

# Evaluation of Internal Control of Cash Receipts Inhotel Sofitel Bali Nusa Dua

Arya Agung Ayu Sitha Dewi<sup>1</sup>, Halim Dedy Perdana<sup>2</sup>, Meirani Harsasi<sup>3</sup>

{aryaagungayusithadewi@gmail.com<sup>1</sup>, halim@ecampus.ut.ac.id<sup>2</sup>, meiraniharsasi@gmail.com<sup>3</sup>}

Accounting Study Program Students, Faculty Open University Economics<sup>1</sup>, Lecturer in Accounting Study Program, Faculty of Economics, Open University<sup>2</sup>, Lecturer in Management Study Program, Faculty of Economics, Open University<sup>3</sup>

**Abstract.** Sofitel Bali Nusa Dua is a company engaged in the tourism industry. The Sofitel Bali Nusa Dua is a 5-star hotel in Bali which has been under the auspices of Accor Hotels since 1967. Sofitel Bali Nusa Dua is located in the tourist area of ITDC Lot N5 Benoa in Badung. The purpose of this scientific work is to determine whether the internal control of cash receipts at the Sofitel Bali Nusa Dua Hotel is effective or not. The type of data used is qualitative and quantitative data. The data source for this scientific work is based on primary data and secondary data. All of this information was collected through direct observation and interviews with hotel staff. Based on this discussion, it can be concluded that the internal control of cash receipts for the Sofitel Bali Nusa Dua Hotel is in accordance with the company's Standard Operating Procedures (SOP).

**Keywords:** Evaluation, Internal Control, Cash Receipt.

## 1 Introduction

The development of the era of globalization in Indonesia's tourism industry continues to experience progress, which is marked by the increase in tourist destinations, especially the number of tourists visiting Indonesia and Bali. According to Fengky, Sabijono and Kalola (2019), the Indonesian hotel industry has entered a new era. This situation is inseparable from changes in the development of communication technology and the emergence of the millennial generation as the driving force of the economy. Growth through implementation of new ways of thinking, working models and business models. A condition that often surprises hoteliers with the rapid changes in which hotels are not just places to live, but hotels have now become a means of channeling the lifestyle of an increasingly modern society. The development of tourism also has an impact on increasing economic growth, because every tourist who visits generate demand for both consumption and services. To meet these needs requires investment, including in the hospitality industry.

Bali is an island with natural and cultural beauty that is in great demand by tourists and therefore one of the most popular tourist destinations in the world. In addition to the development of

tourism in Bali, this also influences the development of gastronomy. In this case the hotel plays an important role as an accommodation provider that provides rooms equipped with services such as travel and food and beverage. A good hotel is a hotel that can provide tourists with quality products and services to create satisfaction and arouse tourists' desire to visit again. Therefore, the role of skilled workers greatly influences the development of the hotel industry to help develop Bali tourism.

Adequate training in corporate procedures regarding what can and cannot be done while being a good employee is the responsibility of every company authority, especially the finance department, which is at risk in any company. Every business definitely needs cash and according to Soemarso (2009), cash is something, whether it is money or not, that is immediately available and accepted as payment at its nominal value. Cahyaningsih & Putra (2017) note that from a financial management perspective in any company, receiving funds is a specific task that must be consistent with practice and controlled. Receipt of cash or securities in any form and type that can be used as soon as possible. Used for cash sales transactions,

Before employees make contact with tourists, they must establish good relations with employees from the same company. One of the rules that every employee must follow is compliance with all internal and external control procedures for cash receipts. According to Fauzan (2018), the company's cash receipts process must be designed to minimize unrecorded and unreceived funds. Care should be taken to ensure that responsibilities are segregated between depositors, recipients and registrars. Small businesses can't make such a difference, but they can combine the jobs delegated to the business owner where each beneficiary has to deposit money directly into the bank so that the company can run smoothly. In PSAK No. reveals accounting or organizational theory, there is also internal control or often called internal control, which means that a process is influenced by humans and technological systems and is used to achieve a certain thing or goal that is desired.

