

OPERATIONAL AUDIT ON THE IMPLEMENTATION OF VALUE OF FAMILY BUSINESS

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Abstract

The purpose of this study is to assess the efficiency and effectiveness of companies that apply the value of family business as internal control in the company's operational activities. The research data is processed by the Audit stage, namely, preliminary survey, review and testing of controls, detailed testing, and audit reports. This research focuses on the operational activities of PO Primadona which has two business lines, namely passenger bus services and freight forwarding. Based on the results of the author's research, it can be concluded that applying the value of family business in operational activities at PO Primadona Makassar is still not effective and efficient. The activities that have not been effective are online sales activities and the recording of cash receipts and cash disbursements, while the activities that have not been efficient are the reduction of passengers. The recommendations that the authors give to companies are, companies need to carry out regular system maintenance and use an automatic payment system, improve employee work discipline, and last but not least, provide computer training to the treasurer's department.

Keywords: Audit, Operational, value of family business, efficiency, and effectivity.

INTRODUCTION

Increasing competition between companies means that a company is required to pay more attention to its operational activities so that the company's operational activities can run effectively and efficiently, companies need control, and one of the controls used by companies is implementing the value of the family business so that the results of operational activities not only generate profits but also satisfaction from customers who can form a customer loyalty to the company.

If the company wants to conduct an assessment or evaluation of the company's performance, it is necessary to have an audit that can help the company. Companies can conduct operational audits to improve and assess the company's performance.

Otobus Company (PO) Primadona is one of the land transportation companies in the form of a Limited Liability Company (PT) in Makassar. This company has operational activities or business lines in the form of shipping goods and as a passenger bus

In the goods delivery business line, the company divides the types of goods into three categories, namely electronic goods, vehicles, and documents/boxes. As for passenger buses, Primadona provides many choices for its customers with various levels of facilities.

The company already has regulations set by the company and used as guidelines in carrying out its operations. However, regulations for employees are still in the form of oral or unwritten. Meanwhile, regulations for customers are in written form.

The results of the pre-research, there are several things that are suspected of being less effective and efficient that is happening in this company, the leadership of PO Primadona said that the number of pillows and blankets owned by the company was decreasing because they were missing. Another thing that also happens in the company is that there are bus drivers who pick up passengers on the road or illegal passengers.

The company also often gets complaints from customers because customers who order passenger bus tickets on the website do not get a seat or the passenger's name is not listed on the passenger list at the representative.

Based on the explanation given by the head of the representative, this happens because the customer is late paying where the payment limit is given for 2 hours, if more than 2 hours do not make a payment then the passenger's name will automatically be deleted in the system. This will have an impact on customer satisfaction which is likely that customers will look for other bus fleets.

Similar previous research was conducted by Esi Susirawati and Rizka Indri Arfianti with the title "Internal Audit in Family Companies: Symbolic Interaction Approach". The similarity with this research is the focus on the audit of family companies. The difference is in the approach and research object, previous research used a symbolic approach while current research does not. The object of previous research was PT companies that had gone public. The results of previous research show that the owners/shareholders of family companies commit dishonesty by using company finances for personal gain.

The purpose of this research is to find out whether implementing the value of a family business in PO Primadona's operational activities in Makassar can make operational activities

run effectively and efficiently. This research only focuses on one line of business, namely operational for passenger buses.

RESEARCH METHODS

This research will be conducted at PO Primadona Makassar Jl. Perintis Kemerdekaan KM 13 Perum. Khatulistiwa Block B No. 8, Makassar. The type of research used in this research is library research and field research.

This research is using qualitative data methods and types. Data collection techniques for this study were carried out using documentation, observation, and interviews. The data source for this research was obtained from the company's internal data consisting of primary data and secondary data.

