that provide protection. Every transaction is carried out based on authorization and must obtain authorization from the competent authority as well as cash disbursements must be authorized.
- c. Healthy practices in carrying out duties and functions. The use of printed serial numbered forms which must be accounted for by the authorities. Nahdhatul Ulama Hospital, it has implemented it well and accordingly. Unannounced checks carried out without prior notification to the party to be examined. And also there has never been a sudden inspection without prior notification. Every transaction may not be executed from start to finish by one function, every transaction must have interference from other parties or functions. The procedures are already and systems that regulate the division of tasks for each unit which are included in the job description and have been explained at the beginning of the task. Regular rotation of positions does not perform regular rotation of positions. Requirement of taking leave for eligible employees. Periodically, the physical amount of cash in hand is made to match with the amount of cash according to the accounting records. Periodically, the physical amount of cash in hand is held to match the amount of cash according to the accounting records which is usually done once a month, but there is still no definite routine schedule, the time cannot be determined. The formation of an organizational unit whose task is to check the effectiveness of elements of the internal control system, which is called the internal control unit or internal supervisory unit.
- d. Employees whose quality is in accordance with their responsibilities. Selection of prospective employees based on the requirements demanded by the job. There is a selection of each prospective employee based on the requirements demanded by the job. Development of employee education while being an employee in accordance with the demands of their job development. At Nahdhatul Ulama Hospital, there has been educational development for employees as long as they are employees in accordance with the demands of their work.

E. CONCLUSION

Based on the results of the study, it can be concluded that the implementation of the Internal Control System at the Nahdhatul Ulama Hospital in Jombang is carried out by internal controllers by explaining some of the elements of the internal control system and the internal control system for cash disbursements. RSNU has safeguarded the company's assets, has checked the accuracy and reliability of accounting data and has adhered to the policies implemented and even almost everything is carried out in its operational activities. Cash disbursements are also in accordance with the elements of internal control and the elements of internal control for cash disbursements.

However, there are still a number of things that still need to be evaluated, including the need for adjustments to the use of the current system because of the new Khanza application so that it still needs adjustments and there is still a need for more socialization and understanding to employees so that errors do not occur in its operation.

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