

ANALYSIS OF PENSION FUND CASH DISBURSEMENT ACCOUNTING SYSTEM TO SUPPORT INTERNAL CONTROL

(Case Study At PT. Pos Indonesia Kprk Nganjuk And Kpclk Prambon)

Gelisia Juanita Angrum
Suhadak
Kertahadi
Fakultas Ilmu Administrasi
Malang

Abstraction

Pension fund is an alternative choice in providing welfare assurance to employees. The assurance is possible to solve the problems that arise along employee's risk in the work field. These risks include the risk of losing a job, less productive age (elderly), and accident that resulted in physical disability or even death. To support the pension fund cash disbursement distribution, it needed a well adequate internal control structure and required agencies/companies that are competent for distributing the pension funds. The research objectives is to describe the implementation of the pension fund cash disbursement accounting system and procedure, to analyze the implementation of the pension fund cash disbursement accounting system and procedure in supporting internal control, to identify the strengths and weaknesses of the implementation internal control system of accounting processes on pension fund cash disbursement. Based reseach finding implementation of the pension fund cash disbursement accounting system and procedure and implementation of the pension fund cash disbursement accounting system and procedure in supporting internal control is good enough where a part pension, finance, accounting was standing alone. The strengs of this company is authorization of duties, double recording with computer program, delivery service pension fund. The weaknessess of this company is where no internal audit, each section stand is not in the department, and less of employee.

Keywords: Pension Fund, Cash Disbursement, Internal Control

1. INTRODUCTION

A. Background

Pension fund is an alternative choice in providing welfare assurance to employees. The assurance is possible to solve the problems that arise along employee's risk in the work field. These risks include the risk of losing a job, less productive age (elderly), and accident that resulted in physical disability or even death.

To support the pension fund cash disbursement distribution, it needed a well adequate internal control structure and required agencies/companies that are competent for distributing the pension funds. The purpose of internal control is to reduce the occurrence of error, misuse and corruption as well as can be encouraging the effectiveness of cash disbursement. This aims to provide a high satisfaction level for pensioners. Pension fund cash disbursement must be implemented on time and have the accuracy of the calculations and also known by the pensioner themselves. The

realization of good systems of the above can lead to the satisfaction of both parties, from the company and the pensioners. Therefore, the government has appointed TASPEN Ltd (tabungan dan asuransi pegawai negeri/ savings and insurance of civil servants) to aid the distribution of pension fund. But because of limited branch office of TASPEN Ltd, eventually TASPEN Ltd decided to work together to distribute the fund. One of them is Pos Indonesia Ltd.

Pos Indonesia Ltd is one of the company that decline in quality and quantity because of advances in science and technology to counter it, however, Pos Indonesia Ltd demanded to survive by continuing to maintain and improve the quality of postal services, so the service that has been successfully achieved can be maintained. One of these efforts must be made by Pos Indonesia Ltd to keep the customers which has successfully achieved by improving the quality of postal services is by providing pension fund cash disbursement services at the post office, properly,

fast, and secure so that the pension fund would be satisfied with the service that provided by Pos Indonesia Ltd.

Therefore, postal service delivery that properly, fast and secure is one of the efforts to improve the quality of postal services, so the pension fund cash disbursement satisfied with the services of Pos Indonesia Ltd and will increase the satisfaction of the pension fund cash disbursement and also can give benefits for the company, which encourage cash disbursement loyalty to the company and the income earned, and the company it self will increase.

Pos Indonesia Ltd only helper office paymaster Taspen Ltd where Pos Indonesia Ltd has a full responsibility of the pension fund cash disbursement. Based on data from Pos Indonesia Ltd amounts pension recipients Taspen Ltd via Pos Indonesia Ltd is 1228 people but paymaster Indonesia Ltd, there are 16 post branch offices, 1 check office where every office is only one person responsible for making payment pension fund cash disbursement. Such this situation require special attention in order to make a payment in cash disbursement of pension funds to avoid fraud and corruption.