According to Damayanti & Yusuf (2018), receiving cash payments requires documents that contain information about membership or employees in the company. The finance department is responsible for recording member information or employee information when requesting loan deposits, recording evidence of cash receipts, and maintaining cash disbursement journals. According to Hana (2021), there are many vulnerabilities in managing cash management by institutional managers, in protecting members or employees, with the aim of reducing financial report distortions, this is done by introducing an internal control system that can be used as an audit function and audits are carried out.

An accounting system is declared good if it enables a company accountant to provide financial information to all levels of management, owners or shareholders, creditors and users of financial statements (stakeholders) on which to make financial decisions. In Mulyadi (2017), an accounting information system is a system that collects and processes information and then reports information related to financial transactions to companies. With the help of systems, management plans and controls company processes. Internal control of cash receipts at Sofitel Bali Nusa Dua is carried out every day since the first transaction is received by the staff/cashier at each store and then audited directly by the finance department, income auditor.

According to Boynton & William (2017), during this control, care must be taken to ensure that the money/cash at the outlet must comply with company rules and there are no differences that are bigger or smaller. Another responsibility of the revenue controller is to ensure that revenue

from events is affecting the company's inventory or property on certain days must be in accordance with existing information and available in the company's system. When a conflict arises, the employee/employee must take responsibility for the situation. With regard to the information in the company's system, if there is a discrepancy, the store clerk must use personal cash/money to cover the shortfall, whereas if there is an excess, the financial examiner takes the excess and reports it. such as company earnings. Therefore, every outlet employee, especially cashiers, must have a strong understanding, thoroughness and responsibility for the cash receipts internal control process.

During the process of implementing internal control for cash receipts at Sofitel Bali Nusa Dua, it is not uncommon for store associate errors to occur. Documents containing member information and employee information are required to receive cash payments. This led to disagreements between the revenue inspector and the office staff about how to carry out the verification process. Such failures can occur due to a lack of understanding, discipline and good communication between office staff and auditors regarding procedures set by management and the company or the company's desire to carry out evaluations to optimize company performance in order to achieve better effects, but coordination is inadequate. Based on all the background that has been described.

## **2 Literature Review**

### **2.1 Definition of Control System Internals**

According to Mulyad (2017: 129) The internal control system, including the structure of the organization, methods and coordinated actions to protect an organizational asset, control the accuracy and reliability of the accounting information system, encourage efficiency and encourage adherence to management principles. Meanwhile, Boynton et al. (2017) as a process carried out by the head of internal control, management and other members of the community, aims to provide reasonable assurance about the achievement of financial and compliance reporting objectives for the company. applicable laws and regulations, operational efficiency and effectiveness. COSO (Committee of Organizations supporting the Treadway Commission: 2013) defines the internal control system as follows:

influencing the board, senior management, and other personnel in running an organization or company, the purpose of which is to provide reasonable assurance about the achievement of the same objectives in carrying out operations, reporting, and enforcement is complete." This means that it is a process that permeates the organization because operational function is an integral part of the basic functions of management.

Internal control can only provide reasonable assurance, not absolute will. This confirms that internal control is essentially no matter how well designed and implemented it will be able to provide adequate assurance but is not fully effective in achieving internal control objectives, even when designed and managed with the best capabilities of the organization.

### **2.2 Definition of Cash**

Cash or cash accounting is the term used to describe the most recent accounts in a group of assets (assets), so this post tends to be at the top of the list of assets. Cash is any means of

payment that can be used immediately, such as banknotes, coins and giro. Implied in PSAK No. 2, cash is something that is in the form of a liquid, short-term investment, and can quickly or does not take a long time to convert into cash or cash in a certain amount agreed in advance without fear of the risk of significant changes in value. Generally, only investments with an initial maturity of three months or less than three months qualify for conversion as cash.

Statement on Financial Accounting Standards (PSAK) No. Paragraph 6 of Article 2 explains that funds are kept to fulfill short-term payment obligations and are not intended for investment or have other purposes in the purpose of keeping them. To meet liquidity needs, investments must be able to convert into cash in a known amount without the risk of significant change in value. Therefore, these new investments can only be considered as cash assets with a short term, namely a maximum of three months from the date of purchase. Cash is the most liquid component of working capital on the balance sheet, because money changes or transfers frequently and almost all transactions within a company have an impact on the liquidity situation. There are two methods of presentation, method).

