

Analysis of Control Activities in Sales Procedures

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ABSTRACT

This research aims to find out the application of controls on sales procedures at the Sinar Mulya Agung Building Shop. The research method used is qualitative, and the data collection techniques are interviews and documentation. The results showed that the control over the sales procedure at the Sinar Mulya Agung Building Shop was inadequate, this was because the sales documents used were only sales notes and only signed by the sales clerk, the records used were still simple, and there were no financial reports, there was no separation of functions especially related to sales clerks and responsible for inventory. Internal control acts as a bulwark against fraud and error. Companies can prevent and detect unethical practices through proper policies, procedures, and segregation of duties.

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1. INTRODUCTION

In general, every company has the same goal, to obtain maximum profits to maintain its survival. This can have an impact on people's standard of living (Jumirin & Lubis, 2018; Setiawan & Suryono, 2015; Swastha, 2014). The need for various means of fulfilling needs will increase, this increase will also be followed by demand for the quality and price of goods (Gunawijaya, 2017). Thus, companies are required always to follow developments in consumer desires to maintain and increase market share to achieve the company's main goals (Bharmawan & Hanif, 2022). Competition in business can no longer be avoided because each business actor needs to improve their methods or systems, whether in product marketing, sales or other administration. Companies must provide the best service to increase customer satisfaction and loyalty to the company (Ismail, 2019; Purwanto, 2011; Sukoco, 2018). Therefore, companies must consider the right strategy to implement in facing all these challenges, one of which is managing the flow of information well (Suryani & FoEh, 2018).

A short flow of information can help business actors provide timely, reliable information to improve decision-making (Abror, 2022; Lestari & Amri, 2020). For example, in the case of a decline in product sales in one of the branches, with the correct data, documentation, and information, this can be immediately informed to the head office so that the cause can be immediately investigated and a decision taken immediately. Companies need to manage records effectively and efficiently because records are a source of information that can be used in making decisions (Fathurrahman, 2018; Nuraida, 2008).

Recording transactions that occur in business activities must be done effectively and efficiently, which can be done by recording transaction data in a document, recording it in a journal

and posting it in a ledger so that the resulting output will become a financial report (Legina & Sofia, 2020). The documents used must be designed well and precisely, for example, the standard size of the document must be considered in terms of shape, size for archival purposes, binding and delivery. In the opening section, the document's title must be written in clear writing and numbered sequentially, the document's contents must be able to record data or messages, and the bottom of the document must include the disposition and signature as well as the distribution of the document. All activities in a business must produce or distribute documents to record transactions, especially the company's main activities, such as sales (Gultom & Maryam, 2020).

Sales activities are the spearhead of a business that can support various elements of the company, so procedures must be strictly monitored to produce optimal turnover and profits (Swastha, 2013; Yunisa, 2020). Supervision related to business activities starts from distributing information related to business activities, as well as adequate documentation and records. An information flow must be well developed so that business activities can provide added value to the company; it can make it easier for information users or stakeholders to understand the relationships between activities within the company (Hendrawan, 2019).

To prevent or minimize losses in the organization, business actors must be able to control the company well so that company assets are protected from waste, bad decisions, data processing errors, employee carelessness, fraud, and so on. Apart from company losses caused internally by the company, the company must be able to anticipate threats from outside the company that could impact the company's operations, namely by implementing adequate internal controls (Rachman, 2019; Riestyandhani, 2014). Internal controls that can be implemented in companies are control over administration and control over accounting. According to Mulyadi (2017), internal control includes organizational structure, methods and measures that are coordinated to maintain organizational assets, check the accuracy and reliability of accounting data, and encourage efficiency and compliance with management policies.

Implementing internal control in the sales cycle can support the smooth running of sales activities, thereby reducing the possibility of errors, fraud and negligence that can be detrimental to the company. Documents, records, and reports related to sales activities must be carried out to record all sales activities on credit and in cash adequately. For example, the appropriate department must authorize the credit note document so that inventory assets in the warehouse can be distributed safely (Yuliana & Pratama, 2023).

