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The Role of Income Audit against the Internal Control at Hotel Gammara Makassar

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5 This study aims to determine the role of Income Audit on Internal Control at Gammara Hotel Makassar. This research was conducted at Gammara Hotel Makassar and uses a qualitative method. The data was obtained from interviews, observations, questionnaires and literature studies. 14 The results of this study indicate that the night audit process runs well. An effective audit process comes about from a competent controller who possesses the requisite technical capabilities, a deep understanding of the industry and company and who is able to express ideas and communicate and interact with international visitors.

Key words: *Income Audit, Night Audit, Gammara Hotel Makassar.*

Preliminary

Gammara Hotel Makassar is managed by independent company PT. Chess Jaya. The name Gammara, from Makassar, means brave, good and beautiful. PT. Catur Jaya Makassar is a company engaged in hospitality and held a soft opening on May 7, 2016. Hotel Gammara Makassar is a 4-star hotel located in the flower cape of Makassar that offers a new experience about the concept of semi restaurant and MICE (meetings, incentives, conventions, and exhibitions). Gammara Hotel Makassar stands on an area of 6.7 hectares and employs 223 workers. In addition to having 256 rooms, the hotel provides a cottage with two bedrooms, eight cottages with three bedrooms and facilities such as a swimming pool, two Eboni Ballrooms and nine Meeting rooms.



The increasing number of hotels in Makassar has seen an increase in competition. The competition in the business world is getting tougher, so too are the challenges faced by companies. One of the problems faced by companies concerns internal control of sales and cash receipts. The most common problem is the fraudulent management cash that dramatically impacts the operations and financial management of the company.

Income Audit has a significant role in the hotel industry because it evaluates the revenue obtained from daily transactions. If there is no Income Auditor, hotel management cannot run smoothly as no scrutiny related to revenue and data manipulation can be obtained. In addition, the financial condition becomes uncontrolled due to mismatches or imbalances that, in turn, can affect the hotel financially collapsing. Therefore, the importance of the Income Auditor cannot be overlooked.

To keep a system such as a cash receipt system running properly, an internal control system is needed. According to Mulyadi (2016: 129) the internal control system includes organisational structure, methods and measures that are coordinated to safeguard the organisation's wealth. Internal control also audits the accuracy and reliability of accounting data, encourages efficiency and provides compliance with management policies. In addition, key elements in the internal control system include an organisational structure that separates responsibilities and authority, authorisation systems and recording procedures, sound practices, and employees whose quality is in accordance with their responsibilities. The existence of an internal control system is expected to protect company assets resulting from theft, financial embezzlement by employees or misuse of assets.

Every business entity requires a rigorous control system and the Gammara Hotel Makassar is no exception. Cash is a liquid asset and influences the company's operational activities. It is the most vulnerable asset that is vulnerable to deviations if not managed with proper control. It is said to be vulnerable because cash is very easily transferable, and ownership cannot be proven. Cash is easily distorted and to maintain a cash system appropriate internal controls are needed. One system of managing cash is via cash receipts; a system that uses and accepts only money. The system is weak when there are no rigorous control measures in place (Titik, 2009).

Internal control plays an important role in managing a company's accounting information system. Besides having an important role in managing the accounting information system, internal control is also needed to reduce the company's exposure to risk. According to the Committee of Sponsoring Organizations (COSO) "internal control is defined as a system, structure or process implemented by the company's board of directors, management and other personnel, designed to produce rational assessments in an effort to achieve control



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objectives and provide reasonable guarantees" (Husein 2004: 121).

Sari's (2011) research showed that the sales accounting information system implemented by PT. Yamaha Mataram Sakti Semarang supports the effective implementation of an internal sales control measure. The sales accounting information system produces relevant, accurate and timely information. The information generated from the sales accounting information system is useful for management as a basis for sales decision making. The applied controls provide protection against level mistakes or fraud that may occur in sales activities.

