

THE IMPACT OF INTERNAL AUDIT ON THE OPERATIONAL FINANCING TRANSACTIONS OF THE COMPANY PT. JASA RAHARJA (PERSERO) SURABAYA REPRESENTATIVE

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ABSTRACT

The purpose of this study was to examine and analyze the influence of individual internal audit on the company's operational financing and its implementation at PT. Jasa Raharja (Persero) representative of Surabaya. The results of the study show that internal audit has a significant positive effect on operational financing. Where the increased internal audit results are evidence of good SOP implementation, it will affect operational control of operational financing. And based on the calculation of the R value of 0.555, this shows that internal audit has an effect of 55.5% on the variability of the company's operational financing.

Keywords: Internal Audit, Transactions, Operational Financing

INTRODUCTION

PT. JasaRaharja (Persero) is a company engaged in social insurance which provides basic protection to public transport passengers and also to third parties outside the cause of accidents. PT. JasaRaharja (Persero) is needed to continue to exist in the community, shareholders and government. The breakthroughs made by PT. JasaRaharja (Persero) has resulted in many operational activities that require facilities and of course operational costs.

Operational costs require more attention because it is easy for someone to use operational costs, making these costs prone to fraud. Therefore, the management of large companies whose activities are complex, the owner must delegate the management of the company to a leader and the leader does not carry out all the activities of the company itself. For this reason, leaders must delegate tasks to various parties. One of the components that play a role in supporting management in supervising the company's operations and through work units in carrying out the control function is the "Internal Audit (Internal Audit)"

section. In SOEs it is known as the "Internal Supervisory Unit (PES)". It is a must for a BUMN to establish a Supervisory Unit in charge of internal monitoring. Government Regulation (PP) n. 3 of 1983 regulates the establishment of an internal control unit, complete with regulations, functions and responsibilities, as well as matters relating to this matter. In order to avoid or minimize the risks that may arise, in carrying out its function as the manager and controller of the company's operations, it is impossible for management to carry out direct supervision, therefore a work unit called the Internal Audit Unit (SKAI) was formed. Management hopes that, with the existence of an Internal Audit Unit, control or supervision of the company can be carried out to minimize risks that arise by themselves and which can harm the company. Internal audit is expected to be able to carry out its functions adequately to monitor and maintain company assets so that company operations can be carried out effectively and efficiently. Based on the work of the internal audit, whether the policies that

have been set by the company can be applied or vice versa, so that management as the controller of the company can take steps to make decisions about political change or not. With the background described above, the researchers are interested in conducting research with the title "Impact of Internal Audit on Operational Financing Transactions of JasaRaharja (Persero) Surabaya Representative".

LITERATURE REVIEW

Internal Audit

Audit Internal audit is a medium for communicating problems and findings in the unit, along with their recommendations, to unit management. The audit administrator should be aware of the findings and recommendations of the audit process. Because internal audit really helps management in the decision-making process. Reports issued by internal auditors are certainly of high quality which benefits companies and government agencies (Nisfusa in Koem, 2015:1). Hiro Tugiman (2016:11) defines internal audit as an organizational control that measures and evaluates an organization. The information obtained is intended for the administration of the organization itself. Now that you know what is meant by internal audit, there is a term internal audit that you need to know to distinguish between internal audit and internal auditor.

According to Hiro Tugiman (2018), internal audit or internal inspection is a function within an organization that is responsible for evaluating the efficiency and cost effectiveness of various activities or programs within an organization. Hiro Tugiman's definition of internal audit refers to a quote from the statement of the Institute of Internal Auditors (IIA: 2020), which states, "Internal audit is a function established within an organization to review and evaluate its activities. This is an independent evaluation activity." Internal audit is designed to help assess activities in the following areas:

1. Internal accounting controls.

2. Fraud Prevention and Detection.
3. Check finances.
4. Compliance test.
5. Operational inspection.
6. Administrative checks.
7. Contract inspection.
8. Review of information systems.
9. Internal quality development.
10. Relationships with entities outside the company.

Internal Audit Management

In order for the internal audit function to function effectively, it must be managed properly. The head of internal audit is responsible for providing appropriate leadership to the internal auditors to ensure that the audit work is consistent with the overall objectives, and his responsibilities are approved by senior management, accepted by the board of directors, and approved by the internal audit department. Efficient and effective use of resources to ensure work and audits are carried out properly. Done according to professional standards. RosmaidaTambun (2015), Yahya (2016), and Jamaluddin (2015) suggest that management influences internal audit in the preparation of financial statements and affects financial performance. According to Hiro Tugiman (2016: 19), the head of the audit function must properly direct the internal audit function.

