

Implementation of Sales Operational Audits Measuring the Effectiveness and Efficiency of the Sales Function in PT. Berlina Tbk Pandaan

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ABSTRACT

Purpose: To determine sales in order to measure efficiency and effectiveness at PT. BERLINA Tbk by implementing an operational audit and to determine the level of operational success so as to increase the effectiveness and efficiency of the company.

Design/methodology/approach: A qualitative approach is defined as a research procedure that produces descriptive data in the form of written or oral data regarding the actual conditions in the field (companies), then compared with existing theories. The purpose of descriptive research is to make a descriptive, automatic, factual picture or painting of the phenomenon being investigated by analyzing the factors that cause the occurrence or emergence of a phenomenon.

Finding: PT. BERLINA Tbk, operational audit has been adequate, the implementation of operational audit in supporting the effectiveness and efficiency of sales at PT. BERLINA Tbk, can be seen from the implementation of sales activities based on policies, systems and sales procedures. In the comprehensive sales procedure, it was found that the sales procedures applied so far were less effective, efficient, and economical because many documents were used and the sales procedures were too complicated. The information system used by the company has not yet been achieved effectively, efficiently and economically. On credit sales due to the unavailability of a credit function to authorize sales orders.

Practical implications: Auditing sales operations to measure the effectiveness and efficiency of the sales function.

Originality/value: This paper is original

Paper Type: research paper

Keywords: Effectiveness, Efficiency and Sales Sales, Operational Audit.

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I. INTRODUCTION

The business environment is always changing along with the continuous development of the times. Economic growth is one measure of the success of a country's development (Istanti et al., 2021a). This change in the end has an impact on Indonesia's open economic conditions, causing increasingly tight competition between business entities. In today's tight business competition, many companies always want to stay afloat from business competitors (Istanti & Negoro, 2021). Economic development is one of the benchmarks in national development, the economic sector makes special attention to the government in carrying out national development (Istanti et al., 2021b). This condition causes the company's management to face competitive environmental conditions and demands high efficiency in the use of economic resources. The demand to be more efficient, innovative and consistent in carrying out activities is a decision that must be met by the company's management. The company survives in the long term and is able to generate profits by

producing products that have advantages both in quality, design, service and price. Producing goods is the best strategy for companies to maintain long-term profitability. Global financial management is the science and art of studying the function of POAC in the financial resources of macro and microeconomic units (Poniwatie et al., 2021).

Therefore competition is important to the success or failure of the company. As we are aware, because the level of business competition has become so tight as a result of society as a consumer being very selective in their consumption products, management consists of functions that are carried out according to their respective activities and are interrelated with one another. These functions are expected to support each other in an effort to achieve the goals and objectives of the company that have been set. One of these functions or activities is the sales function. Sales play an important role in determining the success of a company, not only in terms of the ability to maintain and advance the company, but also in relation to the competitive situation it faces.

With a clear concept and the ability to read the market, it is hoped that this function can run well. The success of sales is closely related to the strategy that has been planned by the company. With an effective strategy, it allows the company to succeed in business competition. The importance of strategy is one of the reasons a company needs to carry out operational audits. In addition, the intense competition encourages companies to innovate, in this case, of course, requires large sales costs, especially through promotional programs that aim to increase the effectiveness of promotional activities.

One of the tools that management can use is an operational audit, which is a form of organization that carries out its function by measuring and evaluating the effectiveness of implementing activities. Internal auditors can examine and evaluate all organizational activities and provide services to management in the form of suggestions or recommendations. In carrying out sales activities, the sales department prepares a number of programs that support its activities, one of the activity programs is promotion. The promotional activities carried out cannot achieve the target optimally because there is no standard that is commonly used to measure the success of promotional activities within the company.

Operational audits are carried out with the aim of monitoring the efficiency and effectiveness of the organization or company as a whole as well as division to identify possible corrective actions that need to be carried out further. sales functions include sales procedures, distribution of sales documents, implementation of job descriptions. In addition, inspection of the sales process is part of the operational audit which aims to help the company operate more effectively.

The application of operational audit to the sales function in assessing the performance of the sales function, which is related to the aspects of efficiency and effectiveness from an operational audit perspective, is very necessary in measuring the effectiveness and efficiency of the sales function as a supporter of the existing system. PT. BERLINA.Tbk is a company engaged in the manufacturing industry. The company only applies financial audits. By only implementing a financial audit, PT. BERLINA.Tbk cannot measure the level of efficiency and effectiveness of the company, especially the sales function. This measurement is very influential on the level of productivity of the company which is the objective of the operational audit. Based on the description above, the authors are interested in taking the title "Application of Sales Operational Audits to Measure the Efficiency and Effectiveness of the Sales Function at PT. BERLINA Tbk Pandaan".

