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OPERATIONAL AUDIT ANALYSIS OR DISTRIBUTION FUNCTION OF THE COMPANY PT. MEDION ARDHKA BHAKTI

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ABSTRACT

The purpose of this research is to find out 1) The implementation of the Distribution function is in accordance with the distribution function standards that have been set at the company PT. Medion Ardhika Bhakti. 2) Know the distribution function of PT. Medion Ardhika Bhakti carries out planning to achieve distribution goals. This research uses a descriptive method with a case study approach, namely a method carried out by collecting, presenting, analyzing and interpreting data systematically so that it can provide a picture that can be used as a basis for providing recommendations. The data collection method is interviews. The results of this research are 1) aDistribution function activities starting from the distribution master schedule, assessment of inventory levels, maintenance schedules, productivity and added value, distribution equipment and facilities, quality control and finished goods control have generally been implemented well. 2) in general, distribution function activities have been effective, but there are several problems that exist so that production operations can be effective in the future.

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INTRODUCTION

PT. Medion Ardhika Bhakti is a pharmaceutical company that operates in the livestock pharmaceutical sector with the main products being vaccines, medicines and vitamins and livestock equipment. PT. Medion Ardhika Bhakti has been working in the business of producing and marketing pharmaceutical products, vitamins, vaccines and poultry equipment for more than 35 years. Through its experience and commitment to delivering high quality products and satisfying customers, PT. Medion Ardhika Bhakti has been known in the local market as the best vaccine producer and has expanded throughout Asia and Africa. Business competition in an increasingly complex global era has created new challenges for PT. Medion Ardhika Bhakti. Business people must innovate and think about how to continue to compete with their competitors.

Facing this level of competition, companies are trying to be more innovative in creating products that suit market desires, one of which is making poultry vaccines. PT. Medion Ardhika Bhakti implements an air management system in accordance with CPOHB provisions. The air conditioning system is better known as *Heating, and Air Conditioning* (HVAC) or Air Handling Unit (AHU), plays an important role in the pharmaceutical world. This is due to providing protection for the product loading environment, ensuring the production of quality medicines, providing a comfortable working environment for personnel, providing protection for environments containing hazardous materials by setting up an effective and safe air removal system for these materials.

The company will direct its resources optimally to introduce the newest products and increase market share. Activities that are closely related to attracting consumer interest are marketing activities. Marketing is important in business activities. The function of marketing is for companies to create innovative products to find opportunities which exists in meeting customer

needs and marketing their products, therefore the marketing function is said to be the spearhead of a company's success.

Distribution is a marketing activity that seeks to expedite and facilitate the delivery of goods from producers to consumers, so that their use is in accordance with the type, quantity, price, place and time required. The institutions that "live" in the distribution channel are producers, consumers and distributors. In distribution activities, there are physical and non-physical aspects so that the marketing flow runs smoothly. Physical aspects relate to the location of product transfer or distribution. Meanwhile, the non-physical aspect is related to the seller's (producer's) knowledge of what consumers want and consumers must also know what products the producer is selling.

THEORETICAL STUDY

A. Operational Audit

Audit is a systematic process for obtaining and objectively evaluating evidence regarding statements about economic activities and events with the aim of determining the level of conformity between these statements and established criteria and conveying the results to interested users. The types of audits are divided into 3, namely: financial report audits, compliance audits and operational audits. In this research, it is more about operational audit or another term, management audit.

The definition of operational audit according to Bayangkara (2014:2) is the evaluation of the efficiency and effectiveness of company operations. The scope of operational audits covers all aspects of operational activities such as activities, programs and areas within the company that are known or identified as still requiring improvement or improvement in terms of economics, efficiency and effectiveness. Meanwhile, the main elements in audit objectives are 1) Criteria are standards or guidelines for each individual or group in carrying out their activities within the company. 2) Cause is an action carried out by each individual or group of companies. 3) Effect is a comparison between causes and criteria.

When conducting an operational audit, it must be in accordance with the existing stages. The stages are as follows: 1) Preliminary survey begins with an introduction between the auditor and the auditee organization, confirming the scope of the audit, discussing the audit plan, get to know more about the company. 2) Review and testing of management controls in this stage identifies, classifies deviations and disturbances that occur which could result in delays in the production process. 3) Advanced audit, at this stage the auditor carries out a more in-depth audit of a company regarding the development of discoveries regarding procedures, records, facilities or those related to production and operations. 4) Reporting. The results of all audit stages which have been summarized and concluded in the audit working paper (KKA), are the basis for making audit conclusions and audit formulations to make improvements offered by the auditor as well as follow-up actions taken to make the company better.

