

Functions And Responsibilities of Internal Auditors in Sales Examination at Pt. Plantation Nusantara Iv Medan**Riva Ubar Hrp¹, Rizky Suseno¹**

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*Email : rivaubar@umsu.ac.id**ABSTRACT**

This study aims to find out how the functions and responsibilities of the internal auditor in examining sales at PT. Nusantara Plantation IV Medan. Whether the inspection carried out is running well or not. From this research it was also made to find out the functions and responsibilities of the internal auditor in carrying out sales monitoring activities at PT. Nusantara Plantation IV Medan. As it is known that sales activity is very important for the survival of the company, it is necessary to supervise the sales internal control system.

This type of research is a qualitative research with a descriptive approach method, namely by describing the characteristics and actual conditions of the research object and compared with the literature and analyzed and then described in detail to find a solution. This study uses primary and secondary data sources obtained from research objects at PT. Perkebunan Nusantara IV Medan through interview and documentation data collection techniques. The results of this study can be seen that the functions and responsibilities of the internal auditors have been going well but weaknesses (deficiencies) were found in the inspection which had an impact on the monitoring activities carried out by the internal auditors.

Keywords: Internal Auditor, Function, Responsibility, Sales Examination.

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INTRODUCTION

In line with the growth of the business, various problems both large and small that are increasingly complex arise, including if the company grows large, the company leaders can no longer directly supervise its business units. Thus a structured and good oversight is needed which is usually called the Internal Audit section.

Internal audit is needed for companies that need information from independent parties regarding various company activities for more objective decision making. This information is usually made by the party carrying out the activity as a form of accountability report.

Each company sets profit as the company's goal, one way to achieve this profit is to carry out sales activities. Sales are activities carried out by sellers in selling goods or services in the hope of obtaining profits from these transactions. Supervision of sales control is one that must be considered, in which sales are an element that plays the most important role in the company's activities, because it is from this activity that the company earns income that will ensure the survival of a company. Therefore, sales activities require an internal control system that runs well and adequately, and is able to streamline the sales function system in order to achieve the goals of the sales function.

Supervision that will be carried out on sales is to ensure the internal control system runs well, provides an assessment of the sales internal controls that have been determined, the internal auditor also has the responsibility to provide recommendations for making improvements for the future. In carrying out the internal control system, skilled and educated personnel are needed.

PT. Perkebunan Nusantara IV Medan is a state-owned company engaged in oil palm and tea plantations. PT. Perkebunan Nusantara IV Medan annually sets sales targets as the company's goal. In order to achieve the company's goals, the company's internal sales control must run well. Internal Audit as a supervisory function of the sales internal control system must plan a good audit plan every year so that the company can achieve its goals. The audit planning includes, among other things, when the audit begins, and how long the audit period is estimated, when the report must be completed, how many audit staff are assigned, problems expected to be encountered in the areas of auditing, accounting, taxation and others. -other.

The internal audit report is a form of internal audit accountability after conducting an audit. Before producing an internal audit report, internal audit must carry out an Audit Planning. Internal auditors in carrying out their functions as internal control supervisors must have an audit plan that is planned as well as possible in accordance with the first Field Work Standard which reads: "The work must be planned as well as possible and if an assistant is used it must be properly supervised". In accordance with the first Field Work Standards, audit planning must be planned as well as possible according to the conditions and needs of the company, this is done so that the supervision carried out by the internal auditors can be effective on the part being audited.

PT. Perkebunan Nusantara IV Medan as a state-owned company, of course, has carried out audit planning, but in conducting audits, internal audit is not only responsible for audit planning, but also makes audit programs and audit procedures. Program audit is a collection of audit procedures that must be carried out to achieve audit objectives. The program audit also serves as work instructions to be carried out by the assistant and instructions on how to complete the inspection. The program audit must contain the purpose of the audit, the audit procedures carried out, and the conclusions of the inspection.