The data analysis method used in this study is a qualitative descriptive analysis method. The stages in this data analysis technique use the audit stage (Bayangkara, 2015: 229), namely:

- 1) Preliminary Survey
- 2) Review and Test of Management Control
- 3) Detailed Examination
- 4) Audit Report (Audit Report)

RESULT AND DISCUSSION

Results

The main objective of this audit is to assess the effectiveness and efficiency of the operational activities of PO Primadona in Makassar. One of the internal controls used by PO Primadona is using the family system in occupying certain positions in the company such as director, head of a representative, treasurer, and general section. This control is not fully effective in its use because it can have a negative impact on the company, namely a decrease in company performance. This is in accordance with what was stated by (Komalasari, Puput Tri., Muhammad, 2014:15): The decline in company performance may be due to the weak competence of family members who occupy positions on the board of directors. Family members obtain these positions because they are part of the family, not based on their hard work or their individual abilities, competencies, and qualities. They also do not have the experience

to manage the company. In fact, for the sake of the progress of the company, competent and qualified individuals are needed, so if the company is managed by individuals who are not competent, the company's performance will be poor. The more family members who serve on the board of directors will also reduce the portion of professionals who have proven ability and experience to manage the company. As a result, the market will respond negatively because the company is not managed by the right individuals and is only concerned with family relationships.

Even though it is less effective, control with this family system can be said to be efficient in its application because it has a tendency to minimize costs or even eliminate agency problems. This is in accordance with what was explained by (Komalasari, Puput Tri., Muhammad, 2014:144):

Agency costs and problems will not arise because the owners and managers of the company are the same parties, so there will be an alignment of vision and goals, and there will be no differences in interests. This agency's costs will be reduced so that it will increase profits. With a family member leading the company, the family will fully control the decisions, policies, and operations of the company.

A) Bus Service

- Offline ticket sales

Offline ticket sales activities have been carried out effectively because the company did not encounter any problems in offline sales activities and efficiently because the sales process is carried out by inputting data into the system, this makes the employee's work easier.

- Online ticket sales activity

This activity does not run efficiently because the system is often in trouble so the company usually has to return passenger funds. Also, this activity has not been running effectively because the company is still experiencing problems with online ticket sales, namely the company's system which is usually an error so that sometimes the company closes ticket reservations via the website and there is also a delay in customers making payments or confirming payments so that the passenger's name is not registered in passenger list at representative.

This is because companies rarely perform maintenance on existing systems in the company. Maintenance will be performed only if an error occurs in the system. This condition affects the decline in the quality of the company, causing customer dissatisfaction with the performance of the company which can result in customers looking for other Pos. In addition, the company must return customer payment funds if the customer refuses the new seat provided. Therefore, companies should implement payments online using an automatic payment system in the form of a virtual account so that customers do not need to confirm payments and customers will not be able to make payments if the time limit has passed. Payment with a virtual account system also makes it easier for companies because each customer gets a different unique code for payment.

In addition, the company must also pay attention to the maintenance of the system used to avoid trouble which causes ineffectiveness of the procedures carried out due to the state of the system being idle because it has not been used for some time

- Collection of passengers for departure

Collecting passengers for departure has been running effectively because the bus conductor continuously collects passenger data 60 minutes before the arrival of the bus to the representative and contacts via telephone for passengers who have not come to the representative. In addition, the bus conductor always ensures the completeness of the passengers on the bus when the bus departs.

Running efficiently because the company encourages passengers to 5uet the representative one hour earlier than the bus departure time so passengers can arrive earlier. This can save kredit costs which will be used to call passengers who are not yet at the representative.

- Examination at the checkpoints.

This activity has been carried out effectively because the company has carried out internal controls on inspection activities at points using employees who have the duty to check are the closest relatives of the head of the representative and the director of the company. This will minimize the possibility of cooperation between drivers, conductors and checkpoint-checking officers.

It has been running efficiently because the checks at the points are carried out by 1 (one) employee for all buses that will leave Makassar. This can save employee salary costs incurred by the company.

- Drop off passengers

Provisions and procedures related to reducing the company's performance have not been fully effective because several provisions are not carried out by employees, namely checking the bus facilities when passengers are about to leave the bus. This is because employees feel unethical to check the luggage of passengers, causing the frequent loss of bus pillows and blankets.

It has not been running efficiently because the inspection of bus facilities was not carried out, the company experienced a loss of bus facilities, so the company had to buy a new replacement facility. This occurs due to the negligence of employees who do not carry out their duties according to existing procedures.

