



CORPORATE FINANCIAL SECTOR MANAGEMENT AUDIT STUDY AT PT PEGADAIAN (PERSERO) SAMARINDA BRANCH

By

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Abstract:

Every company aims to gain profits and strengthen the continuity/existence of the company. One of the efforts is to carry out audit management. Audit management aims to provide a report to management from the audit findings of the management control system. The financial function of a company can be used as a tool in the decision-making process. The research aims to determine and analyze the effectiveness of implementing management audits on the financial function at PT Pegadaian (Persero) Samarinda Branch. The research was carried out from September to November 2023 at PT Pegadaian (Persero) Samarinda Branch, East Kalimantan Province, Indonesia. Data collection was carried out through fieldwork research and library research. Data analysis is used to determine and evaluate the financial function through several stages, namely preliminary audit, review, and testing of management controls, detailed audit, and reporting. The research results show that (1) internal supervision does not carry out sudden supervision and monitoring. As a result, activities within the company are less monitored and therefore less effective; (2) the company does not rotate employees in the cashier department. Which results in a big opportunity to commit fraud; and (3) there is no regular meeting schedule between the finance/accounting department and the company leadership. As a result, leaders do not know the financial position each month.

Keywords:

Management Audit, Financial Function



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1. INTRODUCTION

In the current era of globalization in the industrial world, competition between companies is increasingly tight and competitive. Competition is getting tighter and tougher in every element such as product quality, innovation, service, and so on. The emergence of competition cannot be avoided, so it becomes an extraordinary challenge for the continuity of the company.

Every company in carrying out its activities has a general goal, namely to obtain the maximum possible profit. To achieve this goal, companies are required to be able to manage and utilize the various resources they have to provide the best contribution.

Regarding company activities to achieve its goals, company executives delegate certain levels of company duties and responsibilities. Every function/division/department in the company must work together to achieve company goals. The challenge that companies often face in carrying out various business activities is ensuring that all functions/divisions/departments in the company operate optimally to increase the effectiveness, efficiency, and economy of the company, in situations of resource scarcity.

One of the functions of a company is the financial function. According to Bhayangkara (2015), the financial function is the most important function of a business. The financial function is closely connected with production, marketing, and other activities. Furthermore, Sarapa (2017) stated that the financial function is the part of the organization that collects, records, analyzes, and monitors data from all other functional areas in the company.

The financial function shows how financial management can design the most thorough planning possible both in the short and long term. This financial planning supports the activities of other functions as much as possible and is relevant to the company's overall goals of being efficient, effective, and economical. It was stated by Gelsomino et al (2016) that financial planning supports the activities of other functions as much as possible and is relevant to the company's overall goals of being efficient, effective, and economical. Financial management is largely responsible for making appropriate and strategic financial decisions, ensuring that resources are used effectively and efficiently to support business growth and stability.

One way to increase effectiveness, efficiency, and economy is by conducting a management audit of the company. According to Siagian (2013), a management audit is an implementation of the supervisory function carried out to ensure that these activities are carried out based on various principles such as efficiency, effectiveness, productivity, coordination, functionalization, and so on. Furthermore, Tampang (2013) and Bhayangkara (2015) stated that management audits are designed systematically to audit activities, programs that are held, or entities that can be audited to assess and report whether resources have been used efficiently, as well as what the objectives of the programs and activities have been. Plans can be achieved and do not violate the rules and policies set by the company. Brender dan Yzeiraj (2015) stated a management audit seeks to evaluate whether a company has a suitable organization and appropriate management team in place to achieve its objectives. It focuses on strategic objectives and enables a company to adapt its key human resources to the changing business environment. It not only includes a review of strategy and how it is being implemented. A well-conducted management audit uses qualitative criteria to analyze whether management can effectively achieve the company's strategy and to evaluate management's composition, skills, and attitudes. Hasti (2016) states that financial management aims to provide reports to management in the form of audit findings regarding the management control system, whether the company's operational activities have been carried out efficiently, economically, and effectively, along with suggestions for correcting the weaknesses found during implementation of management audits.