The purpose of the inspection according to Sukrisno Agoes (2013: 97) is as follows: (a) to check whether there is good internal control over income and expenses; (b) to check whether all income to which the company is entitled has been recorded using the appropriate cut-off; (c) to examine whether there are large fluctuations in estimated revenues and expenses when compared month by month or when compared with budgeted income and expenses; (d) to check whether

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income and expenses have been reported in accordance with the ETAP/PSAK/IFRS Financial Accounting Standards. In the audit objectives (Audit Objectives) the authors compare that the auditors of PT. Perkebunan Nusantara IV Medan does not contain the purpose of examining all income that is the right of the company which is recorded using the appropriate cut-off.

Audit procedures are methods or techniques used by auditors to gather and evaluate sufficient and competent evidence. The third standard of Field Work reads: "Sufficient competent audit evidence must be obtained through inspection, observation, submission of inquiries, and confirmation as a sufficient basis for expressing an opinion on the audited financial report". To obtain competent audit evidence, internal audit must perform audit procedures that contain audit techniques or methods such as inspection, observation, asking questions, and confirmation.

THEORETICAL BASIS

Definition of Internal Auditors

The existence or reason for holding an audit, especially an internal audit in an organization, is that the audit is aimed at improving the company's performance. Internal audit can take the form of a function within a company, division, department, or a business unit. If the audit action is successful in improving unit performance, it means that it will be able to support the improvement of overall organizational performance.

Internal Auditor is an important element in internal control which is a managerial control that functions to measure and evaluate the effectiveness of other control tools, overseeing company activities in providing services to management.

According to Hery (2016: 04) Internal Auditors are auditors who work in one company management so that they have status as employees of a company which is an integral part (cannot be separated) of the company's organizational structure, where its role is to provide continuous supervision and assessment and has interest in the effectiveness of internal control in the company.

According to Sukrisno Agoes (2012: 221) "Internal audit is an examination carried out by the company's internal audit section, both of the company's financial reports and accounting records, as well as adherence to predetermined top management policies.

According to Sawyer's (2009) states "Internal Audit is a systematic and objective assessment carried out by internal auditors on the operations and controls of different organizations to determine whether (1) financial and operating information is accurate and reliable; (2) the risks faced by the company have been identified and minimized; (3) acceptable external regulations and internal policies and procedures have been followed; (4) satisfactory operating criteria have been met; (5) resources have been used efficiently and economically; (6) organizational goals have been achieved effectively all done with the aim of consulting with management and assisting members of the organization in carrying out their responsibilities effectively.

From the definitions above it can be said that the internal auditor is an evaluation activity and provides recommendations that are carried out to achieve the goals and desires of the company, which are impartial in an organization to carry out the inspections needed by the company. The internal control system and other operations are fundamental to assist management in achieving company goals. Internal auditors also provide consulting activities to company management in connection with the problems they face in the company. This consultation is given in accordance with the findings and analysis carried out, the internal auditor also provides recommendations to management to make improvements to the internal auditor's findings.

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Position of Internal Auditor

Working effectively with management, the internal auditor is very much determined by the freedom in conducting inspections. The freedom referred to in this case is in the sense of being able to enter every level of management being examined. For this reason, as part of management, the internal auditor must report its activities to a higher official.

The position of the internal auditor in the organizational structure greatly influences the success of carrying out his duties, so that this position allows the internal auditor to carry out his functions properly and to work independently and objectively. In the organizational structure, the determination of the internal auditor section clearly accompanied by a clear job description will have a positive impact on the communication process between the internal auditor and the company owner or manager.

However, on the other hand, an unclear placement will hamper the flow of reporting from the internal auditor, because it is necessary to determine the position of this internal auditor explicitly. According to Agoes Sukrisno (2013: 222) there are four alternative positions for internal auditors in the organizational structure, namely:

1. The Internal audit section is under the finance director (equal to the accounting and finance section)
2. The internal audit section is the main director's staff
3. The internal audit section is staff from the board of commissioners
4. The internal audit section is led by an Internal Audit Director

Definition of Sales

Sales are purchases of something (goods or services) from one party to another party by getting money from that party. Sales are also a source of company income, the greater the sales, the greater the income obtained by the company.

