

Internal Control System Design for Cash Management At B&A Laundry In Tomohon City

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Abstract: *B&A Laundry is a laundry and laundry service business located in Tomohon City, North Sulawesi Province which supports community economic empowerment. Business capital comes entirely from the business owner. cash is the most current asset so cash is easily manipulated and misappropriated, so to secure cash receipts and disbursements an internal control system is needed. Based on initial interviews with business owners, it was found that cash accounting records when receiving cash in the form of services from laundry products were not recorded and when cash disbursements occur in the form of purchasing soap, perfume and other laundry equipment, salary payments are only purchase receipts which are kept without being recorded, so they are only records of cash receipts and disbursements and are only accompanied by evidence, so there is no cash control. The research method is using qualitative research. The data collection technique is through interviews with B&A Laundry employees and literature studies on material related to cash. Data analysis is carried out using the stages of data reduction, data presentation, and drawing conclusions. The results of the research are the control system design. Internal cash management at B&A Laundry consists of an internal control system for cash receipts and an internal control system for cash disbursements.*

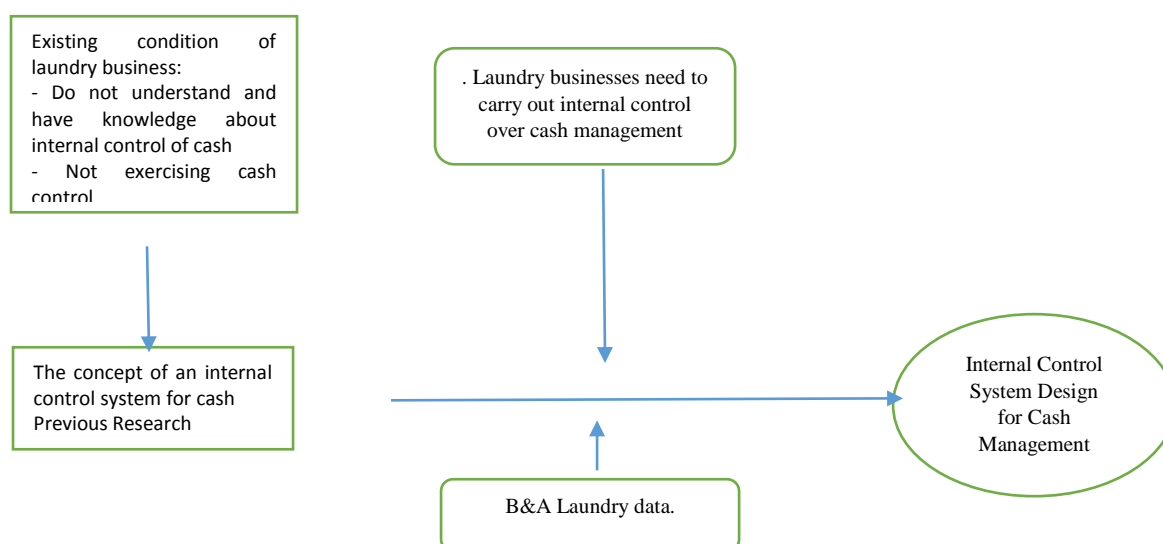
Keywords: *Design, Internal Control System, Cash.*