PT Pegadaian (Persero) Samarinda Branch is a company that operates in the field of pawning and fiduciary business, both conventional and sharia, and other services in the financial sector by statutory provisions, especially for lower middle-income communities, micro-businesses, small businesses, and medium businesses, with business scope in the Samarinda city area. Pawnshop was founded based on the Government's noble desire to help the wider community who need funding solutions, prevent debt bondage, loan sharks, and other unreasonable loans to improve the welfare of the poor and support Government programs in the economic and national development sectors. Pawnshop is now not only a financing institution but has developed as an integrated business solution for the community through a variety of products and services provided, namely pawn and fiduciary financing products for people who need liquidity (funding), easy and safe gold investment products for people who have excess liquidity, as well as various service products (remittance and payment) for people who need accelerated financial transaction services. Achieving company goals requires effective and efficient functions, especially those related to the financial function.

Based on the results of initial interviews with the accounting and finance staff of PT Pegadaian (Persero) Samarinda Branch, it is known that there are still several problems or obstacles within the company such as delays in financial data, there being no special training from the company for both new and existing employees, and the company does not carry out rotations. Employees work in the finance department. In this regard, whether the implementation of management audits on the financial function at PT Pegadaian (Persero) Samarinda Branch has been effective.

The research aims to determine and analyze the effectiveness of implementing management audits on the financial function at PT Pegadaian (Persero) Samarinda Branch.

2. RESEARCH METHODS

2.1. Time and Location

The research was carried out from September to November 2023 at PT Pegadaian (Persero) Samarinda Branch, East Kalimantan Province, Indonesia.

2.2. Determination of Respondents

This research was limited to the financial function so questions submitted for the Internal Questionnaires were given to 8 (eight) respondents related to the company's financial function, consisting of the Financial Manager, Financial Administration, Accounts Receivables Department, Accounting Assistant Manager, and Accounting Section Staff.

2.3. Data Collection Technique

Data collection techniques in this research consisted of fieldwork research carried out through observation and interviews, and library research was carried out by collecting and analyzing company data related to research.

2.4. Data Collection

The data collected are a general description of PT Pegadaian (Persero) Samarinda Branch, Organizational Structure of PT Pegadaian (Persero) Samarinda Branch, results of observations and interviews related to management audits of the financial function in the management of PT Pegadaian (Persero) Samarinda Branch, and audit steps management at PT Pegadaian (Persero) Samarinda Branch.

2.5. Data Analysis

Data analysis used to determine and evaluate the financial function according to Tampang (2011) and Arifin (2013) states that the stages in a management audit are as follows:

1. Preliminary audit

A preliminary audit is carried out to obtain background information on the object of the audit being carried out. In addition, this audit also reviews various regulations, provisions, and policies relating to the activities being audited, as well as analyzing various information that has been obtained to identify potential weaknesses in the company being audited. Auditors use a list of questions, questions and answers, management reports, and observations in carrying out preliminary audits. The calculation to determine the percentage of internal control questionnaire scores using the Sari (2019) formula is as follows:

$$\text{Relative value} = \frac{(\sum \text{items that received the answer Yes})}{(\sum \text{ items being compared})} \times 100\%$$

The relative value results from calculations obtained through scoring are described based on the assessment criteria processed as presented in Table 1.

Table 1. Management Audit Effectiveness Criteria

Score	Criteria
0% - 25%	Ineffective
25% - 50%	Less Effective
50% - 75%	Effective
75% - 100%	Very Effective

Source: Sugiyono in Sari (2019)

2. Review and testing of management controls

At this stage, the audit carries out a review and testing of the audit object's management controls, to assess the effectiveness of management controls in supporting the achievement of company goals. The results of this management control test can support the interim audit objective to become the actual audit objective, or there may be several interim audit objectives that have failed because there is insufficient (difficult to obtain) evidence that supports the audit objective. The results of the review and testing of management controls are then presented in Table 2.

Table 2. Results of Review and Testing of Management Control of the Financial Function of PT Pegadaian (Persero) Samarinda Branch

Control System Strengths		
1. xxx 2. xxx		
Control System Weaknesses	Errors That May Occur	Tests That Can Be Undertaken
xxx	xxx	xxx
xxx	xxx	xxx
xxx	xxx	xxx

Source: Bayangkara (2015)

3. Detailed Audit

This stage involves collecting sufficient and competent evidence to support the objectives of the audit that has been carried out and developing findings to look for connections between one finding and other findings in examining problems related to the audit objectives. Sufficient, relevant, and competent findings at this stage are presented in an Audit Working Paper to support the audit conclusions made and recommendations given. Working papers can be organized by sub-unit of the audited business (such as by branch, section), the order in which audit procedures are performed (such as preliminary audits, evidence), or any logical system that enhances the auditor's understanding of the work performed. The purpose of gathering evidence is to obtain a factual basis for assessing previously identified performance criteria. A detailed audit summary is presented in Table 3.