According to Nel Arianty, et al (2015: 11) sales are an activity rather than marketing because sales occur when there is a process of exchanging goods or services between sellers and buyers. Sales activity is the company's main income because if product or service sales activities are not managed properly, it can directly harm the company. This can be caused because the expected sales target is not achieved, the income will decrease.

According to Mulyadi (2008:202) states that:

"Sales are activities carried out by sellers in selling goods or services in the hope of obtaining profits from transactions or transferring ownership rights to goods or services from the seller to the buyer".

Through this sales activity, the company relates to other parties, where there is a transaction for the delivery of goods and the acquisition of cash equivalent to the goods. According to Guritno (2007: 350) sales are acts or things to sell, especially in the form of transfer of ownership and rights to a property (property) from one person to another.

Sales Audit Procedures

Audit procedures are methods or techniques used by internal auditors in conducting examinations with the aim of finding competent audit evidence. The Third Field Work Standard reads: "Sufficient competent audit evidence must be obtained through inspection, observation (observation), submission of questions (interviews), and confirmation as a sufficient basis for expressing an opinion on audited financial reports". According to Sukrisno Agoes (2012: 147) to obtain competent and adequate audit evidence, the internal auditor must conduct an audit procedure that contains audit techniques or methods such as inspection, observation (observation), submission of questions (interviews), and confirmation.

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- a. **Inspection**
- b. **Observation**
- c. **Question Submission**
- d. **Confirmation**

Confirmation is a form of investigation to obtain information directly from an independent third party. Procedures that are usually performed:

- 1) The auditor asks a part to ask certain information from outsiders.
- 2) The appointed external party provides direct answers to the auditor regarding the information asked by the auditor.
- 3) The auditor receives direct answers from outsiders.

Internal Auditor Functions and Responsibilities in Sales Examination

Internal Audit has the function of assessing and checking the feasibility and effectiveness of the internal controls that have been set, as well as assessing the employees who carry them out, which produces findings to make improvements, so that each part carries out its functions properly. According to the Internal Audit Professional Standards issued by Hery (2013: 234) states that "The function of Internal Audit is to ensure the reliability of information, compliance with policies, plans, procedures and laws and regulations, protection of property, use of resources economically and efficiently, and goal attainment.

The internal audit function according to Sawyer (2006:4) in general, the internal audit function is to supervise or guarantee the implementation of business activities in accordance with the provisions that have been implemented in the company. The Internal Audit function is a free (independent) assessment within an organization, in order to review and assess company activities in order to provide advice to management so that their responsibilities can be carried out effectively. For this matter, the internal auditor will provide analysis, assessment, recommendations, instructions, and information regarding the activities to be examined.

The detailed and relatively complete internal audit function shows that internal audit must be applied in its entirety to all company activities, so that it is not only limited to examining accounting records but also examining the existing internal control system in the company in order to measure and assess the effectiveness of elements -Elements of company internal control.

The internal audit function in sales audits includes auditing all aspects of sales internal control, so that the internal control system runs well according to its role as one of the important elements in adequate internal control.

The internal audit objectives for sales inspection are:

- a. Evaluate the sales internal control that has been implemented.
- b. Convince that all sales results reported to the leadership are correct.
- c. Ensuring that all sales transactions have been properly recorded.

Internal Audit Report

The final results of the implementation of the internal audit are set forth in a written report through a good drafting process. The internal audit results report is an important tool for conveying accountability for work results to management, namely as a medium of information to assess the extent to which assigned tasks can be carried out. The contents or material of the internal audit report according to Tugiman (2006) include:

- a. A signed written report must be issued after the audit examination has been completed. Interim reports can be made in writing or verbally and submitted formally or informally.
- b. Internal auditors must first discuss various conclusions and recommendations with the appropriate level of management, before issuing a final report.