Therefore, the recommendation given is that the company should provide another way of checking bus facilities when passengers leave the bus. This can be done by the company implementing the collection of pillows and blankets when standing passengers want to leave the bus, pillow collection is done by providing baskets held by the bus crew and then each passenger is required to put pillows and blankets into the basket provided before leaving the bus.

Companies can also apply sanctions or work discipline to bus crews who do not work according to company regulations.

b) Bus maintenance and repair

It has been running effectively because employees were able to complete bus repairs on time. This activity runs efficiently because the number of workshop employees is only 2 (two) people but they can still complete maintenance and repairs on time.

c) Financial Recording of Cash Receipts and Disbursements

One form of control established by the company in the financial section is by placing the nuclear family of the representative leadership as treasurer. However, this is not enough to achieve the effectiveness and efficiency of the activities carried out.

It has been running efficiently because the company only uses journals for recording. It is cheaper than the company buying one computer unit. However, the activities carried out have not been fully effective because the company is still faced with risks, namely recording and calculation errors due to human error because the recording of company cash receipts and disbursements is still manual by writing receipts on a special book, so that internal controls are not effective. This is in accordance with the opinion of Haliah (2015:29) internal control will be effective if it is supported by competent staff and good leaders.

This condition can result in erroneous financial reports, so that decision making in the company can also be erroneous. Therefore, the company should provide training or a computer course to employees who serve as treasurers.

d) Representative Letters

It has been effective and efficient. It is quite effective because the company has archived every incoming and outgoing letter, but the company does not keep records for every incoming and outgoing letter. This condition can make it difficult for employees to search for letters because they have to open existing archives. It is better for the company to keep records of each incoming and outgoing letter to simplify and speed up the time when searching for letters. Efficient because the company does not incur costs for purchasing incoming and outgoing mail recording books.

Based on the results of research that has been carried out at PO Prinadona, the authors obtain results that can be concluded that operational activities at PO Primadona in Makassar have not been effective and not efficient.

Discussion

The stages in carrying out inspections to assess the efficiency and effectiveness of PO Primadona's operational activities consist of a preliminary survey, review and testing of management control, detailed testing and reporting of audit results. The report contains findings and suggestions for improvements to the weaknesses of the management control system at PO Primadona.

1) Preliminary Survey

The preliminary survey aims to obtain information about the company's background and collect information related to the company's operational activities. In general, the preliminary survey procedures conducted by the authors include;

- a) Make a direct visit to the company, then conduct discussions and request permission from the company owner or company manager and explain the purpose and what data are needed to assist the process of preparing the thesis;
- b) Collect data and information regarding company history, organizational structure, job descriptions, job descriptions of sections related to operational activities, company policies and other relevant data;
- c) Make direct observations such as observing the activities carried out;
- d) Conduct interviews with authorized parties regarding employee compliance with the SOP owned by PO Primadona for operational activities and policies set in carrying out operational activities;
- e) Process the results of interviews that have been conducted;
- f) Make conclusions on the results of observations and interviews with PO Primadona employees.

Based on the results of observations and interviews that the author has conducted, it can be concluded that the risks to the company are shown in the table below:

Table 1 Identification of activities and risks at PO Primadona

Keterangan	Jenis Aktivitas	Risiko
Treasurer	Financial records	Company losses due to financial reporting errors.
Workshop/garage	Vehicle repair and maintenance	Lack of buses that are ready to operate.
	Storage of company assets	Company losses due to loss of company assets.
Ticket sales cashier	Online ticket sales	Customer dissatisfaction and loss for the company.
	Disbursement of funds	Misuse of funds.
	Note filing	Proof of receipt is missing.
	Money saving	Losses to the company due to loss of cash.
Conductor	Examination of passenger facilities	Lost and carried away by passengers.
General	Point check	<ol style="list-style-type: none"> 1. Company losses on the use of facilities. 2. Collaboration between drivers, conductors and check point officers.