Based on the description above, the writers interested to know more about cash disbursement procedure for pension recipients in Pos Indonesia Ltd. Therefore, the writers propose the title "*Analysis of Pension Fund Cash Disbursement Accounting System to Support Internal Control*".

B. Formulation of Problem

Based on the background that described above, the formulation of the problem in this research are:

- a. How is the implementation of the pension fund cash disbursement accounting system and procedure applied by Pos Indonesia Ltd Kprk Nganjuk and Kpclk Prambon?
- b. How is the implementation of the pension fund cash disbursement accounting system and procedure in supporting internal control at Pos Indonesia Ltd Kprk Nganjuk and Kpclk Prambon?
- c. What are the strengths and weaknesses of pension fund cash disbursement accounting system and procedure applied

by Pos Indonesia Ltd Kprk Nganjuk and Kpclk Prambon?

2. LITERATURE REVIEW

A. Definition Of Pension Fund

Pension is a person who is not working anymore because of his age and the elderly should be dismissed, or at his own request (early retirement). Someone who gets regular pension or severance pay. If you get a pension, so he have fixed get some sort of retirement until death.

Pension fund is a common asset pool meant to generate stable growth over the long term, and provide pensions for employees when they reach the end of their working years and commence retirement. According Robert (2006:151) "pension fund is defined as the set of payment promises in favor of the plan that are protected by property rights". Pension funds are important to shareholders of listed and private companies. They are especially important to the stock market where large institutional investors dominate.

1. Pension Fund Property

According to (Decree of the Financial Minister Number 78/KMK.017/1995 February 3, 1995 Decree of the Financial Minister Number 93/KMK.017/1997 Februari 28, 1997) Job Poser Pension Fund property can be classified as follows:

- a. Property is considered an investment, including:
 - 1) Deposits
 - 2) Certificates of Deposit
 - 3) Stocks, bonds and other securities listed on stock exchanges in Indonesia, excluding options and warrants.
 - 4) SBPU issued a legal entity established under the laws of Indonesia
 - 5) Placement directly in shares or debt instruments maturity of more than one year issued by legal agency established under Indonesian legal entity
 - 6) Land and buildings in Indonesia
 - 7) Shares or units of mutual funds.

- a. Property is not categorized as an investment, including:
 - 1) Cash, Accounts and Certificates of Bank Indonesia
 - 2) Account payable which allowed the Pension Fund Act and Rule of implementation.
 - 3) Office equipment and other equipment
 - 4) Computer
 - 5) Prepaid Expenses.

2. Pension Fund Principles

A pension program based on UU No. 11 Tahun 1992 is based on the following principles:

- a. The principle of separation of Pension Fund property of Legal property founder.
- b. The principle of operation of the Funding System
- c. Principle of Development and Supervision
- d. Delay Benefit Principle
- e. Freedom Principle To Establish Or Not Establish Pension Fund.

B. Definition Of Cash Disbursement Accounting System

According to Hall (2011:225), “the cash disbursement system processes the payment of obligation created in the purchases system. The principal objective of this system is to ensure that only valid creditors receive payment and that amounts paid are timely and correct”. Another definition according to Blazek (2008:140). “ a disbursement system serves to make certain that disbursements are made only for good or services that are known to have been received and for other purposes that have been properly authorized. Disbursement should be made only after appropriate supporting document have been reviewed and approved”. It can be concluded from the definition above cash disbursement accounting system is a system of cash disbursement or payment in order to pay of the approved company’s debt and then also record the expenditures that has already occurred. The company can disburse the money by cash, check or by using banking services such as by using Electronic Funds Transfer (EFT) that today is commonly used by every company when the payment must be transferred to the creditor account.

1. Related Function

Related function to the cash disbursement in accounting system according to Boyton, Johnson & Kell (2001:649) are:

- a. The cash disbursement function. The process by which a company provides consideration for the receipt of goods and services. The cash disbursement function usually involves simultaneously paying the liability and recording the cash disbursement.
- b. Treasury or cash management function is responsible for determining that unpaid vouchers are processed for payment on their due dates. All payment should be by check. The computer can be programmed to extract the vouchers due on each day from the account payables should be paid, considering the company’s cash position.