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- c. A report must be objective, clear, concise, constructive and timely.
- d. The report must state the purpose, scope and results of the audit, and if deemed necessary, the report must also contain a statement regarding the auditor's opinion.
- e. Reports may include recommendations for possible progress, acknowledgment of activities undertaken on a wider scale and corrective actions.
- f. The views of the party being examined regarding various conclusions or recommendations can also be included in the inspection report.
- g. The chief audit executive or designated officer must review and approve the final inspection report, before it is issued, and determine to whom the report will be forwarded.

Framework of thinking

The framework of thinking in this study can be seen by the existence of an internal audit at PT. Perkebunan Nusantara IV Medan, the company has supervised the company's internal control system. In carrying out the functions and responsibilities of the internal auditor in sales audits, the internal auditor is required to carry out supervision by conducting assessments and providing recommendations so that the internal control system runs well.

METHOD

The approach in this study is a descriptive approach, where the data collected is then compiled, interpreted and analyzed so as to provide a true picture of the functions and responsibilities of the internal auditors at PT. Nusantara Plantation IV Medan.

The operational definition of this research can be stated as follows:

Internal Auditor's Functions and Responsibilities in Sales Examination are as a company tool in maintaining sales internal control so that it runs well and effectively by providing analysis and evaluation services, providing information and recommendations to the sales department on deficiencies or weaknesses found so that the section performs correction of deficiencies or weaknesses.

RESULT AND DISCUSSION

A. Discussion

Position of Internal Auditor

The internal control unit at PT. Perkebunan Nusantara IV Medan is under the President Director of the company. The internal oversight unit has a separate position from the parts they will examine, this proves that the internal auditor is in an independent position from the parties anywhere. According to the author, the position of the internal control unit of PT. Perkebunan Nusantara IV Medan is good because it is directly under the Main Director so that it is in a position of independence and can check other directors.

Sales Audit Procedures

Internal auditors at PT. Perkebunan Nusantara IV Medan has carried out audit procedures, audit procedures are techniques or methods used by internal auditors in carrying out inspections. Internal auditors at PT. Perkebunan Nusantara IV Medan has made an annual audit procedure, the audit procedure contains confirmation, document review, and observation.

The third Field Work Standard in the Auditing Standards reads “Sufficient competent audit evidence must be obtained through inspection, observation, inquiry and recommendations”. In order to obtain competent audit evidence, the internal auditor must carry out inspections, observations, inquiries, and confirmations. Here it can be seen that the internal auditors do not ask questions (interviews) in conducting their examinations, this can affect the competent audit

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evidence they obtain. Submission of questions (interviews) is a form of investigation to obtain information in the form of direct questions made to internal sources in the company. According to the author, if the audit procedure has been carried out in its entirety, the supervision of sales will be optimal and the company's goals will be achieved.

Internal Auditor Functions and Responsibilities in Sales Examination

The internal auditor has the function of assessing and checking the feasibility and effectiveness of the internal control system that has been established, as well as assessing the employees who carry it out, so that each part carries out its functions properly.

According to Sawyer (2006: 4) in general the function of the internal auditor is to supervise or guarantee the implementation of business activities in accordance with the provisions that have been implemented in the company. Thus the function of the internal auditor is a form of supervision whose function is to ensure the implementation of activities in accordance with company regulations. To carry out this function, internal auditors carry out inspections in every part of the company to oversee the company's internal control system.

By examining PT. Perkebunan Nusantara IV Medan has supervised the company's internal control system. By supervising the internal control system, it is hoped that the company's internal control system will run well. One of the things that must be considered to achieve company goals is supervision of the internal control system in sales.

