

THE INFLUENCE OF THE INTERNAL CONTROL SYSTEM ON MARCHENDISE INVENTORY AT PT MITRA ADI AKTIF PERKASA TBK

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Abstract: *This study aims to determine whether the application of internal control over merchandise inventory at PT. Mitra Adi Perkasa complies with the COSO framework standards (The Committee of Sponsoring Organizations of Treadway Commission). This research was conducted because PT. Mitra Adi Perkasa has many problems regarding inventory that could occur due to inadequate internal control over merchandise inventory. This type of research is a case study. Data collection techniques used are interviews, documentation, and checklists. The data analysis technique used to answer the problems raised in the study is descriptive analysis. The results showed that the implementation of internal control over merchandise inventory by PT. Mitra Adi Perkasa mostly complies with the five components of internal control according to the COSO framework. The implementation of internal control over merchandise inventory of 78.38% is in accordance with the COSO framework. This shows that the internal control over merchandise inventory at PT. Mitra Adi Perkasa is categorized as very effective. Components with several parts that are not in accordance with the COSO framework are the control environment, risk assessment, control activities, and monitoring. Meanwhile, the Information and Communication component is in accordance with the COSO framework.*

Keywords: *Merchandise Inventory System, Internal Control, COSO Standard*

Introduction

Internal control over good inventory is important to apply to distributor companies. With good internal control of inventory will not completely overcome risks, but with adequate internal control can reduce risks to a certain level and it is expected that management of merchandise inventory can be carried out more effectively. PT Mitra Adiperkasa Tbk (MAP), a leading lifestyle retail company in Indonesia, one of which is the city of Medan. This company provides a variety of clothing, shoes, accessories, bags and sports equipment distributed to several outlets in the city of Medan.

PT Mitra Adiperkasa Tbk (MAP), a leading lifestyle retail company in Indonesia, one of which is the city of Medan. This company provides a variety of clothing, shoes, accessories, bags and sports equipment distributed to several outlets / outlets in the city of Medan. Judging from the large number of sales of inventory, adequate management and control of merchandise inventory is increasingly needed.

The Covid-19 pandemic has the potential to suppress retail businesses, including PT Mitra Adiperkasa Tbk (MAPI). Sales of a number of the company's outlets are projected to slow down due to the temporary closure of a number of stores and a decrease in shopping center visitor traffic. The Covid-19 pandemic has caused a downfall in business activity starting in March 2020. Likewise, shopping center

visitor traffic has dropped dramatically. The decline has hit same-store sales (SSG). Then the turnover of goods inventory has not decreased. While old inventory items increased because customers could not try the product before buying. Mid-June 2020, PT. MAPI offers massive sales to reduce inventory and also stop importing inventory items to maintain margins gradually. So that the inventory of PT. MAPI, which mostly produced in the second quarter of 2020, soared and some inventory items could not be delayed due to the long delivery process.

In addition to the effects of the COVID-19 pandemic, the problem of availability of goods is also caused by the risk of damage to goods, theft, the risk of fraud, errors when taking goods from producers or sending goods to consumers, and inventory recording errors caused by negligence from Human Resources (HR). this is due to the lack of application of the principles of COSO (The Committee Of Sponsoring Organization). (Mirawati 2014) argues that to achieve effective and efficient internal control in the company, qualified human resources are needed so that they are able to carry out their duties and responsibilities, in the sense of having an employee educational background in accordance with the field of work they carry, experience and adequate job training. In addition, research conducted by (Suantara et al. 2014) shows that professionalism and work experience affect the effectiveness of the implementation of the internal control system. Whether or not the effective management of merchandise inventory can be measured from the evaluation of the extent to which the company has implemented the elements of internal control as well described by COSO.

In accordance with the COSO principle, each company apparatus must have competence in accordance with company needs, able to carry out risk assessment, Control Activities (adequate authorization procedures, Separation of duties, Control of information processing, Information and good communication among divisions, Monitoring). (Safitri 2015), his research shows that the results of the evaluation applied can improve the company's performance so that it can achieve its goals.

