

Research Article

# Analysis of the Cash Disbursement Accounting System for Building Maintenance Processes at PT Bernofarm Pharmaceutical Company

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**Abstract:** This study aims to analyze the cash disbursement accounting system for building maintenance at PT Bernofarm Pharmaceutical Company, a national pharmaceutical firm that has implemented an Enterprise Resource Planning (ERP) system. The primary issue addressed is the effectiveness of internal control mechanisms in handling cash disbursements, particularly cash transactions that are susceptible to errors and fraud. A qualitative descriptive case-study approach was adopted, using the COSO Framework—including control environment, risk assessment, control activities, information & communication, and monitoring. Data were collected through direct observation, interviews, and internal document analysis. Findings indicate that PT Bernofarm has implemented segregation of duties, tiered authorizations, and effective use of ERP for recording and disbursing funds. Nonetheless, weaknesses were found regarding the timely submission of cash transaction receipts and delays in physical document reporting, which affect data accuracy. Consequently, strengthened reporting procedures and a more comprehensive digital archiving system are recommended. This research offers practical contributions to reinforcing digital-based cash disbursement accounting systems and highlights the importance of adaptive internal control in the context of cash transactions.

**Keywords:** Accounting of Cash Expenditures; COSO Framework; ERP; building maintenance; internal controls; accounting system; ERP system; cash transactions.

## 1. Introduction

This study focuses on the cash disbursement accounting system used in the building maintenance process at PT Bernofarm Pharmaceutical Company, a national pharmaceutical manufacturer. Building maintenance is critical to managing fixed assets, and the accompanying cash disbursements carry particular characteristics and risks—especially when handled in cash. PT Bernofarm has deployed an internal ERP system to support recording, but operational practice still shows the use of cash transactions that pose high risks of errors and fraud. Previous methods in related studies include accounting information system evaluations [1], internal control in cash functions [2], and the importance of documentation and segregation of duties in cash disbursement [3]. However, most of these studies review cash disbursement generally and have not specifically examined the cash disbursement system for building maintenance in the pharmaceutical sector. The main weaknesses of earlier approaches include a lack of focus on maintenance transaction characteristics and the absence of a fully integrated ERP evaluation using the COSO framework. This study offers a solution by evaluating the existing system at PT Bernofarm using the COSO Framework, identifying weaknesses, and providing field-based recommendations integrated with digital systems such as ERP and Microsoft Excel. The main contributions are:

1. Examining building maintenance cash disbursement in the pharmaceutical industry;
2. Assessing internal control effectiveness via coso;

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3. Analyzing erp and digital documentation integration; and
4. Providing practical system improvement recommendations based on field findings.

This article is structured as follows: Section 2 reviews literature and prior studies; Section 3 explains the methods used; Section 4 presents results and discussion; Section 5 compares findings with other studies; and Section 6 concludes and offers implications and suggestions for future research.

## **2. Literature Review**

### **2.1 Accounting Systems**

An accounting system comprises procedures and methods for recording, classifying, and reporting financial transactions to generate decision-relevant information. As stated in [4], there are three primary functions: collecting and storing business activity data, processing data into useful information, and providing controls to ensure data reliability and accuracy. Modern systems must also adapt to business environment changes and integrate with other management information systems [5].

### **2.2 Cash Disbursement**

Cash disbursement entails the outflow of company funds for needs such as purchases, wages, or other operational activities. Mulyadi emphasizes that such systems must include adequate internal controls to prevent loss and misuse [6]. Warren et al. stress the importance of timely transaction recording supported by valid documentation for audit and verification [7].

### **2.3 Cash Disbursement Accounting Systems**

These systems encompass procedures for recording transactions that reduce cash balances—whether cash or non-cash. Mulyadi outlines the need for supporting documentation, valid authorization, and systematic recording to ensure transaction validity [6]. Bodnar and Hopwood highlight that computerized systems, including ERP, enhance data integrity and reduce manual errors [8].

### **2.4 Building Maintenance Procedures**

Building maintenance is part of managing fixed assets, aimed at preserving physical and functional integrity. Hansen et al. differentiate between preventive and corrective maintenance, each with distinct accounting treatments [9]. Capital expenditures that extend asset useful life should be capitalized [10], while routine maintenance is expensed.