Literature Review

Internal Control System for Cash Receipts

An internal control system should exist in every company so that existing activities run properly. According to Al. Haryono Jusup (2014: 356) "The Internal Control System consists of policies and procedures designed by management with sufficient confidence so that the entity achieves its goals and objectives". In other words, an internal control system is used to help achieve company goals and maintain business continuity.

Internal Audit

Internal audits carried out on control processes and measures are important and beneficial to a company. Presenting accurate and reliable data, internal auditing helps increase company profits through objective and quality recommendations that safeguard company assets.

Audit Process

16 In conducting an audit, several stages must be carried out to obtain adequate confidence in the fairness of the values in the financial statements. In order to achieve audit objectives, four stages of the audit process are followed: (i) development and planning the audit approach, (ii) conducting control testing and substantive transaction testing, (iii) conducting analytical procedures and balance detail testing and, (iv) completing the audit and issuing audit reports (Arens & Loebbecke, 2009).

Auditor's Opinion

Following the audit process, the auditor will issue an opinion on the client audit report. The audit report issued expresses an opinion of the company's financial statements. The types of opinions that can be issued are 8 unqualified opinion, unqualified with explanatory paragraph or modified wording, qualified opinion, adverse opinion and disclaimer of opinion: (Arens & Loebbecke, 2009).



Research Methods

This study uses qualitative research. The collection method includes interview, questionnaire, observation and literature study Sugiyono (2009: 402). This research was conducted from April to July 2019 at the Makassar Gammara Hotel, Jalan Metro Tanjung Bunga, Mariso, and Makassar City.

Research Results and Discussion

Sources of Cash Acceptance at Gammara Hotel Makassar

Cash receipts in the hotel industry come from the sales of both goods and services as well as from the sale of room services, guest shuttle services, laundry, restaurants, Skybar and sales of cottages, spas, and others. The Front Office Department is responsible for selling rooms, merchandise, meeting room rentals and facilities like swimming pools and spas. Color Resto (Restaurant) serves food and drinks, not much different to Skybar that provides alcoholic drinks and food at certain hours. Cashiers from each department are responsible for carrying out cash receipt procedures as a result of a sale. In terms of food and beverage, Gammara Hotel has De 'Malino Restaurant, which is open 24 hours, Bira and Selayar Pool Bars that serve a wide selection of drinks and a fitness centre and spa.

Accounting for Cash Receipts System for Gammara Hotel Makassar Room Service Sales Front Office

Cash receipts, as a result of sales, in this case room service by the front office department, are carried out through procedures such as requesting the identity of prospective guests. The registration card used to record basic information of the prospective guest is entered into the system. At the time of reservation, guests will be asked the duration of their stay and requested a deposit (Advance Reservation Deposit), which is a security deposit. This deposit, according to hotel policy, is usually half the total rate for guests staying. In this process guests, will be given cash receipt as evidence of paying a deposit. When guests check out, they are given a Guest Bill that itemises the accrued expenses of their stay.

The Front Office also accepts payments originating from various services such as laundry, pool facilities and spas. Every transaction received by the Front Office, via cash payment, comes with a cash receipt that shows a cash payment. Furthermore, the cash receipt will be further processed after the guest checks out. Staff, who act as cashiers, create billing documents that are provided to guests and is proof of payment in cash. They are signed, indicating that the check-out and transaction process has been completed. The Front Office



activities are finished here and the daily remittance and cashier drop reports will be used by the General Cashier as a basis for making daily general cashier reports.

General Cashier

At Gammara Hotel Makassar, the general cashier only handles documents such as envelopes that contain money along with the cashier drop report, not a guest bill and cash receipt. The general cashier's activities can be described by a flowchart showing the general cashier's activities that are namely processing both money and accompanying documents. Documents are filed while waiting for proof of deposit. Such documents have been stamped and signed by the bank and subsequently submitted together with cashier details, daily remittance reports, daily cashier drop reports, daily general cashier reports to the section income audit for the wire transfer receipt journal process. After the general cashier receives the wire transfer receipt journal by the income audit section, the general cashier joins the evidence transfer journal with the cashier details, daily remittance report, daily cashier drop report, daily general cashier report, and bank deposit evidence to then be made a permanent archive by a general cashier (Hajdari, 2018).