B. Distribution Functions and Objectives

The distribution process is carried out by business entities or individuals from the time the goods are collected. This is done by purchasing a product from the manufacturer to distribute it to consumers. The following distribution functions need to be understood:

1. Exchange function

This distribution function is a marketing or buying and selling activity of goods or services which includes buying, selling and taking risks.

2. Physical provision function

This distribution function is a function related to providing merchandise in the right quantities, including collection, storage, sorting and transportation issues.

3. Supporting function

This distribution function is related to efforts to provide facilities to other functions so that distribution activities can run smoothly. This distribution function includes service, expenditure, information dissemination and coordination.

There are important goals of distribution:

1. Ensure continuity of production

With distribution, distribution activities will continue to run. The distribution process allows products to be distributed to consumers and not held up by producers. Production activities will continue to run smoothly and make a profit.

2. Guarantee the product reaches consumers

Apart from being important for producers, distribution is also important for consumers. With consumers being able to receive the desired product. The distribution process also includes the introduction of goods (promotion) to the process of sending goods to consumers.

C. Economisation

Economisation is a measure of input used in various managed programs. This means that if a company is able to obtain resources that will be used in operations with the smallest sacrifice, this means that the company has been able to obtain these resources in an economical way. Thus the cost per unit of input used in operations also becomes low, which allows the company to produce products at a relatively lower cost compared to its competitors.

D. Efficiency

Efficiency is a measure of the process that connects input and output in company operations. Efficiency is related to how a company carries out operations, so that optimal use of its resources is achieved. Efficiency is related to work methods (operations). In relation to the input concept, efficiency is the ratio between output and input. How much output is produced using a number of inputs owned by the company. Good work methods will be able to guide operational processes by optimizing the use of company resources.

E. Effectiveness

In short, the definition of effectiveness can be understood as the level of success of a company in achieving its goals.

RESEARCH METHODS

A. Descriptive Research

Descriptive research is research that is structured in order to provide a systematic description of scientific information originating from the subject or object of research

B. Research sites

The research was conducted on Jl. Rame H No. 20, RT.003/RW.010, Cikokol, Kec. Tangerang, Tangerang City, 15117, Banten.

C. Necessary data

1. Primary data

Primary data is data that is first recorded and collected by researchers, such as the results of interviews or the results of filling out questionnaires carried out by researchers.

2. Secondary Data

Secondary data is data that is already available and collected by other parties.

D. Method of collecting data

1. Surveys are a method of collecting data where researchers or data collectors ask questions or statements to respondents either in oral or written form.

2. Interviews are data collection techniques that use verbal questions to research subjects.

3. Observation is a method of collecting data through a systematic process of recording subjects (people), objects (things) or events without any questions or communication with the individuals being studied.
4. Documentation is a method that is usually used to collect secondary data from various sources, both personal and institutional, such as organizational structure, product data and so on.

RESEARCH RESULTS AND DISCUSSION

A. Management Audit of Distribution Functions

Management Audit Report on the Distribution Function at PT. Medion Ardhika Bhakti is as follows:

1. Preliminary Audit Analysis

No.	Statement Items	Explanation
1	Does the company have a strategy that is used to achieve company goals?	Yes, the company has a strategy for achieving company goals, namely, distributing orders quickly and precisely with higher quality products. For this reason, the company always tries to carry out high quality product work, because for the company customer satisfaction is the main thing.
2	Does the company have a short-term plan?	Yes, the company has a short-term plan, namely completing orders from customers as quickly and as well as possible. The company does not want to disappoint customers who have placed orders. So when an order occurs, the company will immediately work on the order quickly, neatly and thoroughly in order to maintain the quality and trust given to it by customers.
3	Does the company have a long-term plan?	Yes. The company has long-term plans, namely increasing expansion in the livestock, PET and agriculture sectors. Therefore, the company always tries to improve the quality of the company's products, starting from updating them to excellent quality, so that they are suitable for marketing abroad.

Based on the preliminary audit that has been carried out, it can be concluded that the objectives of the audit are as follows:

- a. Assess how company management implements each program or activity.
- b. Assess the efficiency and effectiveness of managing the company's marketing programs or activities.
- c. Provide various suggestions for improvements to weaknesses in the marketing function.