I. INTRODUCTION

B&A Laundry is a laundry and laundry service business located in Tomohon City, North Sulawesi Province which supports community economic empowerment. Business capital comes entirely from the business owner and this business. Based on initial interviews with business owners, it was found that cash accounting records when receiving cash in the form of services from laundry were not recorded and when cash was disbursed in the form of purchasing soap, perfume and other laundry equipment, payment salaries are only purchase receipts that are kept without being recorded, so they are only records of cash receipts and disbursements and are only accompanied by evidence, so there is no cash control. Cash is the most current asset so cash is easily manipulated and misappropriated, so as to secure receipts. and cash disbursements, an internal control system is needed cash. The internal control system includes organizational structures, methods and measures that are coordinated to maintain organizational assets, check the accuracy and reliability of accounting data, encourage efficiency and encourage compliance with management policies. The internal control system is a system created to provide security guarantees for the elements within the company. Internal control is expected to protect company assets resulting from theft, financial embezzlement by Previous research explains the importance of designing an internal control system for cash management, including (Arif Rahman Hakim. 2022; Husna et al. 2021; Ida Permatasari; Yunisa 2023) where the internal control system for cash expenditures is inadequate with several elements such as the control environment and appropriate practices. healthy, while a good internal control system for cash receipts and disbursements means there is: separation of duties between the accounting function and the cash function. The internal control system for cash receipts and disbursements still contains findings regarding the authorization system and healthy practices that need to be improved. According to V. Wiratna Sujarweni, 2015: 69, the company's aim in creating an internal control system is: to safeguard the organization's assets, maintain the accuracy of the company's financial reports, maintain the smooth operation of the company, maintain discipline, adhere to management policies, so that all levels in the

company comply with the law. and the rules that have been set in the company. according to Mulyadi (2016) in his book, the Accounting System is an organizational structure that separates strict functional responsibilities, an authority system and recording procedures that provide adequate protection for assets, debts, income and expenses, healthy practices in carrying out the duties and functions of each unit. Organization and employees whose quality is in accordance with their responsibilities, employees, misuse or placement of assets in inappropriate locations, and so on. (V. Wiratna Sujarweni, 2015:69). According to Hery in his book Basic Accounting 1&2, he explains that the principles of internal control over cash receipts consist of: only certain employees are specifically assigned to handle cash, there is a separation of functions between individuals who receive cash, record/book cash receipts and those who store cash, every cash receipt transaction must be supported by documents or proof of transaction such as payment slips and copies of proof of cash deposits to the bank, cash from daily sales receipts or the results of collecting receivables from customers is deposited into the bank every day by the cashier department, the head cashier will filling in form bank deposits and depositing cash into the bank. Carrying out independent checks or internal verification, binding employees who handle cash receipts with insurance money. The research framework is as shown in the picture below:

Figure 1: Research Thinking Framework



Source: Processed by the Author, 2024.

The picture above shows that to design an internal control system for cash, data on business activities and the scope of the laundry business are needed and the concept of an internal control system for cash, the elements that form an information system, and previous research.

II. RESEARCH METHODS

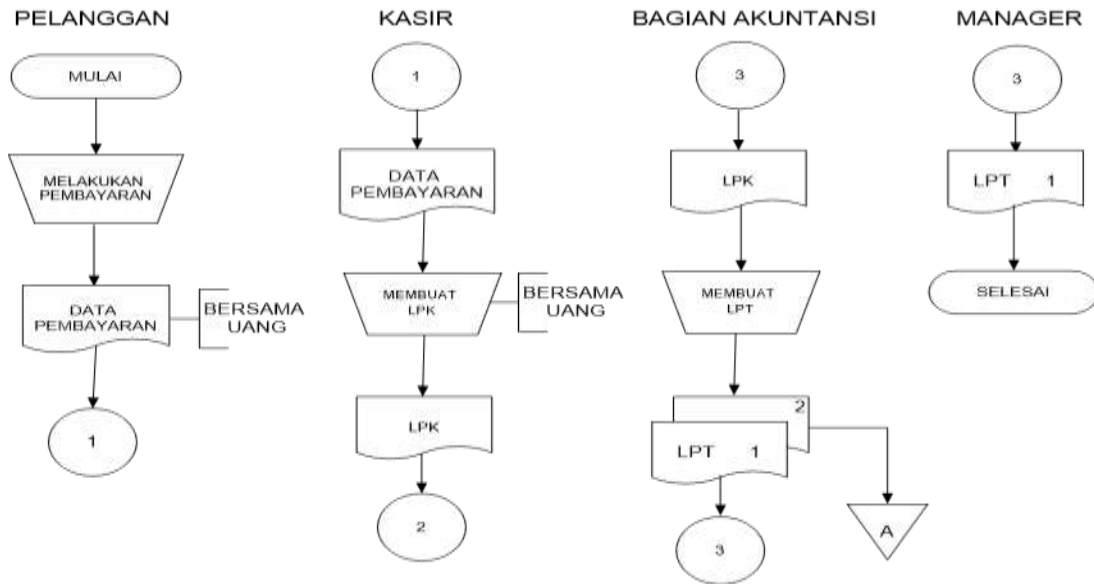
This research uses a qualitative descriptive method. Data collection was carried out through interviews with B&A Laundry managers and employees. Related to business activities and scope, existing conditions of cash accounting records as well as identifying laundry transaction activities and identifying system-forming elements. At this stage the researcher also determines the data collection techniques that will be used. Researchers conducted field research to collect data through interviews and document studies. Document study is intended to obtain documents related to cash accounting activities and records and financial reporting. Based on this data, the researcher presents data that will be used to design an internal control system for cash management.

