

[43]

Internal Control Evaluation to Minimize Fraud Risk on Sales and Cash Receipt Cycle at CV BPP

Maurizka Salni Chaerunissa and Sylvia Fettry
Universitas Katolik Parahyangan

Abstract. The development of the business world is currently running so rapidly. The rapid development of the business world demands the business to be more creative and have a competitive advantage compared to its competitors. This creates pressure for businessman to continue to produce the best products and services to survive in the business world by doing various efforts. Nevertheless, this businessman's efforts are blocked by some frauds in his company.

The sales and cash receipts cycle is the most important activity for a company's sustainability. This cycle is vulnerable to fraud. For the effectiveness of the sales and cash cycle, the internal control is a prerequisite. By assessing the internal controls, the company can minimize the risk of fraud.

The research method of this study is analytical descriptive method. Data collection techniques used were field studies and literature studies. Field study is conducted by observation, interview and questionnaire. The research object is the internal control of the sales and cash receipts cycle for minimizing the fraud risk level at CV Bangun Pemuda Pemudi which is operating in the food and beverage sector.

The study finding shows that the internal environment of the company is not good enough, while the control activities of the sales and cash receipts cycle has been adequate, but there are still some weaknesses. Based on the analysis result, some fraud risk factors are found. Further analysis reveals two identified fraud risks namely, the manipulation of sales report and asset misappropriation (cash) conducted by the Recap Admin. Some recommendations are that the company must have a segregation of duties between the recording function and the asset safeguard function, complete and conform the components of the document and impose restrictions on access rights.

Keywords: Internal Control, Sales Cycle and Cash Receipts, Internal Control Assessment, Fraud Risk.