Table 3. Detailed Audit Summary of the Financial Functions of PT Pegadaian (Persero) Samarinda Branch

No	Conditions	Criteria	Recommendation
1	xxx	xxx	xxx
2	xxx	xxx	xxx
3	xxx	xxx	xxx

Source: Bayangkara (2015)

4. Reporting

This stage aims to communicate the audit results including recommendations given to various interested parties. This is important to convince management of the validity of the audit results and encourage the authorized parties to make improvements to the various weaknesses found. The report is presented in a comprehensive form (presenting important audit findings to support audit conclusions and recommendations). Recommendations must be presented in operational language that is easy to understand and interesting to follow up on. Although a formal report can be considered the final step in audit management. This informal report should be made during the audit.

Table 4. Audit Findings and Recommendations Working Paper

Company Name: PT Pegadaian (Persero) Samarinda				Audit Period			No KKA
Audited Programs: Findings and Recommendations				Maret 2022			
No	Condition	Criteria	Reason	Consequence	Company Management Comments	Auditor's Response	Recommendation

3. RESEARCH RESULTS

3.1. General Description of PT Pegadaian (Persero)

This company began its history on 20 August 1746 when the VOC established Bank van Leening in Batavia to provide credit to the public using a pawn system. After the British took over Dutch rule in Indonesia (1811-1816), Bank Van Leening was disbanded and people were given the freedom to do business in the mortgage sector as long as they had received permission from the local

government (licentie stelsel). However, this policy then had a negative impact on society, because permit holders actually carried out loan sharking practices which were deemed less profitable for the government. Therefore, the licentie stelsel method was later changed to pacht stelsel, namely that pawn business permits were only given to people who were able to pay high taxes to the local government.

After the Dutch returned to power in Indonesia, the stelsel patch was maintained, but apparently it had the same impact, because many license holders committed fraud in running their business. The Dutch East Indies government then conducted a study to determine whether the government should handle the pawn business itself, to provide greater protection and benefits to the community. Based on the results of this study, the Dutch East Indies government then issued Staatsblad No. 131 dated 12 March 1901 which stipulated that the pawn business in the Dutch East Indies was monopolized by the government, so that on 1 April 1901, the Dutch Indies government established its first pawn shop in Sukabumi, West Java. Therefore, April 1 is celebrated as Pegadaian's birthday. In 1905, the Dutch East Indies government formed the Pegadaian Bureau to manage all pawnshops that had been established in the Dutch Indies.

During the Japanese occupation of Indonesia, the head office of the Pegadaian Bureau was on Jl. Kramat Raya no. 162, Jakarta was used as a place for prisoners of war, so the head office of the Pegadaian Bureau was moved to Jl. Kramat Raya no. 132. Not many changes occurred during the Japanese administration, both in terms of policy and the organizational structure of the Pawnshop Bureau. The Pegadaian Bureau in Japanese is called 'Sitji Eigeikyuku' The Pegadaian Bureau at that time was led by a Japanese named Ohno-San, while his deputy was a native named M. Saubari.

After Indonesia's independence, the head office of the Pegadaian Bureau was moved to Karanganyar, Kebumen because the situation was increasingly heated. The Second Dutch Military Aggression then forced the head office of the Pegadaian Bureau to be moved again to Magelang. After the war of independence, the head office of the Pegadaian Bureau was again moved to Jakarta. In 1961, the government changed the status of this company to a state company (PN), and in 1969, the government again changed the status of this company to a government company (Perjan). In 1990, the government changed the status of this company to a public company (Perum). In 2010, this company began opening gold sales outlets under the name 'Galeri 24'. In 2011, the government changed the status of this company to a limited liability company. In 2014, this company established PT Pesonna Optima Jasa to provide outsourced labor. In 2015, this company established PT Pesonna Indonesia Jaya to manage the Pesonna Hotel network. In 2018, this company used the Gold Business Division as capital to establish PT Pegadaian Galeri Dua Empat. In 2020, this company launched a productive capital loan service for micro, small, and medium enterprises.