Internal control is not intended to eliminate all possibilities of errors or fraud, but with effective internal control, it is expected to minimize the risk of errors and fraud against the inventory of merchandise and if errors and fraud occur can be immediately known and overcome. Based on the description above, the researcher is interested in raising problems in a scientific paper in the form of a thesis entitled "**The Influence of the Internal Control System on Merchandise Inventory at PT Mitra Adi Aktif Perkasa Tbk**".

Literature Review

1. Effectiveness

Effectiveness is the relationship between outputs and objectives, where effectiveness is measured based on how far the level of output, policies, and procedures of the organization achieve the objectives that have been set. Simply put, effectiveness is a comparison of outcomes with outputs. Effectiveness indicates success or failure in the achievement of goals. Efforts to evaluate the course of an organization can be done through the concept of effectiveness. This concept is one of the factors to determine whether significant changes need to be made to the form and management of the organization or not. In this case, effectiveness is the achievement of company goals through efficient utilization of resources, in terms of input, process, and output. In this case, what is meant by resources includes the availability of personnel, facilities and infrastructure as well as the methods and models used. Effectiveness basically refers to the success or achievement of goals and formulating a program in achieving predetermined goals. Effectiveness is one dimension of productivity, which leads to the achievement of maximum performance, namely the achievement of satisfactory results for each goal related to quantity and time. (Rahmadani 2019). The level of effectiveness can also be measured by comparing the plans that have

been determined with the real results that have been realized. However, if the effort or results of work and actions taken are not appropriate so as to cause the goal not to be achieved or the expected target, then it is said to be ineffective.

2. Efficiency

In simple terms, efficiency can be interpreted as the absence of waste. According to Arif Suadi in his book *Management Control System* states efficiency is a comparison between output (output) with goals, the relationship between output and goals to be achieved, and the ability to do it correctly. Economic efficiency is expressed when resources are used as best as possible to maximize certain objectives. Productivity refers to the activity of producing output efficiently and specifically refers to the relationship between output and input used to produce output. Total productive efficiency is the point at which two conditions are met for each input mix that will produce a particular output, no excess input is required to produce that output. To achieve productive efficiency, the production costs of firms in the market must reach the minimum production costs. Efficiency performance is measured by comparing the output produced with the inputs used. In operational performance, output for the production process is usually measured in units of production units. The unit of measure is highly dependent on the activity being measured. The size of receiving activity, for example, can be measured by the number of receipts. The purpose of measurement is to increase the productivity of receiving activities. This can be achieved for example by reducing the number of receipts of goods for a larger number of purchases.

3. Internal Control System

A system is a series of interdependent parts that work together to achieve a specific goal. A system must be composed of smaller sub-systems that are also interdependent and work together to achieve goals. The basic purpose of a system depends on the type of system itself. Accounting information system is a system that aims to collect and process data and report information related to financial transactions.

Accounting information system is a system that aims to collect and process data and report information related to financial transactions. Accounting information systems have an important role in business poses, because accounting information systems identify, measure, and record the business process in a model in such a way that the information produced can be utilized by interested parties. (Mulyadi 2016)

The internal control system consists of policies and procedures designed to provide management with reasonable assurance that the company has achieved its objectives. Management has three general objectives in designing an effective internal control system, namely reliability of financial reporting, efficiency and effectiveness of operations, and compliance with laws and regulations. With the implementation of a strict internal control system, it is expected that all operational activities of the company can run well towards achieving profit maximization. In fact, not only in terms of operations that will run in an orderly and good manner according to procedures. However, from a financial point of view, the company can also be better monitored. Basically, the efficiency and effectiveness of the unit / company are two things that are also the target of implementing internal control because if internal control does not work as expected. Then most likely (almost certainly) there will be such a thing as inefficiency (waste of resources). Which will ultimately weigh on the level of profitability (profit) of the company. (Hery 2014a)

4. Inventory

Inventory is a stored material or item that will be used to fulfill a specific purpose, for example for use in the production or assembly process, for resale, or for parts of a piece of equipment or machinery. Inventory can be raw goods, auxiliary materials, work-in-progress materials, finished goods, or spare parts. Bias is said no company operates without inventory. So important is this inventory that accountants include it in the balance sheet as one of the items of current assets. As one of the important assets in the company because it usually has a considerable value and has an influence on the size of operating costs, inventory planning and control is an important activity that receives special attention from company management. Each part of the company can view inventory from different sides. Marketing, for example, wants high levels of inventory in order to best serve customer demand.