III. RESEARCH RESULT

Based on the results of interviews with Laundry managers and employees and the results of the literature review, an internal control system for cash was designed consisting of an inventory purchasing system, a sales system to fulfill the internal control system for merchandise inventory as follows:

The design of the Cash Control system in the cash management plan consists of:

1. Flowchart of Internal Control System for cash receipts

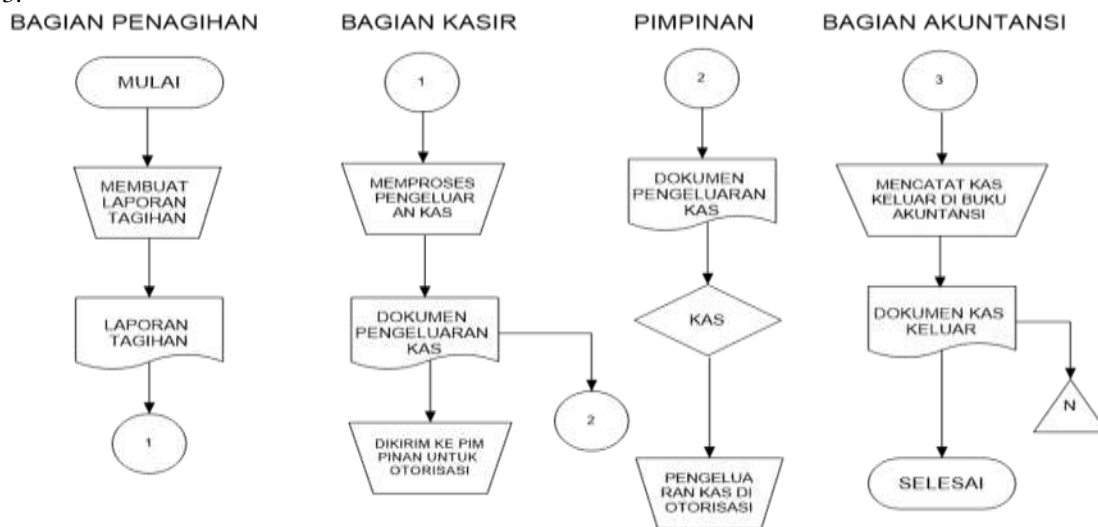


Source: Processed Data 2024

When cash receipts involve customers making payments, the cashier receives the payment and makes a Cash Receipt Report (LPK) and submits it to the accounting department where the Cash Sales Report (LPT) will be made in two copies, where the first copy is handed over to the manager and the second copy is archived by the department. finance.

2. Cash Disbursement Internal Control System Flowchart

3.



The flow of the internal control system for cash disbursements, cash disbursement procedures must involve several parts, one of which is making billing reports, the cashier's part processes disbursements and submits them to management for authorization and the accounting part records cash outgoings, and archives cash documents.

IV. CONCLUSION

B&A Laundry is a dry cleaning business located in the city of Tomohon, the internal control system for cash management at B&A Laundry is not yet effective, because there are still elements of internal control that have not been fully implemented, including the implementation of the function to regulate cash receipts and

disbursements, this research is to design an internal control system for cash management at B&A Laundry in Tomohon city.

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