Source: Processed Data, 2022

2) Review and Test of Management Control

At this stage, it is completed by submitting a questionnaire regarding managing PO Primadona's operational activities. The questionnaire was distributed to the relevant sections, ticket sales cashiers, goods delivery cashiers, drivers, conductors/crews, and the workshop section. Based on the results of the questionnaire given, information is obtained as a result of the evaluation, namely:

a) The company only conducts coaching or job training for bus drivers;

- b) The occurrence of recording errors is still possible because the recording of cash disbursements is still done manually.
- c) Online ticket sales are still experiencing problems with passengers who are late in confirming payment and paying late will lose seats because payment confirmation is still done manually by the head office;
- d) Disbursement of funds for cash disbursements has been carried out properly because every cash disbursement made by the ticket sales cashier is always recorded and every disbursement is always accompanied by evidence in the form of a note;
- e) Keeping cash and money disbursement notes has been carried out properly because each cashier employee has their own drawer and disbursement notes have never been lost;
- f) Vehicle repair and maintenance have been completed on time. Although sometimes, the bus driver and crew employees help the workshop employees.
- g) The storage of company assets in the garage or bus repair shop has been handled properly because in its use, the mechanic part of the workshop makes notes for each tool and material used by each bus.
- h) The bus crew has not carried out inspection of bus facilities such as pillows and blankets.
- i) Checks at the checkpoints have been running properly because they have been carried out daily and some buses have CCTV.

3) Follow-Up Audit (Detailed)

Based on the review and testing, inspection findings were obtained, which will be explained in detail in the detailed testing. Detailed testing consists of conditions, criteria according to regulations set by the company and generally accepted principles, causes, effects, recommendations and references. The detailed list of operational audit findings at PO Primadona Makassar is explained in the following table:

Tabel 2. List of Findings and Detailed Testing Results on the Operational Activities of PO Primadona Makassar

NO	CONDITION	CRITERIA	CAUSE	EFFECT	RECOMENDATION
1.	The customer is late or does not confirm payment on the website.	Customers must confirm payment 2 hours after ordering.	The system often errors. Payment confirmation on the website is still done manually by filling in the account data used for payment to the website.	1. The company must refund the customer's payment if the customer refuses to be given a seat that is different from the seat the customer has chosen on the website. 2. Customer dissatisfaction so that customers will look for another otobus company.. 3. The loss of the company's opportunity to make a profit.	1. Perform maintenance on the system on a regular basis. 2. Using an automatic payment system, for example using a Virtual Account payment that gives each customer a different VA code.
2.	Financial records are still manual.	Recording is done correctly and precisely.	Employees are unable to use computers.	Recording and calculation errors due to human error .	1.Implementing technology-based record keeping. 2. Provide training on how to use computers to employees.
3.	No inspection of bus facilities before passengers get off the bus.	Checking the passenger seats for each passenger leaving the bus.	Employees feel that it is unethical to check passengers before leaving the bus.	1. Loss of bus facilities. 2. The company loses financially because it has to buy a new facility.	1. Collecting pillows and blankets when standing passengers want to leave the bus. 2. Giving sanctions to employees who violate the rules while on duty. The first sanction can be a verbal warning. The second sanction is in the form of temporary dismissal from work. The third sanction is in the form of termination of employment.

4) Reporting

After describing the results of the research above based on the conditions, criteria, causes, effects and recommendations, the next step is for the authors to make an audit report. The audit report consists of Chapter I: Executive Summary, Chapter II: Basis, Objectives, and Scope of Examination, Chapter III: List of Audit Programs, Audit Working Papers (KKA), and Examination Findings of Audit Programs.

CONCLUSION

Based on the results of research conducted by the author on each activity for PO Primadona's operational activities in Makassar, it can be concluded that even though the company applies the value of a family business in its operational activities, these activities are still not effective and not efficient. This is because there are still several operational activities at PO Primadona which are still experiencing problems in their implementation.

The first obstacle, online ticket sales activities have not been effective because the company's system often has errors. Second, the reduction of passengers has not been effective because there are several provisions that are not obeyed by employees. Third, the recording of cash receipts and disbursements has not been effective because the company is still recording manually in the journal so large errors due to human error will occur.

Whereas for activities that are declared inefficient, namely the passenger bus business line when dropping passengers because bus facilities often experience being lost carried by passengers and online ticket sales because the system is often in trouble so companies usually have to return passenger funds.

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