### **2.5 Enterprise Resource Planning (ERP)**

ERP is an integrated information system supporting core business activities, including accounting. Hall notes that ERP enables real-time interdepartmental transaction management [11]. Monk and Wagner highlight its benefits: process efficiency, data transparency, reduced duplication, and enhanced collaboration [12].

### **2.6 Internal Control**

COSO (2013) defines internal control as a process designed to provide reasonable assurance over operational, reporting, and compliance objectives. Its five components—control environment, risk assessment, control activities, information & communication, and monitoring—function interdependently [13]. Arens et al. state that strong controls rely on clear organization, staff training, and management commitment to ethical standards [14].

### **2.7 Cash Transaction Risks**

Cash transactions are especially vulnerable to errors and fraud due to limited traceability and documentation. Gelinas et al. recommend dual verification systems and strict internal oversight [5]. Louwers et al. identify undocumented cash disbursements as a primary source of financial fraud [15].

### **2.8 Segregation of Duties**

### 3. Proposed Method

1. Process Flow Identification—from technical division request to financial disbursement, documented via SPB, PO, LPB, invoice, and interim vouchers.
2. Document Collection & Verification—examining actual transaction documents and comparing with ERP and Excel records.
3. Function & Procedure Mapping—to assess adherence to COSO’s segregation of duties principles.
4. COSO-Based Evaluation—analyzing control environment, risk assessment, control activities, information & communication, and monitoring components.
5. Analysis & Recommendations—identifying procedural weaknesses and offering practical improvement strategies.

This study was conducted during a 3-month independent internship at PT Bernofarm, focusing on observing and evaluating the cash disbursement system for building maintenance. Data were gathered from observations, interviews, document collection, data entry, and archiving.

Findings indicate that PT Bernofarm uses an internal ERP system for transaction recording and Microsoft Excel for digital archiving. Most disbursements are bank transfers; cash is used for urgent needs. Intern activities included managing electronic documents, entering procurement data, stock-taking, archiving/scanning, and interviewing about the cash disbursement process.

1. Technical division issues SPB;
2. Approved by technical head;
3. Purchasing issues PO via ERP;
4. Cashier disburses funds (cash or transfer);
5. Accounting receives LPB, vouchers, and invoices;
6. All documents are recorded and stored electronically and physically.

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<b>Supplier</b> <b>PT RAJAWALI NUSINDO</b> ID FOOD Buidling Deepasar Raya Kav. DIII Kuningan, Jakarta 12950 Tel. +6221 252 3820 Fax. +6221 529 14719													
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**Harap sediakan barang-barang berikut ini:**

No.	Deskripsi Barang	Satuan	Kuantitas	Harga per Unit	Jumlah

  

**Term of Payment: 30 hari setelah faktur diterima**

Catatan	Sub Total
	Diskon
	PPN
	Biaya Angkut
	Total

  

Nomor PO harus mencol pada Surat Jalan dan Faktur

Demi komunikasi yang optimal, mohon tandatangani PO kami dan kembalikan kepada kami melalui fax pada hari yang sama

  

Dipesan Oleh	Disiapkan Oleh	Dibetui Oleh	Dikonfirmasi Oleh
	Staff Pembelian	General Manager Finance & Accounting	Supplier

**Figure 1.** Example of Purchase Order Document  
Document generated through the company's ERP system.

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**LAPORAN PENERIMAAN BARANG**

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Barang diterima melalui ..... Tanggal ..... 2025 No. LPB .....

Nama Prinsipal .....

Alamat .....

No. Segel dan Kondisi Segel		No. Surat Order Pembelian		No. Surat Order Pengiriman	
Jumlah Unit	Jenis Barang	Ukuran	Penjelasan lengkap tentang barang	Kuantitas	Kondisi saat diterima
Diperiksa oleh:			Diterima oleh:		

**Figure 2.** Example of Goods Receipt Report (LPB)  
A validation document confirming the delivery of goods by the supplier.

**BON SEMENTARA**

Hari/ Tanggal : .....

Nomor : .....