Method

1. Types of Research

This type of research is a case study. This research focuses on collecting information related to internal inventory control and the application of inventory accounting at PT. Mitra Adi Perkasa. The results of the research are in the form of in-depth study and analysis of problems regarding the application of inventory internal control and the application of inventory accounting at PT. Mitra Adi Perkasa and cannot be generalized or only applicable at PT. Mitra Adi Perkasa.

2. Research Methods and Design

The research method carried out is comparative descriptive research, namely by understanding the phenomenon of what is experienced by the object of research by comparing with theories and then describing the results of the analysis in the form of words and language. The research design carried out explained the internal control of inventory applied by PT. Mitra Adi Perkasa, then evaluates the suitability of the implementation of internal inventory auditing with internal control components according to COSO. In addition, this study evaluates the application of inventory accounting applied at PT. Mitra Adi Perkasa.

3. Time and Place of Research

The research will be carried out in February 2023 until completed, located at PT. Mitra Adi Perkasa located at Deli Park Mall Medan Jl. Putri Hijau No.1 Medan

4. Subject and Object of Research

a. Research Subject

The subject of research according to Kurniawan (2014: 69), namely something, either people, objects or institutions (organizations), whose nature of the situation will be studied. The research subjects in this study are company leaders, accounting department employees, administrative and general employees, warehouse heads, warehousing staff.

b. Research Object

The object of research according to Kurniawan (2014: 69), namely the nature of the state of objects, people, or conditions, which is the center of attention or the target of research. The object of study is the internal control of inventory applied by PT. Mitra Adi Perkasa, and the application of accounting in the valuation and disclosure of inventory of PT. Mitra Adi Perkasa in financial statements.

5. Data Type and Source

The types of data used in writing this thesis consist of:

a. Primary Data

Is data obtained directly from the company PT. Mitra Adi Perkasa or what happens in the field obtained from interview techniques, will then be processed by the author, such as: interviews with warehouse staff and sales department.

b. Secondary Data

Is a type of data that is used as support for the main data obtained from the company PT. Mitra Adi Perkasa. This research uses secondary data in the form of data obtained from the company in a ready-made form, such as: organizational structure, purchase reports, inventory, sales and performance procedures of company activities.

6. Data Collection Techniques

a. Interview

Data collection by way of questions and answers directly to company leaders, warehouse heads, supervisors, accounting departments. Interviews are conducted based on interview guidelines that have been prepared.

b. Documentation

Collection of data from accounting documents or records related to inventory.

c. Questionnaire

Data collection with a list of questions asked to the head of the warehouse, supervisors, employees responsible for internal control of inventory, and the accounting section of the enterprise. Kuesioner is a question that only has "yes", "no", and comments for descriptive information.

7. Data Analysis Techniques

a. Evaluation of Internal Control of Merchandise Inventory Data analysis techniques used in answering the formulation of the problem regarding whether the internal control of merchandise inventory of PT. Mitra Adi Perkasa has complied with the elements of internal control by COSO carried out in several stages, namely:

- 1) The researcher describes the inventory control procedure, namely the purchase cycle of merchandise and the sales cycle of merchandise.
- 2) Researchers analyze the results of the internal control evaluation questionnaire of merchandise inventory with internal control components based on COSO. The stages carried out are:

a) Distribute questionnaires to parties related to internal control, especially the inventory department. The questionnaire questions are closed with "yes" or "no" answer choices. The questionnaire used refers to a thesis written by Nuke Ervin Afriandika, Universitas Gadjah Mada in a study written by Yeni Mariani Gala. The questionnaire consists of five components of COSO internal control, namely::

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

b) Capture the results of questionnaire answers and calculate the percentage of the level of suitability of answers based on the calculation formula of Arikunto (2005), namely::

$$\text{Score} = \frac{\text{Number of "Yes" Answers}}{\text{Number of questions}} \times 100\%$$

If the answer "Yes" gets a score of 1, and the answer "No" gets a value of 0.