The company's vision is to become The Most Valuable Financial Company in Indonesia and the Community's First Choice Financial Inclusion Agent, and its mission is: (1) to provide optimal benefits and profits for all stakeholders by developing the core business; (2) expanding the reach of MSME services through Ultra Micro synergy to increase the value proposition to customers and stakeholders; and (3) providing service excellence with customer focus.

PT Pegadaian (Persero) in implementing management audits has several scopes as follows: (1) internal parties consisting of the Internal Audit Unit (SPI) located at the Head Office and Regional Offices in this case PT Pegadaian (Persero) Samarinda Branch, (2) external parties consisting of the Financial Audit Agency and Public Accountants who are individual practitioners from members of the Public Accounting office who provide services to clients or companies.

3.2. Organizational Structure

The organizational structure of the Samarinda branch procurement is as follows:

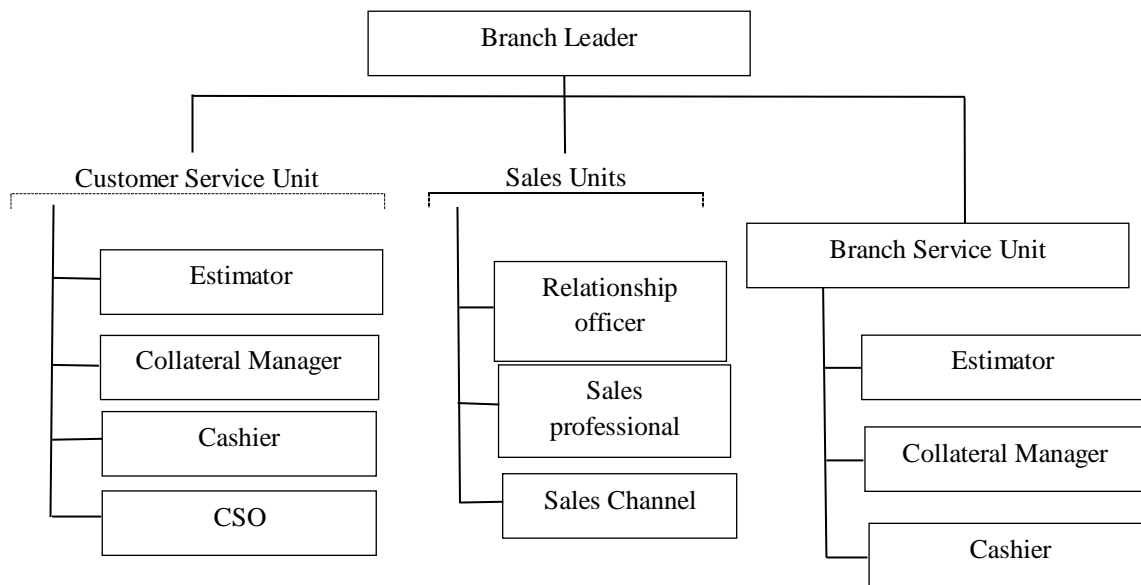


Figure 1. Samarinda Branch Procurement Organizational Structure
(Source: Samarinda branch procurement, 2022)

The function of the Branch Manager is to plan, organize, carry out, and control the operational, administrative, and financial activities of the pawn business and other businesses of the Branch Office and Branch Service Unit (UPC).

The function of the Appraiser is to assess collateral goods to determine the quality and value of the goods by applicable regulations to realize reasonable estimates and loan money as well as a good image of the company.

The cashier's function is to carry out the duties of receiving, storing, and paying money by applicable regulations for the smooth implementation of branch office and UPC operations.