According to Hall (2011:232-233), the task performed in each functions in cash disbursement procedures are as follow:

- a. AP Department

Each day, the AP clerk reviews the open voucher payable (AP) file for items due and sends the vouchers and supporting document to the cash disbursement department.
- b. Cash Disbursement Department
 - 1) The cash disbursement clerk receives the voucher packets and reviews the document for completeness and clerical accuracy. For each disbursement, the clerk prepares a threepart check and record the check number, dollar amount voucher number, and other pertinent data in the check register.
 - 2) Upon receipt of the voucher packet, the AP clerk removes the liability by recording the check number in the voucher register and filing the voucher packet in the closed voucher file. Finally, the clerk sends an Ap summary to the general ledger department.

- 3) The check, along with the supporting documents, goes to the cash disbursements department manager or treasurer, for his or her signature. The negotiable portion of the check is mailed to the supplier. The clerk returns the vouchers packet and check copy to the AP department and files one copy of the check. Finally, the clerk summarizes the entries made to the check register and sends a journal voucher to the general ledger department.
- c. General ledger department
 Based on the journal voucher from cash disbursement and the account summary from AP, the general ledger clerk posts to the general ledger control accounts and files the documents. This concludes the cash disbursement procedures.

C. Definition Of Internal Control

The most important effect in realizing operating discipline to prevent abuse and diversion of an authority is an effective internal control

“Internal control as the plan of organization and all the coordinate methods and measures adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency and encourage adherence to prescribed managerial policies. A system of internal control extends beyond those matters which relate directly to the functions of the accounting and financial department” The American Institute of Certified Public Accountant (AICPA) (Kumar, Sharma, 2006:81).

From the above definitions it is clear that internal control is a broad term with a wide area of operation. It includes a number of methods and measures, which are exercised by management to ensure smooth and economic functioning of business entity. It assists the management in the performance of various functions. Internal control facilitates the external audit also as it assures the external auditor that the information supplied to them is accurate and reliable.

1. Objectives of Internal Control System

According to Reeve, Warren, & Duchac (2008:355) the objectives of internal control are to provide reasonable assurance that:

- a. Assets are safeguarded and used for business purposes.
- b. Business information is accurate.
- c. Employees and managers comply with laws and regulations.

Internal control can safeguard assets by preventing theft, fraud, misuse or misplacement. A serious concern of internal control is preventing employee fraud. Employee fraud is the intentional act of deceiving and employer for personal gain. Such fraud may range from minor overstating of a travel expense report to stealing millions of dollars. Employees stealing from a business often adjust the accounting records in order to hide their fraud. Thus, employee fraud usually affects the necessary of business information.

2. Forms of Internal Control

The system of internal control and its actual structure is decided by management. It is the job of the management cadre to decide how the work is to be divided and the amount of controlling each task requires. According to Ashok (2010:81-82) the various forms of internal control include:

- a. Cash Control
 There are three main tasks relating cash, namely:
 - 1) receiving cash
 - 2) paying cash
 - 3) maintaining cash balance.
 All three tasks are very important and it is necessary to have clear written instruction for employees dealing cash.
- b. General Financial Control
 General financial control includes the system of maintaining accounts, efficient control of employee (leading and supervision), cordial relationship with employee etc. A system of financial control is necessary for every organization whether large or small.
- c. Control regarding Trade Transaction
 This includes transaction such as sales, purchases etc. There should be clear

and specific regulations for the purchase and sale of good, only then can the pilferage of goods be eliminated.

d. Control regarding Employees Remunition

Even if there is a small lapse in the system of paying salaries and wages to the employees of the organization, cash can be misappropriate very easily.

e. Control regarding Fixed Assets

The majority of the capital in the organization is usually invested in fixed assets. Such assets are usually very costly and hence there is greater possibility of committing fraud in relation to such assets.

f. Control regarding Investment

The fraud in relation is usually committed by high ranking officials and hence the owners of the business should have a special system for controlling investment.