- c) c) After the questionnaire is analyzed, the researcher concludes the results of the questionnaire. The calculation results can be interpreted in the following range:

Tabel Error! No text of specified style in document..1 Achievement Rate/Questionnaire Score

Score	Predicate
81 – 100%	Fits Perfectly
61 – 80%	Appropriate
41 – 60%	Quite Appropriate
21 – 40%	Less Suitable
0 – 20%	Not Compliant

Sumber: Arikunto (2005)

- 1) Analyze the results of interviews related to internal control of merchandise inventory to compare the application of internal control of merchandise inventory with internal control components based on COSO.
 - 2) Create a comparison table (checklist) to determine the suitability of answers from questionnaire results and interviews with the COSO control component.so as to find out the obstacles faced in the implementation of internal control over merchandise inventory at PT. Mitra Adi Perkasa. The comparison table consists of five control components according to COSO, namely control environment, risk assessment, control activities, information and communication, and monitoring.
- b. Evaluation of the Application of Inventory Accounting in Assessment and Disclosure Data analysis techniques used in answering problem formulations regarding the application of internal control procedures over merchandise inventory at PT. Mitra Adi Perkasa has been effective and efficient, namely by analyzing the results of interviews related to the implementation of internal control procedures over merchandise inventory at PT. Mitra Adi Perkasa and make conclusions on the implementation of internal control procedures over merchandise inventory at PT. Mitra Adi Perkasa is it effective and efficient.

Result and Discussion

1. Types of Merchandise Inventory

PT Mitra Adiperkasa, Tbk. is a company engaged in the business of distributing products such as fashion, sports, food, department store. Lifestyle and beverage. The brands or brands that are under the management of PT Mitra Adiperkasa, Tbk. are the brands Reebok, SEIBU, SOGO, Starbucks, Spencer, Marks, Oshkosh BGosh and Zara.

2. Merchandise Inventory Control Procedures

a. Procurement Procedure

The procurement procedure is the process carried out to obtain goods in fulfillment of a need. The procurement process is carried out by the Central Purchasing Team. The procurement procedure shows the beginning of the existence of merchandise at PT. Mitra Adiperkasa Tbk Medan Branch.

There are two conditions in carrying out the procurement procedure, namely the first supplier must come personally with his product and make an offer to PT. Mitra Adiperkasa Tbk Medan Branch. The second condition is that the Central Purchasing Team searches for information on goods and makes offers to suppliers. If the new supplier is the first to carry out transactions to PT. Mitra Adiperkasa Tbk Medan Branch so that the Central Purchasing Team will provide agreement documents as sales cooperation.

In the first condition the supplier will offer its own products, an explanation of the procurement procedure of PT. Mitra Adiperkasa Tbk Medan Branch are as follows:

- 1) The supplier will come with a sample of the product you want to offer to PT. Mitra Adiperkasa Tbk Medan Branch and met with the Central Purchasing Team with Material & Merchandising Manager.
- 2) The Central Purchasing Team checks samples or the condition of goods brought by suppliers such as whether it is safe for consumption, whether the packaging is attractive, the ingredients, whether the type is PT. Mitra Adiperkasa Tbk Medan Branch has sold similar products, etc.
- 3) The Central Purchasing Team asks suppliers for information about the products offered. whether the product has been advertised, the price to be offered and the product has been sold where.
- 4) After in accordance with the company's consideration, the Central Purchasing Team negotiates with the supplier. This negotiation was attended by the Material & Merchandising Manager, discussing good benefits on both parties such as agreed prices.
- 5) After the Central Purchasing Team and supplier have agreed on the approval of the Material & Merchandising Manager, a Listing Fee Form is given to the supplier to be filled out as KLU registration for the product. KLU is the same as the Stock Keeping Unit which aims to distinguish an item from one another. Then purchase the product by the Central Purchasing Team.