A phenomenon that often occurs in business activities, especially in companies with a medium to lower scale, is that there often needs to be a separation of functions between the parts involved in a sales cycle or inadequate documentation. Several examples of previous research conducted by Putri (2016) concluded that there were several weaknesses in the objects studied, both in terms of organizational structure and job descriptions, procedures, management policies, accounting policies and standard journals, as well as evidence of transactions and managerial reports.

However, many companies have implemented internal sales control well. For example, Firmansyah and Pramiudi (2020) research concluded that PT. Enseval Putera Megatrading Tbk. is good enough and adequate. It includes a controlled environment, risk assessment, healthy practices, employees whose quality matches their responsibilities, information and communication, and monitoring. This can be seen from a clear organizational structure and job description, in the sales procedure, there is a clear separation of functions between those who make sales, send goods, carry out billing, authorize credit sales, create sales invoices, and keep records. Forms with serial numbers are printed in sales activities.

The urgency of this research is expected to contribute to knowledge. Implementing internal control is an essential effort for a company to protect organizational entities against the possibility of fraud or actions that are contrary to the rules set by the company. The difference with previous research is that the internal control in the sales cycle that will be studied is related to the sales cycle that will be studied, namely website or marketplace-based.

Implementing controls is essential to secure assets and minimize fraud or errors. Research conducted by Marciano et al. (2021) concluded that implementing reasonable internal control in an organization positively affects the effectiveness of fraud prevention. With reasonable internal control,

employees are expected only to take actions that do not follow established rules. Therefore, companies are expected to be able to implement an effective internal control system. This research aims to determine the application of internal control in the sales cycle via the website of the research object, namely PT Companies that operate in the production sector, not only selling but also designing and manufacturing their products. Supervision in business activities is required in employee activities in operations and administration, especially in terms of information that must be produced accurately, on time and correctly.

2. RESEARCH METHOD

This type of research is descriptive qualitative, which thoroughly analyzes internal control activities over sales procedures. Primary data is obtained directly from the source through observation, interviews with authorized parties, and physical document data regarding the problem to be researched. The object of this research is the Sinar Mulya Agung Building Shop in Cirebon.

The informants selected in this research were 3 (three) sections/functions involved in sales and delivery procedures to ask for data and information. The interview technique used in this research is an unstructured interview technique, which has prepared a list of questions that can be developed during the interview process. The steps taken in data analysis in this research are collecting data and information on financial records through observation, interviews and documentation, processing data and information using the theory used in this research, drawing conclusions on the research results and providing suggestions (Sugiyono, 2019).

3. RESULTS AND DISCUSSIONS

Based on the results of research at the Sinar Mulya Agung Building Store, the following information was obtained

a. Parts involved in sales

The parts or aspects involved in achieving success in selling Sinar Mulya Agung Building Store products are carried out by:

1) Operational department or sales clerk.

This section consists of 2 (two) people whose job is to serve customers, from searching for goods to packing and handing over goods. Apart from serving customers, salespeople are responsible for inventory and arranging goods in the display case.

2) b. Cashier or finance department

This section consists of 1 () a person whose job is as a cashier to receive money from customers and make financial records of both cash in and cash out.

b. Data used for sales

The Sinar Mulya Agung Store sales are made in cash and do not serve credit sales. The document used regarding the sale of building goods at the Sinar Mulya Agung Store is a simple Sales Note. The sales note used by Toko Sinar Mulya is made in the name Tb format. Sina Mulya Agung, shop address, transaction date, customer name, quantity description table, item name, price and number of items sold and signature column. This sales note is signed by the salesperson who is currently in charge of serving customers. This sales note is given to the customer after making payment. The Sales Note will be archived or filled sequentially according to the day and date, then combined based on the month the transaction occurred. Apart from sales notes, the Sina Mulya Agung building store keeps financial records in receipts, expenditures, and merchandise records.