II. LITERATURE REVIEW

A. Definition of Auditing

According to Agoes, (2012)The definition of auditing is: "An examination carried out critically and systematically, by an independent party, on the financial statements prepared by management, along with accounting records and supporting evidence, with the aim of being able to provide an opinion regarding the fairness of the financial statements".

according to Mulyadi, (2015)An audit is a systematic process of obtaining and objectively evaluating evidence regarding statements about economic activities and events, with the aim of determining the degree of correspondence between these statements and established criteria, and communicating the results to interested users.

B. Definition of Operational Audit

According to Jusup, (2014) The definition of Operational Audit is "A review of every part of the procedures and methods applied by an organization with the aim of evaluating efficiency and effectiveness". Sunyoto, (2016), operational audit is referred to as a management audit, which is an activity that re-examines or reviews the results of operations in every part of a company with the aim of evaluating its efficiency and effectiveness.

C. Definition of Effectiveness and Efficiency

Definition of Effectiveness and Efficiency according to Agoes, (2012) are as follows: "Effectiveness is a comparison of inputs and outputs in various activities, up to the achievement of the goals set, both in terms of the quantity (volume) of work results, quality of work results, as well as the time limit set".

Efficiency is defined as an action to make the most appropriate sacrifice compared to the desired result. An organization is considered effective when it achieves its goals efficiently, economically and complies with applicable regulations.

Atmoseoprpto, (2002) states, effectiveness is doing the right thing, while efficiency is doing the right thing, or effectiveness is the extent to which we achieve our goals and efficiency is how we mix all resources carefully. Mahmudi, (2010), Effectiveness is the extent to which the units issued are able to achieve the stated goals. Effectiveness is used to measure the relationship between the results of a tax levy with the objectives that have been set.

D. Definition of Sales

according to Basu Swastha Dharmesta, (2014) Sales is a process of exchanging goods or services between sellers and buyers. according to Abdullah & Tantri, (2019), Sales is a part of promotion and promotion is one part of the whole marketing system.

E. Research Question and Analysis Model

Main Research Question

How is the Sales Operational Audit to Measure the Effectiveness and Efficiency of the Sales Function at PT. BERLINA Tbk?

Mini Research Question

From the main research question above, the question can be narrowed down to several more questions, including:

- a. How is the process of measuring the effectiveness and efficiency of the sales function seen from the review of Economics, Effectiveness and Efficiency in the operational audit conducted at PT. BERLINA Tbk?
- b. To what extent does PT. BERLINA Tbk meets the requirements for implementing an operational audit?

III. METHODOLOGY

A. Research Approach

A qualitative approach is defined as a research procedure that produces descriptive data in the form of written or oral data regarding the actual conditions that exist in the field (companies), then compared with existing theories. The purpose of descriptive research is to make a descriptive, automatic, factual picture or painting of the phenomenon being investigated by analyzing the factors that cause the occurrence or emergence of a phenomenon.

B. Scope

The scope of the analysis of the research conducted by the author is limited by the lack of efficiency and effectiveness of relatively good operational activities. The problem of internal operational audit is a problem that is no less important, in addition to other types of audit activities, one of which is a financial audit. Because the activities of all functions in the company affect the success of the company.

IV. RESULTS AND DISCUSSION

A. Results

In implementing the operational audit of the sales function at PT. BERLINA. Tbk found several weaknesses in the activities of the sales function. The following are some operational audit findings on sales function activities along with recommendations. From the implementation of the operational audit that is carried out, there will be a positive impact

that is :

- a. Management can find out the results of reports from operational activities, especially the sales function.

- b. It can be seen that there are possibilities, weaknesses or the occurrence of acts of fraud in operational implementation.
Thus, later actions can be taken to improve existing procedures, so that control activities will become more effective and reduce the possibility of fraud that results in losses for the company.
- c. By conducting periodic operational audits, it is expected to produce improvements to the processing of activities and the achievement of results from the objects being examined by providing recommendations or suggestions for improvement or further action, especially in the sales function. So that management can make the right decisions.

B. Discussion

1. Sales of PT. BERLINA Tbk

Sales performance analysis was conducted to determine the sales performance of PT. BERLINA Tbk, so that it can be determined that sales activities have been running effectively and efficiently. From the results of the study, it can be concluded that the company is able to meet the targets that have been set every year and the difference is still within the tolerance limit. Consolidated net sales of 568.3 billion for the year ended December 31, 2019, an increase of 5.8% compared to the achievement in 2018 with sales volume of 11%. Net sales growth for plastic bottles in Indonesia was only 5.8% which was not in line with the sales volume growth of 11%, due to the influence of changes in product specifications and selling prices and due to the weakening of the Renmimbi currency against the Rupiah by 12%.