The second condition is that the Central Purchasing Team seeks its own information about product availability in PT. Mitra Adiperkasa Tbk Medan Branch where other competitor stores already exist are sold via the internet or directly ask suppliers PT. Mitra Adiperkasa Tbk Medan Branch. Then the Central Purchasing Team will negotiate like the first condition

b. Procedure for Purchasing Merchandise

The procedure for purchasing merchandise is the process of purchasing goods made to suppliers for sale by the Central Purchasing Team. In the process of purchasing merchandise There are several basics to do. The first basis is that the Central Purchasing Team has made purchases with the amount estimated by the Central Purchasing Team and makes regular purchases. The second basis is that when obtaining information from the Counter Section, you must always stay in the store in order to control the goods in the store. Information is used to determine that those displayed in stores are about to run out or meet the needs of large quantities of consumers who require repurchase. To control this need, the central purchasing team after conducting the morning briefing must pay attention to the perimeter of the store and check the availability of goods displays.

The purchase process carried out by the Supermarket Department is usually known as repeat orders. This task is carried out by the supplier field, namely filling out the order form. The following is an explanation of the procedure for purchasing goods, namely :

- 1) Suppliers will check their goods in stores and warehouses by bringing repeat order books then filling in information about their products that they sell in repeat order books. Where the Head of the Counter and the Counter Section must supervise in the check.
- 2) Supplier asks for approval with Head of Counter PT. Mitra Adiperkasa Tbk Medan Branch.
- 3) If it is in accordance with the book, the repeat order will be signed by the Head of the Counter The supplier will bring the repeat order book signed by the Head of the Counter to the Central Purchasing Team so that they know or consider the need to estimate the next repeat order or not.
- 4) When information from the Counter Section needs to be purchased, a purchase will be made by the Central Purchasing Team by issuing a Goods Order Letter in the form of manual or electric
- 5) The Goods Order Letter must be signed by the Material & Merchandising Manager, the Central Purchasing Team who placed the order and the Head of Department.
- 6) A Goods Order Letter that has been signed by the authority is then given to the supplier to carry out the purchase of goods

c. Procedure for Receiving Goods

The procedure for receiving goods is the process of receiving goods that have been purchased by the purchase and have been received by the receipt of goods. Where each receipt of goods is carried out by the Receiving Room according to a predetermined schedule such as for Monday to Friday only served at 09.00-16.00 and Saturday at 09.00-14.00.

There are two types of goods accepted by PT. Mitra Adiperkasa Tbk Medan Branch is transportation goods and canvas goods. Transport goods are goods sent through intermediaries, namely expedition services, while canvas goods are goods sent directly by suppliers.

The procedure for receiving goods with the type of canvas PT. Mitra Adiperkasa Tbk Medan Branch are as follows.

- 1) Supplier must bring goods, Goods Order Letter that has been signed by the Supplier, and a double invoice where one duplicate for PT. Mitra Adiperkasa Tbk Medan Branch and one for suppliers.
- 2) The Receiving Room will see the ownership of the goods by looking at the Letter of Purchase of Goods for Then the Receiving Room will print documents in accordance with the Letter of Purchase of Goods through a database on the computer owned by PT. Mitra Adiperkasa Tbk Medan Branch.
- 3) The Receiving Room compares the Goods Purchase Letter and Invoice complete with the KLU number with the supplier.
- 4) If the same invoice and purchase letter, the Receiving Room will check the goods that come with the Goods Purchase Letter and Invoice to see the quantity,
- 5) More goods will be returned to the supplier and reject goods of different types unless there is confirmation from the Central Purchasing Team first.
- 6) Each invoice conformity will be signed by two Receiving Room Heads.
- 7) Each supplier will receive one duplicate invoice as a Letter of Purchase of Goods and receipt of goods.
- 8) The Receiving Room Department documents each receipt of goods into Microsoft Excel software with the format of receipt date, supplier name, identity number, recipient name, inspection bureau name and supplier location. Where each is separated by department as well as type of goods.