3. RESEARCH METHODS

Referring to the background, formulation of the problem and the theories that have been described previously, so the type of this research is qualitative research; descriptive research methods with case study approach, descriptive research include survey and fact finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affair as it exists at present. The main characteristic of this method is that the author has no control over the variable, he can only report what has happened or what is happening. With research focus: 1. Organization Structure, 2. Procedure Of Pension Fund Cash Disbursement, 3. Internal Control Over Pension Fund Cash Disbursement Accounting System And Procedure.

4. RESULT AND DISCUSSION

A. General Overview of Company

1. History Of Pos Indonesia Ltd Nganjuk

The begin from the development needs and ideas made the flow easier in the Dutch colonial era which has been realized by the Governor-General G. W. Baron by establishing the first Post Office in Batavia on August 26, 1746. The role of

Post Office Increasingly important and developed after the discovery Telegraph Technologies and Telephone (PTT Bureau) based on Stsdbladaad No. 395 Year 1906.

In this case, a group of young deciduous member PM PTT and that date became a milestone in the history of the Bureau of the Republic Indonesia PTT and commemorated every year as a day of devotion PTT and who later became the day consecrated Parposel. Bureau PTT status change happens again become the State of Post and Telecommunications (Postel PN) based on Government Regulation No. 240 of 1961 in order to obtain greater freedom of movement in developing businesses, PN Posel split into two different entities each PN Pos Giro and Telecommunications Company based on government Regulation No. 29 Year 1965 and government Regulation No. 30 Year 1965.

With the issuance of Law No. 9 of 1969, the status of the company's business is divided into three states :

- a. Bureau Company
- b. Public Company
- c. Limited Liability Company (Ltd)

The Status of government company pos and Giro converted into Perum Pos and Giro by Government Regulation No. 9 of 1978 in relation to changes in the business climate status as perum enhanced, especially concerning the guidance and supervision procedures based on Government Regulation No. 24 Year 1984.

Over time Pos Indonesia Ltd has now been able to demonstrate creativity in the development of the field of Postal Indonesia by leveraging its network infrastructure to reach about 24 thousand service points, reaching 100 percent of the city/county. Nearly 100 percent of districts and 24 percent of urban/rural and 940 locations in the Indonesian transmigration. Along with the development of information, communication and technology, postal networks Indonesia already has a pos office 3700 online, and include mobile electronics heading in several major cities. All are chain connected to each other by solid and integration. Poscode system created to facilitate the process whereby each postal delivery area in Indonesia can be identified accurately.

