



Inventory System Analysis on PT. XYZ

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Abstract

To find out whether the application system and inventory procedures used at PT. xyz is consistent with internal control objectives. To obtain the required data, the authors use data collection tools in the form of interviews and decision making. The data analysis method used is descriptive qualitative data. From the results of the study it can be concluded that the existing system at PT. xyz is not running effectively. This can be seen from the company does not have its own internal control system and does not have sufficient storage space, there are many damaged and expired goods in the warehouse, so there is a stock opname policy in maintaining the availability of merchandise inventory but is supported by the use of stock cards as basic inventory control. merchandise. And the implementation of information and communication as well as supervision is only dominated by the board of directors. Until the director leaves no one can decide and sometimes the inventory procedure is not carried out according to standardization, but sometimes the inventory procedure is still carried out. Therefore, the internal control system has not been running effectively and in accordance with existing regulations.

Keywords— Inventory, Internal Control, Analysis,

PRELIMINARY

Management must decide the responsibility of each person to maintain good control, so as to have accountability for the functions assigned to him, so that in the discussion of ambiguous responsibilities and errors can be observed. To monitor inventory control, it is necessary to analyze a good inventory control system. The systems used to monitor inventory may differ from institution to institution.

Indonesia is a developing country with relatively rapid development, so that industrial companies can be created very rapidly. The company as an organization has certain activities to achieve its goals. Vision and Mission become the foundation when a company is founded, although in general the company has the same goal of building an entity and achieving the dream of success. In order for a company to run smoothly, a company needs control within the company. With the development of the industrial world, there are many companies engaged in services that sell ready-to-use goods or sell services such as PT. xyz spraying disinfectants and selling chemicals to clean oil in hotel kitchens. Such a situation will certainly lead to increasingly competitive competition. Therefore, a company must have its own strategy in selling its products, either in serving or serving customers, marketing strategies, or maintaining good relations with consumers. These three things are very closely related. A good marketing strategy and good relationships with consumers must of course be supported by quality goods.

Inventory of raw materials is one of the company's assets that has an important role in business operations so that inventory control in a good way is important. Inventory contained in a company

is part of the company's assets, so that company leaders are very observant to monitor it. This supervision aims to keep inventory from being lost and always available in accordance with the company's needs and to ensure the smooth operation of the company. Inventory control is a very important management function, because a lot of inventory involves a very large investment. If the company invests too much of its funds in inventory, it will result in excessive deviation costs, as well as if the company does not have sufficient inventory, it will result in additional costs arising from lack of materials. profit. However, service companies also need physical or tangible products to carry out their business activities. An example is a public transportation company that offers transportation services to consumers, to run their business. From this explanation, it can be concluded that jass company is a company that produces and provides various services such as security and comfort to users who need it.

With the development of technology, the need for service companies also continues to increase. Service companies can include financial services, transportation services, telecommunications services, medical health services, cleaning services and more. The task of controlling raw material inventory here is to control raw material inventory so that there is no shortage of raw material inventory or excess raw material inventory while minimizing inventory costs. Therefore, it is necessary to control raw material inventory properly so that it is available in the right amount and time so that the production process is not disrupted and the cost of raw material inventory can be minimized.

Supply

In the business world, especially businesses in the production of goods or trade, the term inventory is often used to describe the inventory of goods owned by a company. Inventories are usually managed in such a way that the company is in a safe zone from various possibilities that can threaten the company with respect to the supply of raw materials or finished products they need. According to Satono (2010) Inventories are generally one type of relatively large current assets in a company. Inventories are needed by the company to ensure the smooth running of business activities. Various types of possibilities can threaten business continuity such as delays in the supply of raw materials or damage to production machines which causes the company to be unable to produce products.