Income Audit

An income audit checks all forms of sales carried out by each outlet, in the case of room service sales in cash, the income audit section will receive a report prepared by the general cashier section which contains details of cash cashier, daily remittance report, cashier drop daily, daily general cashier report, and proof of bank deposit for then it is authorized and then journalized, namely the wire transfer receipt journal before being returned again to the general cashier section for permanent archiving. After conducting a wire transfer, the income audit section performs another task which is to examine documents such as a guest account along with proof of payment in the form of cash receipts to ensure that the documents are complete in attributes such as department writing, name, date, and signature, so can be accounted for. After finding no problems with the evidence of payment received, the income audit section can put it in the cash receipts journal, to then be entered into a ledger and then to the most recent process, namely the financial statements at the end of each month. After journalizing into ledgers, documents such as guest accounts. and cash receipts will be permanently archived by income audits by date. Procedure for cash receipts for the sale of room services directly occurs between the front office and guests, but the accounting system for cash receipts formed involves the whole procedures performed by the front office, general cashier and up to on audit income.



Cash Receipt Report

In accordance with the procedures for cash receipts for the sale of room services that have been spelled out by the accounting system for cash receipts for the sale of room services above, the following are the reports made by the sections responsible for cash receipts.

Front Office

The front office department who is in charge of the department cashier who is tasked with calculating the amount of money they receive in one shift and is written in the daily remittance report according to the break, in filling the cash register's daily remittance (cashier envelope) the cashier must interpret the name, shift, department, the number in the system, the number of physical calculations, the cashier's signature and the witnesses when calculating and entering daily remittance report to the transit safe that will later be taken by general cashier. The cashier then writes on the daily cashier drop daily information form such as name, shift, department, physical count, and the same cashier and witness signature.

Money collected by each cashier on duty, put into in the envelope after the cashier details the money fragments into the column, other mandatory information that also needs to be filled in is the name, department, shift, the total money that enters the system, the possibility of a difference between the system and physical calculations, the difference put in the overage/shortage column. General Cashier has the duty to calculate the exact amount of money with the fractions contained in the daily remittance report which then matches the amount stated on the daily cashier drop report per each department cashier.

Two accountability reports from each department cashier must be accompanied by a witness' signature in each Daily Report. Likewise, when the general cashier opens the envelope of money (daily remittance report) must be accompanied by a security person as a witness, then the daily cashier drop report requires the signature of a security person as a witness that the calculated money is in accordance with the amount reported by the department cashier and then followed by a sign general cashier's hands.

General Cashier

Based on the report listed on the money envelope or daily remittance report and the results of the calculation of the whole money in a day, the general cashier requests a "detailed cash cashier" report for the income audit. This detailed cashier report contains the number of cash receipts entered by the cashier of each department into the system in one day. The task of the general cashier is to match the total amount of physical cash receipt calculations with the total amount that is in the system. Differences may always occur and based on Gammara



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Hotel Makassar policy the difference is reasonable when limited to only Rp. 300, -. The next report made by the general cashier is based on the ² "daily general cashier report".

The **daily general cashier report** is made to match the results of the physical calculation of cash receipts with the amount of money entered into the system by each department cashier. This is entered in the daily general cashier report with a line containing the name of the department cashier who is responsible for the amount of money received on that day. The cashier remittance column contains the total cash receipts on that one day. Basically there will always be a difference between the system and physical calculations, bearing in mind that the smallest denomination is only Rp. 50, while the tariff on the system can be decimal, for example, Rp. 628,383, -. The short / over column is the difference between the physical calculation and the amount in the system. After a series of procedures are passed, then the cash receipt in one day is deposited to the Bank.