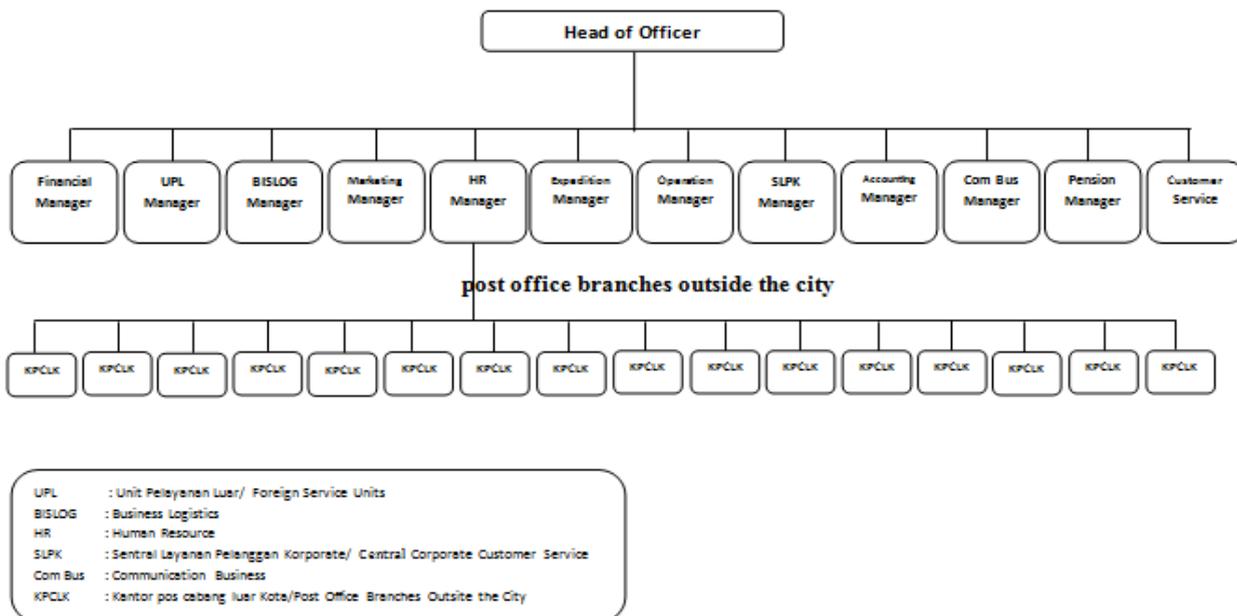
2. Organization Structure

Structure organization at Pos Indonesia Ltd Kprk Nganjuk is growing dynamically, driven internal and external factors. The organizational structure in Pos Indonesia Ltd Nganjuk still highly centralized, so that all the decisions, policies, and authorities of the responsibility of the Head Office. Based on the hierarchy of the organization,

employees with lower positions are automatically directly responsible to the employees who have a position on it.

The organizational structure in Pos Indonesia Ltd Kprk Nganjuk determined in an separate decision, following the pattern of functional structures and staff. The organizational structure chart can be seen in figure 1.

PICTURE 1
ORGANIZATION STRUCTURE CHECK OFFICE POS NGANJUK
POST CODE 64400



Source: PT Pos Indonesia Kprk Nganjuk

B. Data Presentation

1. Participants and Receivers the Pension Fund of TASPEN Ltd

- a. Participants the pension fund of TASPEN Ltd:
 - 1) Civil servants and local autonomy.
 - 2) State officials.
 - 3) Members of the Armed Forces and retired service before 1 April 1989
 - 4) Members of the Veterans and PKRI/KNIP
- b. Receiver the pension fund of TASPEN Ltd:
 - 1) Personal Retirement concerned.
 - 2) Widow/Widower pensioner.
 - 3) Orphans orphan pensioner.

- 4) Parents (for civil servants who died and did not leave the wife/ husband/ children).

2. Cash Disbursement System and Proedures of Pension Fund

Pension fund cash disbursement at Pos Indonesia Ltd Nganjuk has several system and procedure that must be followed or implemented in every doing cash disbursement/payment pension money. Pension fund cash disbursement at Pos Indonesia Ltd Nganjuk held every date 4-15 in every month. System and procedure pension fund cash disbursement started from Taspem Ltd that the document (list of payment, payment receipt (copies 3), list of pension money) latest date 20 every month must be receive pension manager Pos Indonesia Ltd Nganjuk. Date 21 check

office pos nganjuk (pension manager) have already send: list of payment, payment receipt (copies 3), and cooperative credit list to the paymaster's pos office branches outside the city. Date 3 next month list of pension money is giving to the finance manager.

Pos office branches outside the city receive list of payment, payment receipt (3 copies), and cooperative credit list. Then head pos office branches outside the city calculating net pension money after cutting cooperative credit list. The results of calculation of pension funds reduced cooperatives credit list written on a piece of cooperative credit list (as a guideline charging money into the covers pension payment cards).

Date 3 financial manager of check office Pos Nganjuk taking pension fund in bank appropriate with list of pension. Then the financial manager make cash disbursement evidence. After that the accounting manager doing cross check between cash disbursement evidence, list of payment, and the total amount of money are included in the pocket. After appropriate financial manager and accounting manager signing cash disbursement evidence, after that financial manager sealing the pocket of money (cash disbursement evidence attached to the pocket seal).