1. Purpose, rights and responsibilities.
2. Planning.
3. Other Policies and Procedures.
4. Personnel management.

Operating costs

After completing all the processes of manufacturing products for the company, the products must be stored, sold, and distributed to the company's customers. Operational costs are costs that have a significant impact on how the company achieves its goals, namely how to generate revenue from operations (Oktapia, 2017). Operational costs are costs that are not related to the

production process and only include marketing and general administrative costs (Bustami, 2017). The components of business costs other than production costs are the costs of selling the company's products to consumers and all costs related to administrative work carried out by the company (Rudianto, 2017).

Operational Cost Classification

Operational costs literally consist of two words, 'cost' and 'operation', according to the Big Indonesian Dictionary. Cost means the obligations (implementation, operations, etc.) incurred to maintain operations. related to surgery. Operational costs are all commercial costs incurred to support the company's activities to achieve a certain goal. In other words, operational costs are costs incurred in connection with the activity process.

The term operational is often used for organizations that produce outputs in the form of goods and services. Operations are generally defined as a business, activity, or process for converting inputs into outputs. In this general sense, its use is very broad, including output in the form of goods and services. Therefore, production and operations include processes that modify inputs and use resources to produce outputs in the form of goods or services.

According to Abrams & Laplante in Ruwita (2020:218): Operations are the infrastructure, equipment, processes and processes used to enable the production and delivery of products and services in a way that enables a profitable business to run.

Operational costs can be calculated based on the following method:

$$TC = FC + VC \text{ or } VC = TC - FC$$

Information:

TC = Overall Cost

FC = Fixed Cost

VC = Variable Cost

Therefore, operating costs are costs related to operations, namely all costs directly used in the manufacture or

purchase of goods, including general costs, selling costs, administrative costs, and interest on loans, including fixed costs and variable costs. Variable costs vary depending on sales volume and production processes, so please track changes. In other words, fixed costs are always constant regardless of the increase or decrease in production and sales, while operating costs are costs that must be incurred to maintain the company's activities and operations.

One of the objectives of financial reporting is to present concise and accurate information to management. To create cost data that helps administrators achieve their goals, costs must be categorized. Cost classification is the process of systematically grouping all cost items into specific groups to provide business leaders with complete cost information when managing and delivering functionality. According to Bastian Bustami and Nurlela (2020:12), the classification of costs is defined as:

"Cost classification is the classification of costs from all existing cost components into certain groups that can provide useful information. Commonly used cost classifications are costs associated with:

1. product
2. Production volume
3. Departments and cost centers
4. Billing period
5. Decision making

Transaction Control in Operational Financing

Efficiency of operating costs affects the ability of a company to generate profits and requires management to achieve efficiency, so controlling operating costs is very important for profit-oriented companies. It can be concluded as follows:

1. Direct operating costs are costs that are directly attributable to the company's operating activities.
2. Indirect operational costs are costs that are not directly charged to the company's operations.

Therefore, operating costs are costs related to operations, i.e. all costs that are directly incurred in producing or purchasing goods, including overhead costs, sales, administration and interest on loans. Variable costs vary depending on sales volume and production processes, so please pay attention to changes. In other words, fixed costs are always constant, but operating costs are costs that must be incurred to maintain the company's activities and operations, even though the production sales volume increases or decreases.

The components of operating expenses commonly found in trading and service companies are:

1. Labor costs, wages, commissions, bonuses, allowances, etc.
2. Administrative and General Expenses
3. Promotion Fee
4. Premium
5. Maintenance costs of buildings, machinery, vehicles and equipment.

Hypothesis

The hypothesis of this study is as follows:

H: Internal audit has a significant positive effect on the company's operational financing transactions at PT. JasaRaharja (Persero) Surabaya Representative.

RESEARCH METHODS

Population and Sample

According to Supangat (2018), the population is a collection of objects used as research material (study) that have the same properties. In this study, the population includes all employees of the company PT. JasaRaharja (Persero) representative of Surabaya.

According to Sugiyono (2018: 116), the sample is a small part of the many characteristics possessed by a population.

In general, there are two types of sampling methods: random sampling and non-random sampling. Based on the title of this research, sampling will be done by random sampling. Probability sampling is a technique that is carried out by

allowing all members of the population to obtain a sample. The sample is expected to be representative.