- 1) The direct method or what can also be called the direct method is the main category of gross income and gross payments. With this method, each accrual-based estimated income is converted into an estimate of cash receipts and payments so that it reflects the actual receipts and payments of cash.
- 2) The indirect method or what can also be called the indirect method where in this method, net profit and loss is adjusted by adjusting accrued accruals or liabilities from transactions other than cash, income or payments of past, future cash operations and related income or expenses. cash flow from investing or financing. The Indonesian Institute of Accountants (IAI) states that the term cash includes, but is not limited to: Cash, which consists of cash on hand, current account, or cash (cash equivalent), which is an investment that can be highly liquid, short term, and made with fast. at a certain level without the risk of significant change in value.

### **2.3 General Cash Receipt Procedures**

The cash receipt procedure used by the company depends a lot on the size of the company and the organizational structure of the company. The company's cash collection procedures should be planned to reduce the possibility of cash not being detected or received. When planning cash receipts procedures, cash control principles should be considered as a guide, including:

- 1) Every receipt of money is immediately recorded
- 2) Cash receipts must be deposited into the bank every day according to what is obtained
- 3) The person who has the role of and is responsible for receipts does not act as the person in charge of cash accounting
- 4) The cash withdrawal function and the cash payment function are separated
- 5) Account receipts are reported regularly

The cash receipt method is for the buyer who pays the price of the goods according to the sales invoice in cash. This procedure is carried out by the cashier using a cash register. The procedure for recording cash receipts from cash sales is then used to record the cash receipts transaction in the cash receipts journal. Accounting for this operation is done by entering the deposit slips received by accounting in the cash receipts journal.

Based on a good internal control system, acceptance system cash sales require:

- 1) Cash payments must be paid immediately and paid off to the bank.
- 2) Cash receipts from cash sales are made through credit card transactions.

The cash receipt system for cash sales is divided into the following three processes:

- 1) Procedures for receiving cash from over-the-counter sales. The buyer comes to the company to be addressed to make a transaction, selects the goods or products to be purchased, after finding the right one, the buyer makes payment at the cashier, and then receives the purchased item.
- 2) Cash receipt procedure from cash-on-delivery sales (COD sales). COD sales are a way to expand market reach, providing buyers with guaranteed delivery of goods and guaranteed receipt of cash for the selling company.
- 3) Procedure for receiving cash from credit card sales. This credit card is a payment and billing method that makes it easy for both buyers and sellers.

#### **2.4 Internal Control System Components**

According to V. Wiratna Sujarweni (2015: 71) an internal control system has five main components and is explained as follows:

- 1) Control Environment or (Control Environment) which includes all activities, policies and procedures that will reflect the general attitude of management, directors and business unit owners towards internal control.
- 2) The objective of assessing financial reporting risk is to determine management's analysis of the risks associated with preparing the financial statements.
- 3) Control measures are the policies and procedures that help ensure that the necessary risk management actions are taken.
- 4) Information and Communication. Information systems are relevant when complemented by financial reporting, which includes accounting systems, which consist of methods and records maintained to record, process, aggregate and report transactions of an entity and provide accountability for those assets, liabilities and equity.
- 5) Monitoring is the process of determining the quality of internal control performance over time. Monitoring includes the timely planning and implementation of controls and the definition of corrective actions taken.

### **3 Method**

The location of this scientific work was carried out at the Sofitel Bali Nusa Dua Hotel in the ITDC Lot N5 Benoa Tourism Area, Kuta, Badung, Telephone (0361) 8492888, Website:www.sofitel.accor.com/. The main topic of this scientific paper is the internal control of cash receipts at the Sofitel Bali Nusa Dua hotel. Variables in scientific work are attributes or characteristics or values of people, objects or activities that have certain types that have been determined by researchers to be studied in order to be able to find what is needed and then conclude. Based on the statement above, these variables are used to evaluate the internal control of cash receipts at the Sofitel Bali Nusa Dua Hotel.