Date 3 after closed Pos office branches outside the city, head Pos office branches outside the city take the pension money that has been prepared by financial manager check office pos Nganjuk, after that head office doing cross check between cash disbursement with total amount of money, and no damage in the seal of pocket. After cross check and no damage in the seal, head Pos office branches outside the city charging pension money to the cover pension payment cards. Payment receipt (copies 2) and cooperative credit list also included to the cover pension payment cards. Cover pension payment cards charged pension money put into the pocket and. Pos pocket returned back to the finance manager to be send back to the pos office branches outside the city tomorrow morning for doing payment.

Pension fund beside paid in counter area, Pos Indonesia Ltd also provide delivery service pension fund with cost delivered is Rp 5000.00 as transportation costs.

3. Document Used and Related Function in Pension Fund Cash Disbursement Accounting System

Document used in system and procedure of cash disbursement pension fund consist of:

- a. List of Payment
- b. Payment Receipt
- c. Cooperative Credit List
- d. List of Pension Money
- e. Cash Disbursement Evidence
- f. Pension Payment Cards
- g. Pension Recipient Card
- h. Report Realization of Pension Payments
- i. Reports Cash Balance Pension
- j. Balance Pension Recipients List I (the money is paid back)
- k. Pension Recipients List I (not taking pension/ will be paid)
- l. Pension Recipients List II (3 months in a row did not take)
- m. Pension Recipients List III not eligible (in this month)
- n. Balance Retirement Money List IV/retour not eligible

C. Research Result Analysis and Discussion

1. The Implementation of System and Procedure of Pension Fund Cash Disbursement Applied by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon

The implementation of system and procedure of pension fund cash disbursement at Pos Indonesia Ltd kprk Nganjuk kpclk Prambon have four manager to doing pension fund cash disbursement. There are consist of: Pension Manager, Finance Manager, Accounting Manager, and Head Office (Pos Office Branches Outside The City). Each function have different duties, with separation duties it can be limits the chances for fraud and corruption and can increase of accuranncy of accounting records.

Four managers are assigned with certain responsibility and they are divided into four steps: collecting file; taking money; checking file; and payment of pension funds. Documents used in part derived from Taspen Ltd and partly made by the pension manager and finance manager, documents used also have good document. One of the documents made by the financial manager is cash disbursement evidence, better cash disbursement evidence

made by pension manager and pension manager must archive cash disbursement evidence, cash disbursement evidence as one of the data used in making Balance Pension Recipients List I.

All of document must according with Taspen Ltd and Pos Indonesia Ltd. Beside use document/manual process of cash disbursement pension fund Pos Indonesia Ltd using computer program make performance of Pos Indonesia Ltd become more effective and efficient. Double recording manual and computerized give a lot of advantages for safeguarding pension fund, and it doing comfortable by Taspen Ltd at any time conduct an audit of Pos Indonesia Ltd. The computerized program used only authorized manager (accounting manager and pension manager). Overall, it show that Pos Indonesia Ltd has already good system and procedures on pension fund cash disbursement.

2. Analysis of Internal Control of System and Procedure Pension Fund Cash Disbursement Applied by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon

The analysis of internal control of pension fund cash disbursement that has been applied by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon in supporting internal control analysis and compare with related literature. According to Horngren, Harrison, & Bamber (2002:285) about internal control over cash disbursement consist of: competent reliable, ethical personal; assignment of responsibility; proper authorization; separation of duties; internal and external audits; documents and records; electronic devices, computer controls, and other controls. Internal control over cash

disbursement applied by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon consist of:

- a. Organization structure, assignment of responsibilities.