No.	Rincian	Jumlah (Rp)
Total		

Terbilang: .....

.....

Mengetahui	Kasir	Diterima oleh

**Figure 3.** Example of Temporary Receipt  
This document reflects cash disbursements pending final accountability.

#### 4.2. Evaluasi Menggunakan COSO Framework

The evaluation was conducted based on the five components of the COSO Framework as follows:

##### 1. Control Environment

PT Bernofarm's organizational structure demonstrates adequate segregation of duties. The functions of request submission, authorization, and fund disbursement are handled by different units: the technical division initiates requests, the purchasing unit issues POs, and the accounting department processes payments and records transactions.

##### 2. Risk Assessment

The main risk lies in cash transactions, which are flexible but highly vulnerable to fraud. Although authorization procedures are in place, documents such as temporary receipts are often returned late, causing delays in transaction recording.

##### 3. Control Activities

Control activities are implemented through:

- Multi-level approvals involving technical and purchasing heads;
- Mandatory supporting documents (SPB, PO, LPB, and invoice) for disbursement;

- Routine stock-taking conducted by the technical division and cashier to verify physical and recorded quantities.

Control is also enforced through a disciplinary policy: the cashier does not accept the return of temporary receipts if submitted more than seven days after cash disbursement. This policy is effective in reducing accountability delays and encourages discipline in documentation. However, enforcing written SOPs regarding the time limit remains a challenge, as some users are not fully aware of or compliant with the rules. Ongoing communication and cross-divisional training are therefore needed.

#### 4. Information and Communication

The ERP system records cash disbursements in real time. However, supporting documents are still archived manually using Microsoft Excel, which requires consistency and manual supervision. While interdepartmental communication is generally good, delays often occur in the return of documents from end-users, such as the technical division.

#### 5. Monitoring

Monitoring is carried out by the accounting head and the cashier. Internal audits are conducted periodically, but supervision over cash transactions requires improvement. The SOP for the deadline of temporary receipt submission has not yet been strictly enforced.

**Table 1.** Summary of Key Findings Based on the COSO Framework

COSO Component	Positive Findings	Weaknesses / Notes
Control Environment	Clear structure and segregated functions	-
Risk Assessment	Cash risks identified and acknowledged by management	No automated reminder system for document return
Control Activities	Tiered authorization, complete documents, strict cashier SOP	SOP enforcement for 7-day deadline is not fully followed across divisions
Information & Communication	ERP integrated for cash transaction tracking	Still Excel-based archiving; delayed document return from some departments
Monitoring	Periodic internal audits; cashier rejects overdue receipts	No digital system to track deadlines for temporary receipt return

## 5. Comparison

The findings show that PT Bernofarm's cash disbursement system is well-structured, particularly with ERP integration and internal controls. Aligned with Azizah et al., ERP improves recording efficiency and reduces errors [1]. Regarding internal controls, the tiered authorization and access restrictions echo concerns of Martin and Sari et al.[2], [3]. However, unlike Louwers et al.—who document dual verification and automated voucher handling—PT Bernofarm still faces delays in voucher submission and lacks this system automation [15]. Hence, real-time reporting controls for cash disbursements should be refined.

## 6. Conclusions

This study concludes that PT Bernofarm's cash disbursement accounting for maintenance is effective, driven by ERP usage and COSO-based internal controls. Tiered authorization, accurate ERP recording, and electronic document integration are positive outcomes. Key findings:

- Cash disbursements benefit from segregation of duties and verification routines;
- ERP enhances efficiency and transparency, though manual reporting still persists;
- Weaknesses include voucher delays and late documentation.

Implications include the need for disciplined voucher return SOPs and broader digital archiving to enhance responsiveness to fraud risks. Regular staff training and communication flow evaluation are also recommended. Limitations include the study's focus on a single transaction type and department, limiting generalizability. Future research could explore cash systems across other activities (e.g., capital investments) and conduct cross-company comparisons within the pharmaceutical sector.

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**Data Availability Statement:** The data supporting the findings of this study are not publicly available due to confidentiality agreements with the host company (PT Bernofarm Pharmaceutical Company). However, summary data may be made available by the author upon reasonable request and with permission of the company.

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