The reason for determining the location is the availability of information and the need for the main problems of the place. In this case the data used is qualitative data, data that is not in the form of numbers and cannot be counted, but in the form of sentences and expressions (Sugiyono, 2016:14). Quality information is information obtained by the Sofitel Bali Nusa Dua Hotel. And according to Sugiyono (2017), quantitative data is data in the form of numbers or quantitative data that is recorded or recorded. From this it can be concluded that according to some experts, quantitative data, in this case data in the form of numbers or points, are the numbers listed in the Sofitel Bali Nusa Dua Hotel cash receipts report.

The data source used in this scientific work is primary data or data obtained directly from information sources through direct observation (Sugiyono, 2017: 145). The basic material of this scientific work can be in the form of questions and answers (interviews) with stakeholders related to the subject under study. In addition, secondary data according to Sugiyono, (2017: 146) supporting information from other sources or through other intermediaries related to this scientific work. Relevant information can be research literature, ie. information from literature in the form of books, magazines, information about the Sofitel Bali Nusa Dua Hotel and references related to the title of this scientific work.

### **4 Results and Discussion**

The company cannot be separated from the system, especially the internal control system, cash receipts system. If the company has succeeded in creating an internal control system for good cash receipts, it will minimize cash misuse. Because cash is a very important item for the smooth running of the company's goals.

#### **4.1 Cash Receipt Procedure at Sofitel BaliNusa Dua**

The system consists of fixed elements according to an integrated pattern. The main systems and sources of cash receipts that occur at the Sofitel Bali Nusa Dua Hotel include receptionists and food and beverages/restaurants. The elements in this system are closely related and work interdependence to form a strong system to achieve company goals. Every system is designed to handle repetitive or routine operations.

- 1) Receptions, activities carried out namely receiving, welcoming guests and informing them about room rates and programs organized by the hotel, then registering and recording all guests staying at the hotel, starting with the guest's name and ending with guest billing during their stay hosting, incoming call services in and out of the hotel, prepare bills for all

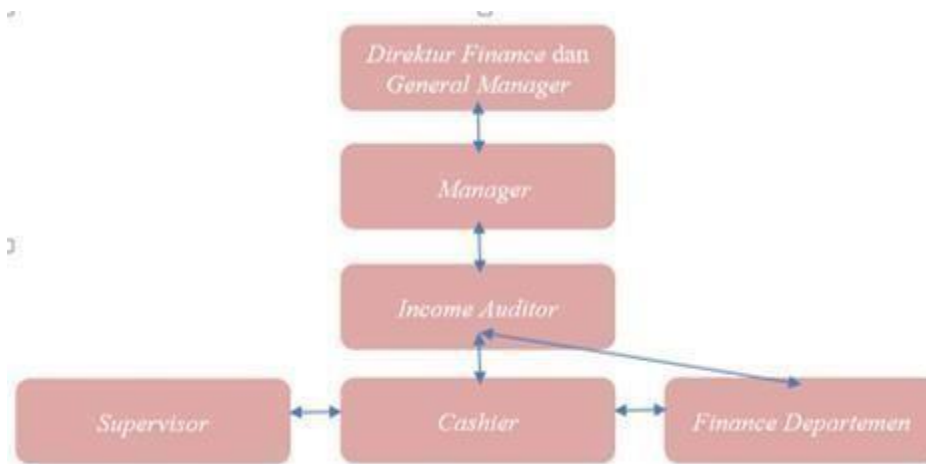
events that take place, maintain the availability of welcome drinks for guests at check-in or check-in, serve guests who want to book rooms (Reservations) and then transfer them inside. spare store maps and room checklists.

- 2) Food and beverages (services and products), serving guests who arrive at the restaurant, serving guests who gather in the meeting room (half-day meeting), delivering food and drinks ordered by guests to the restaurant and room (room service), preparing food and beverage bills for guests staying overnight and transfer to office for connection to room billing.
- 3) The documents used in the room rental receipt system are:
  - a. Guest Bill is a record that records guest bills that must be paid, the identity of the guest, and the date and time of entry or exit.
  - b. Cash Receipt is a proof of payment attached to the guest's bill and includes the guest's name and address, payment information, and code.
  - c. Front Office Cash Receipt Summary is a summary guest bill and cash statement that is used to reconcile the information at face value of the two documents.
- 4) Sofitel Bali Nusa Dua Cash Receipt Flow. The following is the flow of cash receipts at Sofitel Bali Nusa Dua.