2. Operational Cost of PT. BERLINA Tbk

The amount of sales costs that occur also affects the level of effectiveness and efficiency of sales. Operational costs incurred by PT. BERLINA Tbk includes transportation costs, shipping costs, sales staff salaries, insurance costs, and other operating expenses. Cost of goods sold for 2019 was 76% of net sales (a total of 443.9 billion) where there was an improvement of 2% of net sales compared to the previous year of 80% (a total of 432.6 billion). The company managed to improve the cost of goods sold in 2019 due to increased efficiency and effectiveness of production costs, especially in the use of raw materials and labor. The company's operating expenses in 2019 were 11% of net sales (amounting to Rp 63.3 billion) or an increase of 0, 4% of net sales compared to 2019 of 10.7%. The increase in operating expenses in 2019 was mainly due to an increase in general and administrative expenses of 6.4 billion.

Table 1. Financial Data for the period 2018-2019

No.	Description	2018	year 2019
1.	Net sales	537.1 Billion	568.3 Billion
2.	Gross profit	23 Billion	47 Billion
3.	Total Profit	20.2 Billion	34.7 Billion
4.	Total Asset	507.2 Billion	550.9 Billion
5.	Total liabilities	305.9 Billion	326.9 Billion
6.	Minority Rights	2 Billion	3 Billion
7.	Total Equity	179.2 Billion	207.3 Billion
8.	Capital	96 Billion	74.2 Billion

Source : PT. BERLINA Tbk

3. Financial Report of PT. Berlina Tbk

Table 2. CONSOLIDATED STATEMENT OF PROFIT LOSS

30 SEPTEMBER 2018 AND 2019 (unaudited)

	Year 2019	2018
	Rp	Rp
<i>NET SALES</i>		
<i>COST OF GOODS SOLD</i>	427,558,241,964	389,411,976,497
<i>GROSS PROFIT</i>	(333,886,320,516)	(312,874,003,515)
<i>OPERATING EXPENSES</i>	93,671,921,448	76,537,972,982
<i>Sale</i>		
<i>General and administration</i>	(13,383,412,499)	(18,275,396,916)
<i>Total operating expenses</i>	(31,765,859,601)	(39,041,328,011)
<i>OPERATING PROFIT</i>		
<i>OTHER INCOME</i>	(45,149,272,100)	(40,473,172,261)
<i>Securities sale profit</i>		
<i>Gain (loss) on the exchange rate</i>	48,522,649,348	36,064,800,721
<i>foreign money - net</i>		
<i>Interest income</i>	35,755,000	43,913,412
<i>Fixed set sales profit</i>		
<i>Amortization of deferred losses</i>	570,220,000	(6,231,666,754)
<i>on sale and lease transactions</i>	507,367,402	1,072,226,884
<i>back – clean</i>	(993,906)	54,240,928
<i>Goodwill amortization</i>		
<i>Interest expense and finance</i>		

<i>Other net income</i>	-	(60,696,261)
<i>Total other expenses – net</i>	(399,324,852)	(399,324,852)
	(16,145,541,300)	(13,860,750,376)
PROFIT BEFORE TAX	2,010,201,656	2,229,800,078
TAX INCOME	(13,422,316,000)	(19,152,256,941)
<i>Current tax</i>		
<i>Deferred tax</i>	35,100,333,348	16,912,543,780
<i>Total tax burden – net</i>	(10,408,839,287)	(7,256,036,170)
	3,434,946,289	1,591,586,628
PROFIT BEFORE MINORITY RIGHTS	(6,973,892,998)	(4,343,820,279)
ON NET PROFIT OF SUBSIDIARIES	28,126,440,350	12,568,723,501
MINORITY RIGHTS TO PROFIT		
CLEAN SUBSIDIARIES		
NET PROFIT	(2,957,225,700)	(529,594,394)
BASIC EARNINGS PER SHARE	25,169,214,650	12,039,129,107
	182	87

Source: PT. Berlian

4. Income Statement PT. Berlina Tbk and Subsidiaries after audit

Table 3. CONSOLIDATED STATEMENT OF PROFIT LOSS

31 DECEMBER 2019 and 2018 (audited)

	Year 2019	2018
<i>NET SALES</i>	<i>Rp</i>	<i>Rp</i>
<i>COST OF GOODS SOLD</i>	568,328,198,058	537,142,366,438
<i>GROSS PROFIT</i>	(443,954,247,954)	(430,587,812,168)