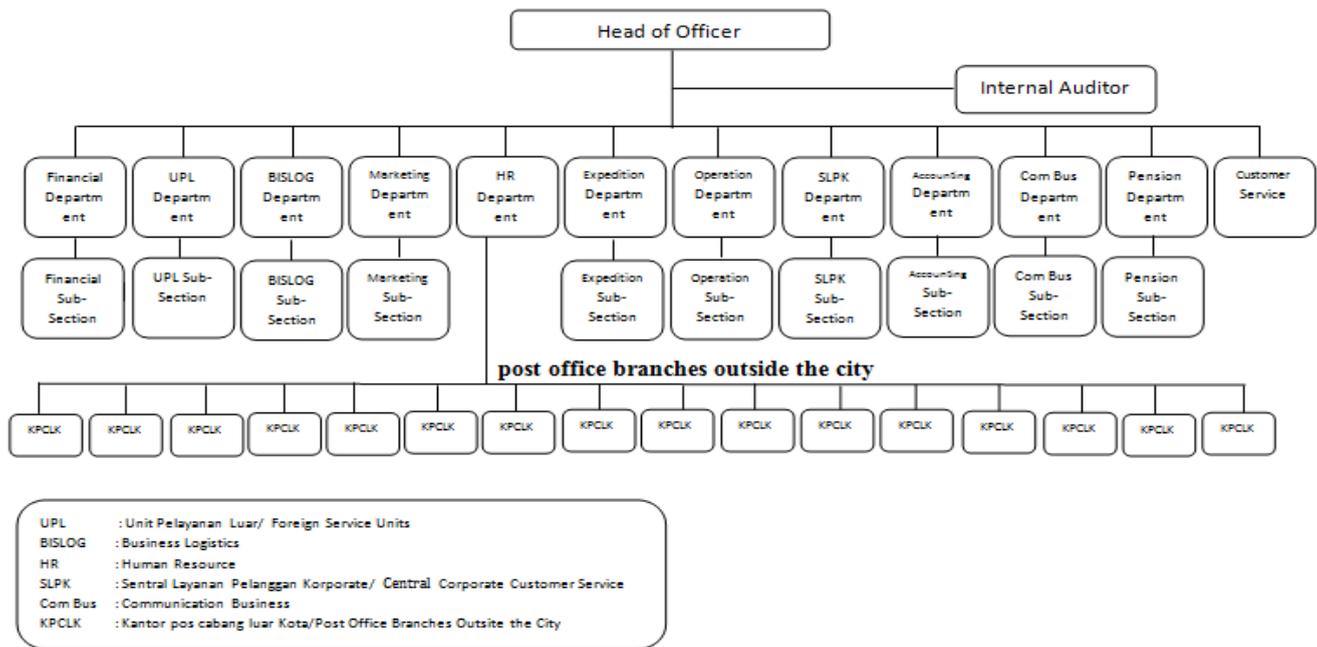
The organizational structure applied at Pos Indonesia Ltd shape is line. In this case, subordinate only know that the boss / leader as a source of power that giving orders and instructions. Subordinate only direct executor to achievement the main goal of the company. In the organizational structure Pos Indonesia Ltd Kprk Nganjuk appears that:

- 1) Organizational structure applied at Pos Indonesia Ltd Kprk Nganjuk not composed of several department but rather than consists of several managers.
- 2) Pension manager, finance manager, pension manager is stand alone so that fraud and corruption can be minimized.
- 3) In Kpclk Prambon no helper employees so head office branch doing overlapping task.

Assignment of responsibilities applied by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon consist of:

- 1) Collecting file
- 2) Taking money
- 3) Cheking file
- 4) Payment pension fund

PICTURE 2]
ORGANIZATION STRUCTURE CHECK OFFICE POS NGANJUK (RECOMENDED)
POST CODE 64400



b. Competent, Reliable, and Ethical personal

Well paid and top quality employees that are properly trained, pension fund beside paid in counter area, Pos Indonesia Ltd also provide delivery service pension fund with cost delivered is Rp 5000.00 as transportation costs.