Supervision of the sales internal control system can be carried out by the internal auditor by conducting an inspection on sales. In carrying out the inspection, the internal auditor must make an audit plan. In accordance with the first Field Work Standard reads "Work must be planned as well as possible and if assistants are used must be properly supervised". But in carrying out audits, the internal auditor is not only responsible for planning audit planning, but also for making audit programs. Program audit is a collection of audit procedures that must be carried out to achieve audit objectives. The program audit must contain the purpose of the audit, the audit procedures performed, and the conclusions of the audit. Internal auditors at PT. Perkebunan Nusantara IV Medan in planning the audit program does not contain the objective of examining cut-offs on all income. According to the author, the internal auditor should carry out this purpose so that all income (from operating and outside operations) does not enter the pockets of employees, directors or parts of the company. This was done in order to be able to oversee the company's internal sales control system effectively.

The form of the internal auditor's responsibility is to provide recommendations on audited examinations. The recommendation was born from the findings of the internal audit during the inspection. Internal auditors are also responsible for assisting management to improve performance and control systems for the recommendations they provide.

Internal Auditor Report

The report on the results of the internal auditor's inspection is the internal auditor's responsibility for the inspection assignment by the Main Director. The inspection results made can be in the form of financial inspection results or operational inspections.

Report on inspection results which is the final stage of audit implementation adjusted to the needs of management, the nature and conditions of inspection activities and the types of inspection activities. The internal auditor's report is presented in order to make it easier for the management to make decisions regarding the actions that need to be taken.

The internal auditor's report on financial and operational audits is made based on working papers and inspection norms. The internal auditor's report is submitted to the Main Director in person verbally or in writing and then conclude if there are audit findings and are

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followed up by the main Director and used by management as useful decision-making in the future. According to the author, in order to improve the quality of the report, the inspection procedures carried out should be improved so that the contents of the report are better, because whether a report is good or not, the main factor is the implementation of a good inspection so that the resulting report is more perfect.

CONCLUSIONS

Conclusion

Based on the results of the research and discussion, it can be concluded that the research I did at PT. Nusantara IV Medan Plantations are as follows:

1. The internal auditor division is held by the Internal Audit Unit because it has been issued through Directors Decree No. 04.01/Kpts/07/V/2011 concerning PT. Nusantara Plantation IV.
2. With the existence of an internal control unit at PT. Perkebunan Nusantara IV Medan, the company has carried out supervisory activities on the company independently. Judging from his position in the company's organization is good, that is under the President Director.
3. In carrying out audit procedures, the internal auditor has carried out audit procedures well but there is still a weakness in obtaining competent evidence, namely the internal auditor does not conduct interviews in audit procedures.
4. At PT. Perkebunan Nusantara IV Medan, internal auditors have carried out their functions and are well responsible for carrying out sales inspection activities, by carrying out sales inspections that supervise the sales internal control system. This can be seen from the internal auditors making audit plans, audit programs and audit procedures before carrying out inspection activities, and evaluating the results of audit findings which later the internal auditor is responsible for providing suggestions for improvement so that the sales internal control system can run more efficiently. Good.
5. The internal auditor's report is submitted to the Main Director orally and in writing containing a summary (summary) of findings, review of corrective actions and the responsible unit. According to the author, in order to improve the quality of the report, the inspection procedures carried out should be improved so that the contents of the report are better, because whether a report is good or not, the main factor is the implementation of a good inspection so that the resulting report is more perfect.

Suggestion

From the conclusions above, the authors provide advice to PT. Perkebunan Nusantara IV Medan which later, God willing, will be useful for companies that may one day be considered, including:

1. The purpose of the inspection in the audit program carried out by the internal auditors can be planned better in accordance with the conditions and activities of the company, so that the supervision carried out by the internal auditors can run better.
2. In conducting sales inspections, the internal auditor can increase competent audit evidence by conducting audit questions (interviews) so as to assist the auditor in seeking audit evidence for his findings.

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