Copies of payment slips that have been transacted to the bank are then combined again with the ² **daily remittance report, daily cashier drop report, cash cashier details**, and then the last daily general cashier report. After being combined into one, they are then given to the income audit for later journaling namely ² **wire transfer receipt journal**.

Income Audit

Wire Transfer Receipt Journal

Based on the thoroughness of reports from the front office, the income audit section can conduct a bank clearing process called a wire transfer. A wire transfer is a transfer of different amounts of money between banks and in the case of Gammara Makassar hotel, the wire transfer receipt journal is proof that the amount of money received in a day has been transferred to the hotel bank account, along with the excess (overage). This transfer can only be done after the general cashier deposits money into the company's bank account.

After obtaining the results of the wire transfer, cash receipts for that day will get to the next stage, namely the cash receipts journal that will be conducted by the income audit. In terms of the general cashier, the wire transfer receipt journal is the last document to complete the cash receipt reports in a day which will be permanently archived in order by date.

Analysis of the Night Audit's Role in Controlling Operational Costs and Operating Revenues

Cost control of Gammara Hotel Makassar is carried out by the Night Audit and Financial Controller. In this study, the focus is on the Night Auditor in controlling operational costs and operating income. Based on data obtained, the ⁶ **purpose of the research is to determine**



whether the role of the Night Audit is running well or not in controlling operational costs and operating income. Accordingly, it can be concluded that the role of Night Audit runs well because the Night Auditor is carrying out their duties, functions, and qualifications in accordance with standard operating procedures to achieve company profit standards set by Gammara Hotel Makassar. From 2018 to 2019, the company's profit has a decreased turnover, with a total operating income of Rp. 21,451,636,098 in 2018 and in 2019 amounting to 21,137,620,585. The difference from operating income and operating costs in December-July 2018 and January-June 2019 amounts to Rp. 314,015,513. According to Sedarmayanti (2014: 22), efficiency is a measure of the level of use of resources in a process, the more efficient or the less use of resources, the process is said to be more efficient. On the other hand, the Night Auditor can make a more in-depth effort with the standard control by ensuring operational costs incurred are less, for example operational costs for house laundry. According to observations and interviews conducted by researchers at Gammara Hotel Makassar, house laundry contains all employee's clothes that have been washed and ready to use. The Night Auditor can provide ideas, as well as advice, to the General Manager to make the house laundry just a place to change clothes.

Table 4: Hotel Income July 2018-June 2019

No.	Month	Gross Revenue	Nett Revenue
1.	July	4.228.720.785	3.494.902.426
2.	August	2.873.260.869	2.344.618.669
3.	September	3.190.797.397	2.637.022.642
4.	October	3.394.389.407	2.802.534.435
5.	November	3.357.891.782	2.775.274.627
6.	December	4.432.565.858	3.663.063.985
7.	January	2.844.568.817	2.350.863.323
8.	February	2.659.572.733	2.197.993.994
9.	March	3.825.293.764	3.161.268.387
10.	April	4.600.787.766	3.802.303.956
11.	May	2.704.410.385	2.235.048.905
12.	June	4.503.976.138	3.722.294.329

Source: Daily Report Hotel Gammara 2018-2019.

With regards to Table 4 above, the total Gross Revenue income from December to July 2018 amounted to Rp. 21,451,636,098 while for January-June 2019 around Rp. 21,137,620,585.

Conclusion

The role of the Night Audit at Gammara Hotel Makassar is said to be going well. This is demonstrated by a good controller who has the technical ability, industry and company



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knowledge and is able to communicate in many languages. Gammara Hotel Makassar has also carried out normative functions in planning, controlling, reporting, accounting, and other responsibilities. This is because the role of the Night Audit adheres to standard operating procedures (SOP).



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