Types of research

The type of research used in this study is descriptive quantitative research. Descriptive quantitative research is research that aims to provide an overview of how the results of statistical analysis can be used to solve a problem.

In this study, the authors describe, collect, and analyze all relevant data that internal audit expects to influence operational financing transactions. Internal audit is aimed at resolving various deficiencies and improving the management of operational financing transactions.

Variable Measurement and Operational Definition

In this study, the variables studied were determined by survey variables. This can be explained as follows.

1. Independent Variable (X) - Internal Audit Variable (X)

Internal audit is the means by which problems and findings in the unit, along with recommendations, are communicated to unit management. The audit administrator should be aware of the findings and recommendations of the audit process. Because the internal audit really helps management in the decision-making process. Reports issued by internal auditors are certainly of high quality which benefits companies and government agencies (Nisfusa in Koem, 2015:1). Hiro Tugiman (2016:11) defines internal audit as: As defined above, internal audit is an organizational control that measures and evaluates an organization. The information obtained is intended for the administration of the organization itself. Now that it is known what is

meant by internal audit, there is a term internal audit that needs to be known to distinguish between internal audit and internal auditor. Key figures from internal audit include:

1. Time
2. Knowledge
3. Cost
4. Data
5. Standard Operation

2. The dependent variable (Y) - Operational financing transaction variable (Y)

Operational costs are costs that have a significant impact on how the company achieves its goals, namely how to generate operating income (Oktapia, 2017). Operational costs are costs that are not related to the production process and only include marketing and general administrative costs (Bustami, 2017).

Components of business costs other than production costs are the costs of selling the company's products to consumers and all costs related to administrative tasks carried out by the company (Rudianto, 2017). According to Abrams & Laplante in Ruwita (2020:218), operations are the infrastructure, equipment, and processes used to enable the production and delivery of products and services in a manner that enables a profitable business, and the part that contains instructions. Manipulation is an important aspect because nothing works without it. Operational costs consist of two parts, namely marketing costs and administrative costs (Rudianto, 2017). Operational financing transaction indicators are:

1. Reliability
2. Uses
3. Maintenance
4. Availability
5. Progress.

DISCUSSION

Validity Test

Validity test is the process of testing questionnaire questions to see whether the content of the questions is valid for a scale or component. Measurements were carried out using the SPSS version 18.00 program.

The basis of the analysis used to determine whether or not a question item is valid is if the overall bivariate correlation value exceeds r_{table} , which is 0.025, then the item or propositional item is valid (Santoso, 2017: 277). The results of the validity test in this study showed that all r_{table} values > 0.025 and all term variables X and Y were valid.

Reliability Test

The basis of the analysis used in making a decision whether the question item is reliable or not is if the Cronbach Alpha value is > 0.60 , then the item or question item is reliable (Ghozali, 2016: 133). To find out the results of the reliability test can be seen in the table below:

Cronbach's Alpha	N of Items
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.766	12
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Table 1 Reliability Statistics

Source: Data processed by researchers

Based on the table above, it can be seen that Cronbach's alpha value is 0.766. From the results of the analysis using the SPSS 18.00 computer program, it can be concluded that the variables X and Y have a Cronbach alpha value of $0.766 > 0.60$ and state that the questionnaire items are reliable.

Heteroscedasticity Test

In the scatterplot image with the dependent variable, namely the company's operational financing transactions (Y), it can be seen that not all points follow a certain pattern. This shows that there is no heteroscedasticity.

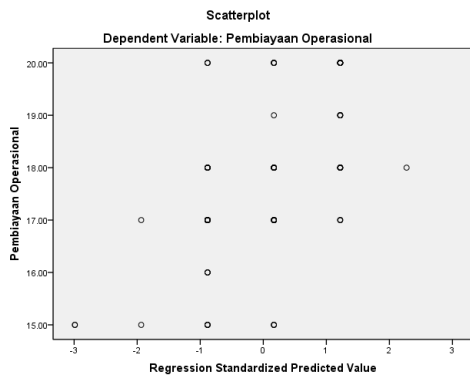


Figure 1 P-P Plot Normal Graph
Source: Data processed by researchers

Normality test

The histogram curve shows a symmetrical curve profile and does not shift to the left or right. From this it can be concluded that the regression model is normally distributed.

Multicollinearity Test

Tolerance greater than > 0.10 means that there is no multicollinearity. Also, if the VIF value is less than $<10>0.10$, it means that there is no multicollinearity. Also, the VIF variable X has a value less than $<10>0.05$. From this it can be concluded that the distribution of this research questionnaire is normal.