3.3. Audit Working Paper Results

The results of the audit working paper are presented in Table 5 below:

Table 5. Financial Function Audit Working Paper

Company Name: PT Pegadaian (Persero) Samarinda Branch			Period	No. KKA
Audited Program: Financial Function March 2022			March 2022	
No	Question	Answer		Information
		Yes	No	
1	Does the head of finance retain full responsibility for the tasks and activities carried out by the finance function?	√		The head of the finance department has full responsibility for financial activities.
2	Has the finance department managed cash flow efficiently and effectively?	√		The finance department always manages cash flow effectively and efficiently.
3	Does the finance department prepare an annual budget?	√		The annual budget is always kept by the finance department.
4	Will every employee who is under the finance department be coordinated optimally for every financial activity carried out?	√		Every subordinate in the finance department always coordinates financial activities.
5	Does the finance department carry out financial guidance and management as well as calculating working capital and taxation?	√		The finance department manages finances while always calculating working capital and taxes.
6	Is supervision and control over cash/bank carried out fully?	√		The chief financial officer supervises and controls cash completely.
7	Are financial and tax reports prepared on time?	√		Always make financial and tax reports on time.
8	Are all costs and acquisition prices fully planned and controlled?	√		All costs and acquisition prices are fully planned and controlled.
9	Are the company's debt/obligation payments made on time?	√		The company always pays its obligations on time.
10	Is the signing of check notes and receipts consistent and by the correct procedures?	√		Signing notes and receipts according to procedures.
11	Is the filling in of cash receipts and receipts as well as the creation of cash receipt registers still carried out correctly?	√		Receipt of cash receipts and receipts is carried out according to existing procedures.
12	Are tax calculations still done correctly?	√		Tax calculations are carried out appropriately and correctly.
13	Is the calculation of each depreciation of the company's fixed assets carried out using the correct accounting method?	√		The company uses appropriate accounting methods in calculating asset depreciation.
14	Are tax reports submitted to the head of finance always on time?	√		Tax reporting is submitted to the finance department on time.

Company Name: PT Pegadaian (Persero) Samarinda Branch			Period	No. KKA
Audited Program: Financial Function March 2022			March 2022	
No	Question	Answer		Information
		Yes	No	
15	Have cash receipts and disbursements been checked carefully and gone through the correct procedures?	√		Inspections are always carried out and examined for evidence of cash disbursements.
16	Are receipts and payments still functioning as they should?	√		Receipts and payments continue to function as they should.
17	Is the cash deposit to the bank in full amount as received?	√		Cash deposits are always in full amount as received by the finance department.
18	Are cash records and payments carried out separately?	√		Cash management for payments is always recorded separately.
19	Is financial data always available on time when needed?	√		Financial data documents are always stored neatly, and always there when needed.
20	Does the internal control unit always carry out sudden supervision and monitoring?		√	There is no impromptu monitoring of supervisory control.
21	Is realization reporting always carried out routinely?	√		Realization is always carried out routinely.
22	Is there a special officer for storing documents/money?	√		There is a special section for saving documents.
23	Are documents stored in order of date and number so they are easy to find when needed?	√		Document storage is carried out based on serial number, date, and year to make searching easier.
24	If an error is found in verification, is action taken immediately?	√		Every time there is an error, action is taken as soon as possible for verification.
25	Does the accounting function have accounting guidelines?	√		The accounting function is always guided by accounting.
26	Has the job description been carried out completely?	√		The job description has been fully implemented.
27	Has the payroll been prepared correctly?	√		The creation of the Gai list is appropriate.
28	Does each employee have duties and responsibilities that are appropriate to their disciplinary background?	√		Employee duties and responsibilities according to their disciplinary background.
29	Does the company rotate employees in the cashier department?		√	There is no rotation of finance department employees.
30	Is there a regular meeting schedule between the finance/accounting department and company leaders		√	There is no regular meeting schedule for the finance and leadership departments.
31	Does the company always make debt payments on time?	√		The company is always on time to pay debts.
32	Are there still people in the finance department who are not employed according to their field or scientific discipline?		√	No, the finance department is not employed in any field.

Company Name: PT Pegadaian (Persero) Samarinda Branch			Period	No. KKA
Audited Program: Financial Function March 2022			March 2022	
No	Question	Answer		Information
		Yes	No	
33	Is there a direct report to the board of directors when a problem occurs with the financial condition?	√		Any problems with financial conditions will be immediately reported to the board of directors.

Source: Data processed (2023).

Based on the results of the audit work paper answers above, the answer (YES) was 29 points and the answer (NO) was 4 points.

3.3.1 Preliminary audit

A preliminary audit was carried out to obtain background information on the object of the audit being carried out, calculations to determine the percentage of internal control questionnaire scores using the Sari (2019) formula, namely obtaining a relative value = $(29 / 33) \times 100\% = 87.87\%$. Based on management audit effectiveness criteria, the scoring of 87.87% is classified as a very effective criterion.