**Fig. 1.** Flow of cash receipts at Sofitel Bali Nusa Dua.

Sofitel Bali Nusa Dua has developed a Standard Operating Procedure (SOP) to support system and process implementation. Here is an explanation of this SOP with flowchart and description:



**Fig. 2.** Flow of SOP at Sofitel Bali Nusa Dua.

- 1) After the outlet is closed, the cashier takes cash from the receipt and makes a register receipt report based on the sales transactions made that day. The supervisor is authorized to take the receipt at the point of sale by recalculating whether it is in accordance with the receipt report made by the cashier. The cashier then transfers the cash along with the receipt report attached to the finance department.
- 2) Receiving money from various parties except consumers is one of the responsibilities of the finance department, which after receiving funds in the form of money and a series of financial reports from the cashier, will be assisted by a financial examiner to check whether the cashier with physical evidence is in place. balanced sales or not.
- 3) If there is an error in determining the price, discount, item code, and other things. The cashier outlet will be responsible for helping the income auditor to make adjustments.
- 4) Cashier outlets must always be ready if on an unannounced day an internal audit (cash count) will be held at least once a month.
- 5) If there is a mistake in the amount of cash available with the data in the existing system when the cash count audit is based on existing system data, each cashier outlet will be responsible for adjusting the situation.
- 6) If it is found that there is misuse of company cash by outlet employees and is found during the internal audit process, sanctions will be given according to the company's decision.
- 7) The Income Auditor section will prepare a report related to the cash count internal audit process which will explain the actual situation on the ground during the audit process which will be approved by the outlet manager and subsequently by the finance director and general manager.



## 4.2 General Internal Control Components

In carrying out internal control, a basis or reference must be used as a basis for control which consists of several elements, namely:

- 1) This control environment includes all actions, policies and procedures that reflect or describe all internal control attitudes of management, directors and business unit owners that can raise awareness among members of the organization.
- 2) The interpretation of risk in carrying out financial reporting is to identify and analyze the risks associated with the preparation of reports controlled finance and the financial statements are properly presented in accordance with generally accepted accounting principles. Significant financial reporting risks are events, internal and external conditions that may affect the company's ability to record, process, summarize and report financial information obtained from the company as determined by financial reporting management.
- 3) Controls are policies and procedures that are established and can help ensure that the necessary risk management actions are taken properly to achieve the desired business objectives.
- 4) Information and communication, information systems are matters relating to the purpose of financial reporting, which includes accounting systems and information communication. Consists of methods and records designed to record, process, summarize, and report corporate transactions and hold assets, liabilities, and equity accountable.
- 5) Monitoring is the process of determining the quality of internal control performance from time to time. Such monitoring includes the timely planning and implementation of controls and the definition of corrective actions taken.

**Table 1.** Evaluation of Sofitel Bali Nusa Dua's Internal Control of Cash Receipts.

No.	Aspect	Study Results
1	Control Environment	<ol style="list-style-type: none"><li>1. Employee commitment to his own competence and responsibility for his own work is quite high.</li><li>2. The commitment of all directly involved departments is quite active, both from the reception department and from the food and beverage department.</li><li>3. The management philosophy and types of operations that support the operation of internal control already exist and are structured.</li><li>4. The organizational structure of the company and company history are available and clear and detailed.</li><li>5. Transfer of authority and job responsibilities that are there and done well.</li><li>6. Policies that support how employees work already exist and are structured</li></ol>