2. Review Analysis of Management Control Systems

Review interviews with resource persons and assess distribution objectives.

a. Distribution Plan Assessment

The distribution department has carried out the distribution process and distribution plan according to standards that have been determined by the company and prepared plans to create a distribution schedule. The distribution department has also prepared daily distribution reports. In achieving distribution targets it has not been optimal, this is because in the delivery process there are often several obstacles, for example when customers request early delivery but the expedition often experiences unpredictable traffic jams.

b. Distribution Assessment

The company has distribution standards which serve as guidelines for employees in the company's distribution department who give responsibility to employees in planning and carrying out their respective activities. The problem is that there are often repeated deliveries to the same customer on several days in a row, resulting in an increase in fuel costs.

c. Distribution Equipment and Facilities

All equipment used in the distribution process is ISO compliant.

d. Quality Control

The company has written quality control guidelines. The company also provides training in order to improve the quality of employees and it has been implemented well.

e. Finished Goods Control

The control of finished goods in question is that unused packaging boxes will be recycled again. Defective products returned by customers will be returned to the head office for reprocessing.

The strengths in management control are as follows:

- 1) The company has a fairly clear organizational structure that measures the authority, duties and responsibilities of each section.
- 2) The company has good operational standards, this can make it easier for the supervisory department to monitor the distribution process.
- 3) The company has a good warehouse and layout where it is arranged in groups according to product categories to make the distribution process easier.
- 4) Checking the quality and completeness of the goods prepared for the smooth process of sending goods so as to guarantee the quality of the products sent,

3. Detailed Audit

Based on the results of the evaluation of the distribution function of PT. Medion Ardhika Bhakti, below are the audit objectives and procedures that can be used to carry out the detailed audit stage.

B. Examination of Distribution Planning

The purpose of an audit of distribution planning is to assess whether the distribution planning determined by the company is effective, efficient and economical and to evaluate these achievements. The difficult procedure for distribution planning is as follows:

- 1) Obtain information about whether the company has a target for achieving turnover each year.
- 2) Obtain information regarding the standards that the company has set in planning annual distribution.
- 3) Make audit conclusions.

C. Examination of Distribution Implementation

The purpose of an audit of distribution implementation is to assess that the company's distribution process is running in accordance with distribution planning so that effectiveness and efficiency can be achieved in distribution channels. The audit procedure for distribution implementation is as follows:

- 1) Conduct interviews regarding distribution procedures that have been implemented by the company.
- 2) Understand the company's distribution procedures and methods.
- 3) Evaluate whether the company has been able to control the distribution process carried out by the company.
- 4) Make audit conclusions.

D. Audit Reporting

Distribution and operations audit results report:

No.	Statement Items	Explanation
1	Has the specified target planning been effective?	<p>Condition : Based on the interview evaluation conducted, it is known that PT. Medion Ardhika Bhakti in determining sales targets is still less effective due to decreasing purchasing power.</p>
		<p>Criteria: Companies must pay close attention to problems in the process of determining sales targets, such as observing the livestock sector.</p>
		<p>As a result : Sales achievement did not match the expected target.</p>
		<p>Recommendation : Companies should calculate sales targets based on sales fluctuations in previous years,</p>
2	Written instructions regarding the care and maintenance of operational vehicles	<p>Condition : There are written instructions or written procedures in the maintenance and maintenance schedule for operational vehicles so that employees can know exactly when to control and maintain each operational vehicle so that its condition is maintained so as not to</p>

		hamper the distribution distribution process.
		Criteria: The company already has written procedures regarding the control and maintenance of each operational vehicle so that employees know when and how to control and maintain existing operational vehicles.
		Recommendation : Companies must maintain the consistency of existing procedures so that distribution channels are not hampered by operational vehicles that are not maintained or damaged.
3	To ensure the distribution process is not disrupted, the company ensures stock availability	Condition : The company has an updated stock list so that there are no discrepancies between actual and data.
		Criteria: The stock list is simple and easy for employees to understand so that stock availability is well maintained.
		Recommendation : Companies must carry out research and development to make it easier for employees to access the availability of goods.

CONCLUSION

In general, distribution channel activities at PT. Medion Ardhika Bhakti has been effective, but there are still several problems in the distribution channel, including determining sales targets that are too large so that these factors can affect the effectiveness and efficiency of the distribution channel at PT. Medion Ardhika Bhakti.

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