- 9) The identity number is recorded on the goods invoice and is used as the Invoice identity number.
- 10) Invoices containing the identity number of the goods will be archived into the folder according to the department.
- 11) Each Activation Department Admin gets a folder.

The difference between the procedure for receiving goods and transportation goods is where the expedition service comes carrying a series of transportation and transportation letters obtained from the supplier company that is handed over to the Receiving Room to be matched for the suitability of goods such as the quantity of goods.

d. Goods Storage Procedure

The procedure for storing goods is a process after receipt of goods for storage of these goods in the warehouse. The procedure for storing goods is carried out by the Running Stock Section. Goods storage procedure PT. Mitra Adiperkasa Tbk Medan Branch by the Running Stock to Warehouse Section can be seen in figure 4.2, the following is an explanation of the procedure for storing goods, which is as follows:

- 1) After receipt of the goods, the Running Stock Department will conduct a second check with the supplier by comparing the Goods Purchase Letter with existing goods. Running Stock also checks the condition of the item whether it is damaged, expired, or defective.
- 2) If it is not appropriate, it will be communicated back to the Receiving Room with the supplier for joint decision.
- 3) After completing the check, the Running Stock Admin will record the goods that enter the warehouse into the company's database based on the goods and the Goods Purchase Letter.
- 4) Goods will enter the warehouse based on their type. For example, the Supermarket Department has each room for each type such as food, beverages, cosmetics, household appliances, etc. Storage of goods is also carried out by the First In First Out (FIFO) system. The goods that enter first will be placed at the top or outermost so that it is easy to take when there is a mutation of goods from the warehouse to the store.

e. Procedure for Dispensing Goods

Goods Dispensing Procedure is a procedure for transferring goods from Warehouse to Store. This Goods Dispensing Procedure is carried out by the Running Stock Section. This Goods Dispensing Procedure is based on a request from the Counter which is the part that supervises the goods in the store.

The procedure for removing goods from the warehouse to the store can be seen in figure 4.1, the following is an explanation of the procedure for removing goods, which is as follows:

- 1) The Counter will compile a list of what items need to be displayed in the store. The list is given to the Running Stock Admin.
- 2) Then the Running Stock Admin will issue a Warehouse Goods Mutation document to the Store which can be seen in Appendix 9 based on the list provided by the Counter Party.
- 3) The Warehouse Goods Mutation Document to the Store must be signed by the Counter and Running Stock Admin.
- 4) After signing, Running Stock employees will pick up the goods in accordance with the Warehouse Goods Mutation Document to the Store and then deliver them to the store.

- 5) The Running Stock Admin Section will record the goods that come out into the company database on the computer in accordance with the Warehouse Item Mutation Document to the Store.

f. Stock Opname Procedure

Hospitalization stock is the activity of calculating physical inventory in a store or warehouse. Stock taking is carried out by the Running Stock Section assisted by the Counter Party. PT. Mitra Adiperkasa Tbk Medan Branch conducts stock-taking once a year, usually at the end of the year. But it is also likely that stock-taking is carried out more than once per year, which is usually due to a condition such as system changes by management, stock-taking is needed. Stock taking is usually done in the morning during operating hours.

The stock-taking procedure carried out by the Running Stock Section can be seen in figure 4.3, the following is an explanation of the stock-taking procedure, which is as follows:

- 1) The Running Stock Department will issue a stock-taking document which can be seen in Appendix 10 and given also to the Counter.
- 2) Then the Running Stock Section will calculate the amount of inventory of goods in the warehouse while the goods in the store are calculated by the Counter.
- 3) After calculation, the Running Stock Admin will compare with the company's database of company inventory based on the stock-taking document.
- 4) If there is a lack of difference, the Running Stock section and the Counter Party look for the item, if it is not found, it will be communicated to the Head of Department for decision making but usually the decision is considered as a loss to the company. However, if there is more difference, the related documents will be checked again, namely the Purchase Order Letter and the Goods Mutation Letter document from the Warehouse to the Store whether there is an error in data input.
- 5) Then the Running Stock Admin will document the Stock Opname into the database of PT. Mitra Adiperkasa Tbk Medan Branch on the computer.