c. Sales Accounting Procedures

The following is the sales procedure at the Sina Mulya Agung building shop, which involves three employees, namely 2 (two) clerks and 1 (one) cashier. Customers come to the shop, are served by the salesperson, and then ask about the items to be ordered. The salesperson will provide the goods the customer needs and several similar goods with different brands, quality or prices. After the customer chooses the item, the salesperson on duty will direct the customer to the cashier to make payment. After making payment, the customer will receive a receipt as proof of purchase. The note given to the customer is proof of the sale at the Sinar Mulya Agung Shop or proof of the customer's purchase at the Sinar Mulya Agung Shop, which can be used to return sales. If a

customer wants to return a purchase, the customer needs to attach a note as proof. If a customer wants to make a return but there is no proof in the form of a note, likely, a return will not be given.

Discussion

Mulya Agung Control over sales procedures at the Sinar Mulya Agung building store is inadequate, this can be seen in 4 (four) activities, namely:

a. Sales documents used

The sales procedures used are transaction management activities in the revenue recording cycle, carried out manually. Documents generally used in sales procedures, according to Krismiaji, are sales orders, delivery notes, sales invoices, sales notes, proof of cash incoming, and credit memos. At the Sinar Mulya Agung Store, the only document used is a sales note signed by the cashier and salesperson. This document needs to be revised in cash sales procedures, and the documents that are certainly needed are proof of cash incoming, which can be made in duplicate to be submitted to the customer and archived in the accounting department. A verifiable receipt must accompany every cash sales transaction. This may include the signature of the customer or the responsible person. Validate each transaction to ensure validity, such as checking customer membership or other identification.

b. Notes used

The records made are still manual. There are no inventory cards used to control inventory, and financial reports that can review the shop's business performance have yet to be implemented. Financial reports are critical to apply even though the business is still simple and small; one day, the business will continue to grow; the business actor will have recorded all assets and sorted out personal and business assets. Financial information is the key to making good decisions. By controlling cash sales, companies can ensure financial reports reflect actual financial conditions.

c. Adequate authorization

The selling price of goods does not have a barcode; this needs to be done as a sign that the selling price has been authorized.

d. Separation of functions

Sales involve three employees, namely the salesperson and cashier; in this case, there needs to be a clear separation of functions between the sales department, the warehouse or stock section, and the accounting and cashier departments. Separation of functions is carried out to avoid unhealthy practices, and between departments can cross-check documents and records. Companies can make arrangements by rotating or exchanging tasks between employees regularly to prevent unhealthy practices with employees who still have multiple functions. This reduces the possibility of fraud. In addition to reducing fraud, employees also have greater knowledge of company operations.

e. Asset Security

If asset security is inadequate, that is, for cash sales, daily cash receipts must be deposited into the bank according to the amount in the daily receipt record, this makes it easier for the owner to check cash receipts. Cash sales controls help prevent potential fraud or cash theft. With strict control procedures in place, the risk of cash manipulation or embezzlement can be minimized.

4. CONCLUSION

Based on the results of research conducted by researchers at the Sinar Mulya Agung Store, it can be concluded that internal control is an integral part of good corporate governance. An effective internal control system helps organizations achieve operational, financial, and compliance goals. Sales control at the Sinar Mulya Agung Building Store needs to be improved. Namely, there is no separation of functions, and the cashier and bookkeeping functions are still combined. This is important to prevent potential abuse of authority or conflict of interest in the cash sales.

The only documents used for sales are sales receipts that the cashier and salesperson validate. In this case, if the business is still tiny, the business owner can validate and verify each cash sales transaction to ensure the transaction's validity and confirm that each transaction is recorded correctly—the key to effective control. The records need to be revised, such as the unavailability of stock cards for stock and inventory monitoring. Companies can manage stock more

efficiently by ensuring the accuracy of sales recording. The records used are still simple, and financial reporting has not been implemented.

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