<i>OPERATING EXPENSES</i>	<i>124.373.950.113</i>	<i>106,554,554,270</i>
<i>Sale</i>		
<i>General and administration</i>	<i>(17,835,463,448)</i>	<i>(18,275,396,916)</i>
<i>Total operating expenses</i>	<i>(45,452,274,631)</i>	<i>(39,041,328.011)</i>
<i>OPERATING PROFIT</i>	<i>(63,287,738,079)</i>	<i>(57,316.724,927)</i>
<i>OTHER INCOME</i>	<i>61,086,212,034</i>	<i>49,237,829,343</i>
<i>Securities sale profit</i>		
<i>Gain (loss) on the exchange rate</i>		
<i>foreign money - net</i>	<i>1,714,978.803</i>	<i>31,413,412</i>
<i>Interest income</i>		
<i>Fixed set sales profit</i>	<i>1,451,569,454</i>	<i>(3,413,929,487)</i>
<i>Amortization of deferred losses</i>	<i>695,143,437</i>	<i>1,324,672,292</i>
<i>on sale and lease transactions</i>	<i>256,791,639</i>	<i>54,240,928</i>
<i>back – clean</i>		
<i>Goodwill amortization</i>		
<i>Interest expense and finance</i>	<i>-</i>	<i>(122,793,384)</i>
<i>Other net income</i>	<i>(532,433,136)</i>	<i>(532,433,136)</i>
<i>Total other expenses – net</i>	<i>(21.472.592.101)</i>	<i>(27,354,761,334)</i>
<i>PROFIT BEFORE TAX</i>	<i>4,082,481,996</i>	<i>4,211,783,466</i>
<i>TAX INCOME</i>	<i>(13,804,060,908)</i>	<i>(25,801,807,243)</i>
<i>Current tax</i>	<i>47.282.151.126</i>	<i>23,436,022,100</i>
<i>Deferred tax</i>		
<i>Total tax burden – net</i>	<i>(11,200,962,591)</i>	

<i>PROFIT BEFORE MINORITY RIGHTS</i>	<i>1,865,948,149</i>	<i>(7,256.036,170)</i>
<i>ON NET PROFIT OF SUBSIDIARIES</i>	<i>(9,335,014,442)</i>	<i>6,120,214,851</i>
<i>MINORITY RIGHTS TO PROFIT</i>	<i>37,947,136,684</i>	<i>(1,135.821,319)</i>
<i>CLEAN SUBSIDIARIES</i>		<i>22,300,200,781</i>
<i>NET PROFIT</i>	<i>(3,186,270,250)</i>	<i>(2,039,972,885)</i>
<i>BASIC EARNINGS PER SHARE</i>	<i>34,760,866.434</i>	<i>20,260,227,896</i>
	<i>251</i>	<i>146</i>

Source : PT. Berlina Tbk

IV. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on research conducted at PT. BERLINA. Tbk. As material for consideration by academics and decision makers, from the analysis the authors can conclude several things as follows:

1. In the comprehensive sales procedure, it was found that the sales procedures applied so far were less effective, efficient, and economical because many documents were used and the sales procedures were too complicated.
2. The information system used by the company has not yet been achieved effectively, efficiently and economically. On credit sales due to the unavailability of a credit function to authorize sales orders.
3. At PT. BERLINA Tbk, operational audit has been adequate, the implementation of operational audit in supporting the effectiveness and efficiency of sales at PT. BERLINA Tbk, can be seen from:
 - d. The implementation of sales activities is guided by sales policies, systems and procedures.
 - e. The findings during the audit have been reported along with suggestions and recommendations for improvement. So the implementation of operational audit can be used as a tool for evaluating the performance of the sales function. It is hoped that the performance and sales function will be more efficient and effective in the future.

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B. Suggestion

Based on the results of the discussion and conclusions, the suggestions that can be given by researchers on the implementation of the operational audit of the sales function of PT. BERLINA. TBK are:

1. In order for credit sales systems and procedures to run effectively and efficiently, it is necessary to separate the functions so that there is no one function that runs two at the same time.
2. It is necessary to have a separate credit function from the sales function to be able to make settlements to consumers or customers who are given credit so that there is no delay in paying off receivables or minimizing the risk of bad debts.

With the suggestions described above, it is hoped that the identified weaknesses with the implementation of an operational audit will solve the sales function. So that the sales function becomes better and can meet the company's targets in the future.

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