Autocorrelation test

The calculated Durbin Watson score to be 2.126. Since there is no Durbin-Waston value, the closest value is (2.46). This includes areas that have no correlation. From this it can be concluded that the linear regression equation model is free from autocorrelation

Data analysis

Simple linear regression analysis

Using multiple regression analysis to test the hypothesis of this study. This simple regression analysis is used to determine the impact of internal audit on operational financing transactions.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error			
1 (Constant)	2.369	2.335		1.015	.313
Internal Audit	.863	.131	.555	6.602	.000

a. Dependent Variable: Pembayaan Operasional

Figure 2 Regression Equation Test
Source: Data processed by researchers

The resulting Regression Model:

$$Y = 2.369 + 0.863 \beta X$$

From the regression equation above, it is explained that the constant (α) obtained is 2,369 which indicates the value of the operational financing transaction of PT. JASA RAHARJA (Persero) representative of Surabaya. If internal audit is zero, operational financing transactions are 2,369 units. To find the t-table value, a one-way test and degrees of freedom are used, namely $n - k$ ($100 - 2 = 98$), and using a t-table at a significance level of 2.5%. Then get the 198447 table. Based on the data from the table, the t-count is 6,602. With the t-count $> t$ -table ($6.602 > 1.98447$) and the significance value ($0.000 < 0.025$), then H_0 is rejected and H_a is accepted. Therefore, the internal audit individually has a positive effect on the operational funding of PT. JasaRaharja (Persero) Surabaya Representative.

Coefficient of Determination Analysis (R²)

The coefficient of determination is an important measure in regression, because it can inform whether or not the estimated regression model is good, or in other words the number can measure how much the regression line is. The value of the coefficient of determination (r) reflects most of the variation of the commitment variable that can be explained. by the Internal Audit variable. Here are the results:

The resulting R value is 0.555, which means that the variability of the Company's Operational Financing

Transactions can be explained by the Internal Audit of 55.5% and the remaining 44.5% is explained by variables outside the model.

Model Feasibility Test

1. Based on the calculation of the regression coefficient above, internal audit has a certain positive influence on the operational financing transactions of PT. JasaRaharja (Persero) representative of Surabaya. This means that if internal audit increases, it means that SOPs are applied in the company, it will affect PT's control over the company's operational financing transactions. This statement is supported by the following definition of internal audit by Hiro Tugiman (2016:11). As defined above, internal audit is an organizational control that measures and evaluates an organization. The information obtained is intended for the management of the organization itself. Now that it is known what is meant by internal audit, there is a term internal audit that needs to be known to distinguish between internal audit and internal auditor. According to Hiro Tugiman (2018), internal audit or internal inspection is a function within an organization that is responsible for evaluating the efficiency, effectiveness and cost effectiveness of various activities or activities or programs within an organization.

2. Based on the calculation of the resulting R value of 0.555, this shows that 55.5% of the variability in the company's operational financing transactions is explained by internal audit, while the remaining 44.5% is explained by other variables outside the model. This means that the X variable affects the Y variable. This means that internal audit has an influence of 55.5% on the company's operational funding.

CONCLUSION

1. Based on the calculation of the regression coefficient above, internal

audit has a significant positive effect on the operational financing transactions of PT. JasaRaharja (Persero) representative of Surabaya. This means that if the internal audit is improved and facilitated in accordance with the SOP set by the company, it will affect the results of managing the operational financing transactions of the company PT. JasaRaharja (Persero) representing Surabaya.

2. Based on the calculated R-value of 0.994, it means that 99.4% of the variability of the company's operational financing transactions can be explained by internal audit, while the remaining 0.6% is explained by other variables outside the model. This means that the X variable affects the Y variable. This means that internal audit has an effect on 99.4% of the company's operational financing transactions.

SUGGESTION

This research is expected to be useful for related parties, including:

1. For the Internal Audit Team, the audit sample is further expanded. The duration of the audit is further extended. So that all audit objects can be checked. The results obtained from the audit sample are expected to be more representative so as to produce more and more comprehensive problem solving.

2. The audit schedule should be random. In order for the Internal Audit Team to know the real condition of the employees of PT. JasaRaharja (Persero) Surabaya Representative. This condition can show whether the employees of PT. JasaRaharja (Persero) really understands and complies with the applicable SOPs in the company.

3. The implementation of a punishment system, namely cutting annual bonuses for employees who violate company SOPs, depends on the seriousness of the problem, one of which is the SOP for Operational Costs.

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