Inventory Types

Types of inventory for trading companies are all merchandise that up to the balance sheet date is still in the warehouse or has not been sold, for manufacturing companies (which produce goods) the inventory held includes:

1. Raw Material Stock Raw material inventory is an inventory of tangible goods used in the production process, which goods can be obtained from natural sources or purchased from suppliers or companies that produce raw materials for manufacturing companies that use them. Examples of yarn are processed into cloth or t-shirts, cotton is spun into yarn and leather is processed into shoes.
 2. Inventory of product parts or parts purchased (purchased parts/components stock) Inventories of product parts or purchased parts are inventories of goods consisting of parts received from other companies, which can be directly assembled with other parts, without going through the previous product process. For example a car factory, where in this case the parts of the car are not produced in a car factory, but are produced by another company, and then assembled into finished goods, namely cars.
 3. Inventory of auxiliary materials or supplies (supplies stock) Inventory of auxiliary materials or supplies, namely: supplies of goods or materials needed in the production process to assist the success of production or which are used in the operation of a company, but are not part or components of finished goods, for example diesel oil and lubricating oil are only auxiliary materials.
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4. Inventory of semi-finished goods or goods in process (work in process/progress stock) Inventories of semi-finished goods or goods in process are inventories of goods that come out of each part in a factory or materials that have been processed into a form, but need to be reprocessed to become finished goods.

5. Inventory of finished goods (finished goods stock) Inventories of finished goods are inventories of goods that have been completed or processed in the factory and are ready to be sold to customers or other companies.

Accounting System

A system is basically a group of closely related elements, which work together to achieve a specific goal. According to Azhar Susanto (2013) the system is a collection or collection of each subsystem/part/component, both physical and non-physical that are interconnected with each other and work in harmony for a particular purpose. According to Jogiyanto (2009) the system can be identified with a procedural approach and a component approach. The accounting system is the organization of forms, records, and reports that are coordinated in such a way as to provide the financial information needed by management to facilitate the management of the company. According to Bodnar and Hapwood (2008) accounting system is an organizational record created to identify, collect, analyze, record and report organizational transactions and hold accountability for related activities and obligations.

RESEARCH METHODS

This research was conducted at PT. xyz. In the research that will be used in this study is primary data, the data obtained by the author is directly obtained from parties directly related to the owner of PT.xyz. Data collection methods used in this research are documentation, questionnaire and interview techniques. The data analysis technique used is qualitative, there are differences in inventory stock data in the field and in the warehouse at PT. xyz.

Data source

Data is an absolute thing used in organizing information. The type of data collected and used in this research is qualitative data. Qualitative data is data that is not in the form of numbers and how to read the data by describing it in detail and clearly so that conclusions are easier to draw. Data sources can be divided into two, namely:

- Primary data

The primary data source is the object of research that is observed directly with the research subject, namely the informant. The data obtained from the informants are in the form of words and actions of the informants. The sampling technique used is a purposive technique, meaning that the main informants are 30 batik industry workers.

- Secondary Data

Secondary data sources are data obtained indirectly in the field, but the results of literature studies and documentation studies from various references and data archives that support the topic of discussion in this research can be understood. more deeply about the problem that is the object of study. The archive is in the form of development, the owner is also a supporting informant who can enrich the data.

- Observation

Observation is the systematic observation and recording of a phenomenon that has been investigated. Observations were made to obtain data and a more in-depth picture of the aspects studied. According to Patilima (2005). Observation techniques are used to extract data from data

sources in the form of events, places or locations, and recorded objects and images. Observations can be made directly or indirectly. The data obtained from observations include historical data on the batik industry center in Kunir Kidul, economic benefits and typology of the working community.

RESULTS AND DISCUSSION

The internal control system has an organizational structure, checks the accuracy and reliability of accounting data, promotes efficiency and complies with management policies. The internal control system at PT.xyz has implemented several internal inventory control systems consisting of organizational structure, inventory authorization systems and procedures, healthy practices and responsible employees. Therefore, the author has conducted in-depth interviews with the company about how the internal inventory control system at PT.xyz is carried out according to the correct procedure.

Discussion of the results of the Inventory System Analysis study at PT. xyz, where the research was carried out using qualitative methods and descriptive approaches. It is known that the internal control system is a set of policy procedures to protect company assets or assets from all forms of misuse, ensure the availability of accurate information for the company, and ensure all legal provisions (regulations) as well. because management policies have been adhered to or implemented properly by all employees of the company.