3. Research Analysis Results

Implementation of internal control over inventory carried out at PT. Mitra Adi Perkasa is by direct observation to the company and interview methods of parties who handle inventory, and documenting documents related to inventory control of PT. Mitra Adi Perkasa. To find out the comparison of internal control over inventory carried out by PT. Mitra Adi Perkasa and according to COSO the author uses a checklist. A recap of the checklist results presented in table 4.1 (Champion:1990).

Tabel Error! No text of specified style in document..2 Recap of Internal Control of Inventory Checklist Results

No	Component Control Internal	Answer		Total	Score (%)	Kategori
		Yes	No			
1	Milieu Control	14	4	18	77,78	Highly Effective
2	Risk Assessment	11	2	13	84,61	Highly Effective
3	Control Activities	23	7	30	76,67	Highly Effective
3	Information and	8	0	8	100,00	Highly

	Communication					Effective
4	Monitoring	2	3	5	40,00	Highly Effective
Total		58	16	74	78,38	Highly Effective

Based on table 4.1 internal control of PT. Mitra Adiperkasa Tbk Medan Branch for inventory of goods is categorized as very effective. Where the control environment is obtained by 78.38%. In the event that the implementation of internal control over inventory is still not perfect, there are several things that are not in accordance with the COSO framework and need to be improved.

Conclusion

After an analysis of internal control over merchandise inventory at PT. Mitra Adi Perkasa which has been described in the previous chapters, it can be concluded as follows:

Based on the results of the checklist answers from 175 questions adjusted to the COSO framework (2013) as many as 78.38% answered "Yes", it can be concluded that internal control over merchandise inventory at PT. Mitra Adi Perkasa is categorized as very effective. This shows that the implementation of internal control over merchandise inventory by PT. Mitra Adi Perkasa is mostly in accordance with the implementation of internal control based on the COSO framework (2013).

Comparative results of the application of internal control over merchandise inventory by PT. Mitra Adi Perkasa are as follows:

1. Control Environment

Implementation in accordance with the COSO framework, namely PT. Mitra Adi Perkasa has company regulations that contain ethical values; PT. Mitra Adi Perkasa has an officially written organizational structure and a detailed job description in accordance with the organizational structure; and PT. Mitra Adi Perkasa has conducted training, selection process in employee acceptance, and performance evaluation. Implementation that is not in accordance with the COSO framework is that there is no socialization related to the application of ethical values

2. Risk Assessment

Implementation in accordance with the COSO framework, namely PT. Mitra Adi Perkasa has identified the risks that could occur well so that PT. Mitra Adi Perkasa can overcome these risks such as finding information about competing companies, determining the maximum and minimum levels of inventory, checking twice for the receipt of goods, having a backup warehouse, and there is appropriate authorization so that it can determine responsibility. The application that is not in accordance with the COSO framework is that there is no fraud risk assessment contained in inventory control

3. Control Activities

Implementation in accordance with the COSO framework, namely PT. Mitra Adi Perkasa has done a good separation of duties, has database access restrictions, has authorized party policies that can authorize, conduct performance evaluations, and has SOPs (Standard

Operating Procedures) for official written inventory control. The application that is not in accordance with the COSO framework is that there are no inventory security measures such as CCTV in the warehouse or security guards guarding the warehouse.

4. Information and Communication

Implementation in accordance with the COSO framework, namely PT. Mitra Adi Perkasa has a database on the computer that contains inventory control transactions, communications at PT. Mitra Adi Perkasa runs professionally, and employee responsibilities are well communicated

5. *Monitoring*

Implementation in accordance with the COSO framework is that there is timely corrective action by management if actions are found that result in inefficient and effective internal control over inventory. Implementation that is not in accordance with the COSO framework, namely PT. Mitra Adi Perkasa does not carry out formal and periodic monitoring.

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