3.3.2 Review and testing of management controls

The next stage in implementing the management audit is to analyze the effectiveness of the management control system. If the management control process for the financial function owned by the company is good and implemented by the company by the management control process for the existing financial function, then it can be stated that the company is quite effective in implementing management control, especially in the financial function

In examining the financial function, what must be done is to analyze and evaluate the management control process that exists within the company and evaluate the management control system for the financial function. The next step in carrying out an audit is to assess whether the management control function over the financial function is adequate and has been implemented by the management control system over the financial function. For management control testing, see Table 6.

Table 6. Results of Review and Testing of Management Control of the Financial Function of PT Pegadaian (Persero) Samarinda Branch

Strength of Control System		
1. The Company has an organizational structure that regulates the functions and responsibilities of each section. 2. There is no duplication of financial duties and functions. 3. The company has operational standards that explain the work stages of each part of the company		
Weaknesses	Errors That Can Occur	Tests That Can Be Done
Internal supervision does not carry out sudden supervision and monitoring	Activities within the company are poorly monitored so they are less effective.	You should carry out sudden supervision and monitoring to ensure that company activities, especially parts, are running according to what they should be
The company does not rotate employees in the cashier department.	Great opportunity to commit fraud	Investigate the reports they make regarding the actual situation. As well as researching other related documents
Is there no regular meeting schedule between the	leaders do not know the financial position each month	Every month there should be a regular meeting between the financial

finance/accounting department and company leadership?		department and the leadership so that they can minimize any errors and find out the financial condition.
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Source: Data processed 2023

After reviewing the results of management control testing at PT. The following findings were obtained from the Samarinda Branch Procurement: (1) internal supervision did not carry out sudden supervision and monitoring; (2) the company does not rotate employees in the cashier department; and (3) there is no regular meeting schedule between the finance/accounting department and the company leadership.

3.3.3. Detailed audit

After carrying out the review and testing stages of management control then the next stage is to carry out a detailed audit. The detailed audit summary of PT's financial function. Samarinda Branch Procurement is presented in Table 7.

Table 7. Detailed Audit Summary of the Finance Function at PT. Pegadaian (Persero) Samarinda Branch

No	Condition	Criteria	Recommendation
1	Internal supervision does not carry out sudden supervision and monitoring	To maintain the effectiveness of company activities, especially in the financial sector, companies must carry out sudden supervision and monitoring.	Sudden supervision and monitoring will improve performance and keep activities running as they should.
2	The company does not rotate employees in the cashier department.	Companies should rotate employees to prevent and reduce opportunities for employees to commit fraud.	Periodically rotate employees in existing financial positions, such as cashier positions.
3	The company does not rotate employees in the cashier department.	Companies should hold regular meetings every month so that leaders can find out their financial position.	This regular meeting needs to be scheduled so that leaders can know the financial position.

Source: Data processed 2023

After the detailed inspection results have been completed, a management audit report on the financial function is then prepared. Based on this audit report, the company leadership can use it as a reference for taking the next steps based on the results of this audit to maintain the continuity of the company.

3.3.4. Reporting

This stage aims to communicate the audit results including recommendations given to various interested parties. This is important to convince management of the validity of the audit results and encourage the authorized parties to make improvements to the various weaknesses found. The report is presented in a comprehensive form (presenting important audit findings to support audit conclusions and recommendations) as presented in Table 8.