2	Risk Assessment	<ol style="list-style-type: none"> <li>1. Identification and analysis of risks associated with financial reporting.</li> <li>2. Assessment of the importance of the risk.</li> <li>3. Assess the likelihood of a risk occurring.</li> <li>4. Answer and decide how to manage risk.</li> </ol>
3	Control Activity	<p>Management participates in the formulation and implementation of policies relating to the following matters:</p> <ol style="list-style-type: none"> <li>1. Performance evaluation.</li> <li>2. Data processing.</li> <li>3. physical control</li> <li>4. Separation of Duties.</li> <li>5. Perfect fit with the contract.</li> </ol>
4	Information and Communication	<p>Management participates in the preparation and implementation of the information system, including the methods and records that:</p> <ol style="list-style-type: none"> <li>1. Identify and record all valid transactions.</li> <li>2. Describe transactions in sufficient detail and timely so that financial reporting transactions are properly classified.</li> <li>3. Determine the period in which the transaction occurred and the internal controls that allow these transactions to be recorded in the accounting period that is used Correct.</li> <li>4. Present transactions and related information and presented correctly in the financial statements.</li> <li>5. Establish effective communication between each department, so that the dissemination of information smoothly.</li> </ol>
5	Monitoring	<p>Management is regularly and continuously involved in monitoring the implementation of the internal control system and the practice of receiving cash from cash sales. Management also makes careful judgments based on monitoring observations.</p>

## 5 Conclusions and Suggestions

Based on the discussion above, it can be concluded that the internal control of cash receipts at Sofitel Bali Nusa Dua has been carried out effectively in accordance with the five aspects of internal control and company SOPs. Periodic implementation of internal control is one of the important things that must be done by the company in order to improve service and performance between staff and maintain good communication among departments. It is expected that with internal control of cash receipts it is able to increase revenue and income for the company.

Based on the conclusions above, the advice that can be given by the author to Sofitel Bali Nusa Dua, is to improve and perfect the implementation of internal control of cash receipts, it is hoped that there will be an increase in the role of management in the service development process so that it is better and the development of company systems related to company internal control so

that it can facilitate in carrying out tasks in the company as well as to minimize the occurrence of risks that affect the continuity of the company's goals.

## References

- [1] Boynton & William, C., et al. (2017). *Modern Auditing*. Erlangga, Jakarta.
- [2] Cahyaningsih, N., & Putra, IS (2017). Effectiveness of Internal Control of Cash Through Evaluation of Cash Receipts Accounting Information Systems. *Journal of Economics Student Research (RITMIK)*, 3(2), 1-18
- [3] COSO (The Committee Of Sponsoring Organizations Of Treadway Commission : 2013) *Internal Control - Integrated Framework*.
- [4] Damayanti & Yusuf, M. (2018). Cash Receipt and Disbursement Accounting Information System at KPRI Andan Jejama Pesawaran Regency. *Compact Techno Journal*. 12(2), 1-5
- [5] Esteria, N., W., et al. (2016), Analysis of Cash Receipts and Disbursements Accounting System at PT. Manado's Eternal Desires. *Old Journal of Scientific Efficiency*, 16(4), 1087-1097
- [6] Fengky, H., Sabijono, H., & Kalola, M. (2019), Evaluation of the Implementation of the Internal Control System for Cash Receipts at Hotel Yuta Manado. *Journal of Economic Research, Management, Business and Accounting*, 7(1), 1-10
- [7] Fauzan, M. (2018), Internal Control System for the Cash Receipt Function at PT. Muamalat Indonesia, Pematangsiantar Branch. *Journal of Masharif Al-syaria*, 3(2), 1-22
- [8] Hana, C. (2021), Evaluation of the Implementation of the Internal Control System for Cash Receipts Through a Virtual Account at Kahuripan University, Kediri. *Equivalence Journal*, 7(1), 1-10
- [9] Indonesian Accounting Association. PSAK No. 2 About the Statement of Cash Flows–2015 revised edition.
- [10] Financial Accounting Standards Board: PT. Grafindo King.
- [11] Mulyadi. (2017). *Systemaccountanti*, Fourth Edition. Salemba Empat, Jakarta.
- [12] Soemarso SR, (2009), *Accounting An Introduction*. IV edition. Publisher PT Rineka Cipta, Jakarta. Sujarweni & Wiratna. (2015). *SPSS For Research*. New Press Library.
- [13] Sugiyono.(2017). *Quantitative Research Methods, Qualitative, and R&D*. Alfabet, Bandung.