Every year at least three times conducted training and ESQ (Emotional Spiritual Quotient) by central pos office Surabaya, performed in shifts to all employees of Pos Indonesia Ltd. This is done to increase the belief and taqwa of the employees not doing any things that violate religious norms as fraud and corruption.

c. Good practice

- 1) Documents and records
- 2) Sudden inspection
- 3) Job rotation
- 4) Electronic Device and Computer
- 5) Proper Authorization.
- 6) Internal Auditing

3. The Strengths and Weaknesses of System and Procedure Pension Fund Cash Disbursement Applied by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon

a. The Strengths of System and Procedure Pension Fund Cash Disbursement Applied

by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon

- 1) The line of duty and authority for each managers. Managers have been working as their own responsibility.
- 2) Pension manager, finance manager, accounting manager is stand alone so it can minimize fraud and corruption
- 3) The computer program, it can easy to accounting manager for doing cross checks so fraud and corruption can be minimize in every activity related with accounting of pension fund cash disbursement.
- 4) The delivery service pension money to the pension recipients house, so pensioners who are sick do not need to create a power of attorney/come alone to the post office.
- 5) Sudden inspection, job rotation and training of ESQ (Emotional Spiritual Quotient) so it can minimize fraud and corruption.

b. The Weaknesses of System and Procedure Pension Fund Cash Disbursement Applied by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon.

- 1) The organizational structure applied at Pos Indonesia Ltd shape is line. In this case, the subordinate only knows one boss/leader as a source of power who

gives orders and instructions. Subordinate only directs executor to achieve the main goal of the company

- 2) Organizational structure applied at Pos Indonesia Ltd Kprk Nganjuk not composed of several departments but rather than consists of several managers.
- 3) There is no helper employees in Kpclk Prambon so head of office branch has to do overlapping task.
- 4) Pension manager does not create and archive cash disbursement evidence, while cash disbursement evidence as one of the data used to make Balance Pension Recipients List I.
- 5) Pension recipient does not receive the original payment receipt but just the copy of copies 2.
- 6) No internal auditing to audit the entire manager/department Pos Indonesia Ltd.

5. CONCLUSION AND

RECOMMENDATIONS

A. Conclusion

Based on the research and discussion conducted regarding with the analysis of pension fund cash disbursement accounting system and procedures to support internal control at PT. Pos Indonesia Kprk Nganjuk and Kpclk Prambon, it can be concluded as follows:

1. The implementation of system and procedure of pension fund cash disbursement at Pos Indonesia Ltd Kprk Nganjuk Kpclk Prambon is good enough. System and procedure of pension fund cash disbursement are done by the three managers and one branch office. They consist of: pension manager, finance manager, and accounting manager. Assignment of responsibilities applied by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon consist of four steps, collecting file; taking money; checking file; and payment pension money.
2. The Implementation of internal control of pension fund cash disbursement that has been applied by Pos Indonesia Ltd Kprk Nganjuk, Kpclk Prambon in supporting internal control is good enough. The

organizational structure at Pos Indonesia Ltd Kprk Nganjuk shaped in line. The existing organizational structure is good enough where a part pension, finance, accounting stand alone. This can minimize fraud and corruption. However, Pos Indonesia Ltd Nganjuk does not have internal auditing while it is needed to help an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control.

3. Pos Indonesia Ltd Nganjuk has several strengths and weaknesses that need to be taken to ensure that in the implementation of the organization's activities can improve internal controls. The strengths of this company are authorization of duties, double recording with computer program, delivery service pension fund. The weaknesses of this company are there is no internal audit, each section does not stand in the department, and less of employee.

B. Recommendation

1. The organizational structure at Pos Indonesia Ltd Kprk Nganjuk better consists of several departments because it will ease/speed up the system and procedure of pension fund cash disbursement accounting system.
2. Document the original payment receipt should be provided to the recipient pension as an archive only use copies only.
3. The conduct of pension fund cash disbursement system can improve internal controls if a separation of duties and authority are done so overlapping tasks can be minimized.
4. In order to facilitate the management in monitoring the course of the company's operations will require a special section dealing with the internal control of the company, because in this section has the responsibility to oversee all parts.

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