Table 8. Audit Findings and Recommendations Working Paper

Company Name: PT Pegadaian (Persero) Samarinda				Audit Period			No KKA
Audited Programs: Findings and Recommendations				March 2023			
No	Condition	Criteria	Reason	Consequence	Company Management Comments	Auditor Response	Recommendations
1	Internal supervision is not Carry out supervision and monitoring suddenly	To maintain effectiveness corporate activities in particular financial department, then the company must carry out supervision and Supervision and monitoring suddenly	The company is less effective in internal supervision	Activities within the company it's not monitored enough less effective.	Supervision is carried out by the Company in stages and on a schedule.	Impromptu supervision and monitoring can be more effective in improving performance.	Supervision and monitoring regularly will suddenly increase performance and keep activities running as it should be.
2	The company doesn't carry out employee rotation towards the cashier.	Companies should do it employee rotation to prevent and reducing the fourth for employees to commit fraud.	The company doesn't rotate financial employees	Great opportunity for commit fraud	The finance department and cashiers have worked according to the knowledge they have.	Regular employee rotation increases employee performance and increases employee work productivity.	Rotate employees on financial position there periodically, such as the cashier position.
3	There are no scheduled meetings routine between sections finance/accounting with company leadership	The company should hold a meeting routinely every month leaders can find out financial position.	There is no meeting scheduled Routine between finance departments and company leaders	The leader doesn't know financial position on every month	The finance and leadership meeting schedule is only held once every 6 months.	Routine scheduling is carried out at least every month to find out the company's financial condition.	This regular meeting need to scheduled so that so that leaders can know the financial position.

Source: Data processed 2023

3.4. Testing Review

Pegadaian as a credit industry player with the main business of providing loans based on pawn law, faces very broad market opportunities, pawnshops are expanding their business wings into the

financing industry for lower middle-class people and micro and small businesses. Based on the results of the relative value of the calculation obtained through scoring 87,87%, it can be concluded that the management audit criteria at the Samarinda branch procurement are very effective.

Based on the results of a review of management control testing at PT. The Samarinda Branch Procurement obtained findings as presented in Table 9.

Table 9. Results of a review of management control testing at PT. Samarinda Branch Procurement

Condition	Reason	Consequence
Internal supervision is not carry out supervision and monitoring suddenly	The company is less effective in internal supervision	Activities within the company it's not monitored enough less effective.
The company doesn't carry out employee rotation towards the cashier	The company doesn't rotate financial employees	Great opportunity for commit fraud
There are no scheduled meetings routine between sections finance/accounting with company leadership.	There is no meeting scheduled Routine between finance departments and company leaders	The leader doesn't know financial position on every month

Source: Data processed 2023

Even though based on the relative value results from calculations obtained through scoring it was 87.87%, which means that the management audit criteria at the Samarinda branch procurement were very effective. However, based on a detailed audit, there are several criteria, namely: (1) to maintain the effectiveness of the company's activities, especially the financial sector, the company must carry out sudden supervision and monitoring; (2) companies should rotate employees to prevent and reduce opportunities for employees to commit fraud; and (3) the company should hold regular meetings every month so that leaders can know the financial position. The results of other research regarding management audit analysis related to the financial function were reported by Sartika (2018) that the financial function of PT Pegadaian (Persero) Bantaeng Branch has been running effectively, efficiently, and economically. The effective parameter used is the company's achievement of profits that are greater than the specified target, while efficiency is related to companies that have set a cost ratio target to maintain the level of operational efficiency, and the economic parameter set is to take into account income/costs in the context of carrying out company activities. Furthermore, it was reported by Hidayat (2014) that the financial function at PT. Fertilizer Sriwijaya Palembang is not yet fully operational even though the company already has an organizational structure, division of tasks and responsibilities, standards of operational procedures (SOP), and clear and adequate policies. Based on the results of the research, there are still weaknesses related to the financial function company. Sarapa (2017) reported that at PT Megahputra Sejahtera Makassar the financial function was not yet effective, efficient, and economical the parameters of the absence of adequate, systematic, and regular supervision and monitoring that could guarantee that the activity process was carried out without deviation. Then Putri et al (2024) reported that the financial function of the PT MSMC Surabaya company was running effectively because it had a clear and adequate organizational

structure, division of tasks, and responsibilities. The shortcomings that exist in the company are the occurrence of multiple financial positions and delays in financial information.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusion

Based on the results of the analysis and discussion, conclusions are drawn, namely as follows:

1. Internal supervision does not carry out sudden supervision and monitoring. As a result, activities within the company are less monitored and therefore less effective.
2. The company does not rotate employees in the cashier department. Which results in a big opportunity to commit fraud.
3. There is no regular meeting schedule between the finance/accounting department and the company leadership. As a result, leaders do not know the financial position each month.

4.2. Suggestion

Based on the research results, several suggestions are proposed, namely:

1. Internal supervision is further improved to create and present more intelligent financial information.
2. It is recommended that companies rotate finance employees.
3. It is recommended that companies schedule regular meetings between finance and leadership.

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