The following are the results of interviews conducted by the author regarding the system of internal control over inventory as follows:

- 1) Related to the organizational structure of inventory at PT.xyz Based on the results of interviews conducted by the author, respondents stated that the organizational structure at PT.xyz has been implemented which is functionally consists of several related functions. However, from the results of the study the authors found weaknesses in the internal control system because it did not reflect the existence of an insufficient storage function as it should include warehouses, the company lacked sufficient warehouses to store inventory so that many were damaged or expired. goods. The organizational structure describes the division of power and responsibility within the company to achieve company goals. Determination of rights and responsibilities is very important so that an organization has a clear job description. Without a clear job description, this can lead to something that is not desired by the company. From the results of the interview above, it is contrary to the theory in the book that the internal control system requires the company to have a wider inventory/warehouse so that there are not many damaged or expired goods that cause the company to suffer losses and take action. by company management is to reduce inventory or every month the company does a stock take.
- 2) In connection with the implementation of the internal control system over inventory at PT. xyz based on interviews conducted by the author, on the implementation of the internal control system over inventory at the company does not make provisions in accordance with inventory procedures. But one way or another the supply is still running. So it can be said that the company's internal inventory control system has not been running effectively because it does not follow the merchandise inventory procedure. Meanwhile, one of the tasks of the internal control system is to ensure that the corporate governance process functions/runs effectively and efficiently in accordance with the inventory procedures established by the company, laws and regulations and company policies that have been established. So it can be said that the implementation of the internal control system at PT. xyz does not carry out inventory control in accordance with

established procedures and the internal inventory control system has not been effectively implemented.

- 3) In the evaluation of the Authorization and Inventory Control System at PT. xyz based on the results of interviews conducted by the author, respondents stated that it was not necessarily carried out directly to the company's internal control system within one year on inventory because the company was rare. . carry out internal control within the company. Therefore, the system of internal control over inventory in this company is said to be ineffective. Regarding the COSO component to evaluate the effectiveness of inventory management at PT.xyz, based on interviews conducted by the author, all components of the internal control system proposed by COSO have been implemented. However, there are some things that still need to be improved, such as insufficient storage space for supplies. And several safety devices that must be added to increase the security of inventory in the warehouse.

One of the duties of the director is to ensure the effectiveness of the company's internal control system. For this reason, the board of directors is required to establish an internal control unit for all companies which are company work units that carry out the function of the company's internal control system. To support the effectiveness of the internal control system, the company needs to have its own internal control unit to protect all assets in the company and inventory procedures can be carried out in accordance with company rules and the goods control system can run effectively. Of course, in a company, in general, the internal control system in a company has a function to determine the effectiveness of company policies. And the existence of an internal control system that must be independent in all respects has a responsibility to the leadership of the company. And the action that will be taken by the company's management is to hold discussions with the company's directors to suggest that each company has its own internal control unit team to oversee the internal control system over inventory and prevent unwanted goods and reduce the occurrence of damaged, expired and damaged goods. company losses. The existence of an internal control system, namely systematic supervision in maintaining the company's assets is useful for assisting the leadership in achieving the company's goals that have been set. In addition, the internal control system can also assist the management process and can encourage employees to carry out their duties. Every employee must be responsible for carrying out their duties. Competent, honest and responsible employees in the company can be expected. As with the internal control system over inventory, the head of the warehouse is not only responsible for protecting the company's assets and reducing losses, the internal control system is also needed in evaluating the inventory of each item for the company.

In addition, the authors also ask about the constraints that occur in the implementation of the internal control system for the company's inventory. Then the respondent stated that there were actually no problems because the company had its own computerized program system. However, the company does not have an internal control unit team to see or directly review the inventory whether the inventory control system has been running according to established procedures or has been running effectively. And in fact the system of internal control over the inventory of goods in the company has not been running effectively.

CONCLUSION

After analyzing and evaluating the inventory internal control system at PT. xyz which has been described in previous chapters, the authors draw the following conclusions: Application of the internal inventory control system at PT. xyz is not working yet. This can be seen from the company does not have its own internal control system and does not have sufficient storage space, there is a lot of damage and expired goods in the warehouse, so there is a stock opname policy in

maintaining the availability of merchandise inventory. . but supported by the use of stock cards as a basis for controlling merchandise inventory. And the implementation of information and communication as well as supervision is only dominated by the board of directors. So when the director leaves, no one can decide. Inventory procedures are sometimes not carried out according to standards, but inventory procedures are sometimes still carried out. Therefore, the internal control system has not been running effectively and in accordance with existing regulations.

SUGGESTION

Inventory procedures are sometimes not carried out according to standards, but inventory procedures are sometimes still carried out. Therefore, it is necessary to design an internal control application system that is not running effectively and in accordance with existing regulations.

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