

CHAPTER V

CONCLUSION AND RECOMMENDATIONS

A. Conclusion

Based on the research and analysis conducted regarding with the implementation of raw material inventory procedure in supporting the effectiveness of internal control at PG Ngadiredjo Kras-Kediri, it can be concluded as follows:

1. The implementation of raw material inventory procedure at PG Ngadiredjo Kras – Kediri has been conducted regarding the company procedure. Related function and document used already good. Related departments have had each responsibility in conducting the procedure. Each department has different jobs and authorities so that it can minimize the chance to do corruption and increase the accurateness of accounting record. The documents used at PG Ngadiredjo Kras – Kediri are good because in creating a form or document, the document will has relevance in conducting next step and creating a document thus it can make accuracy. Besides that, every document is authorized by competent authorities.
2. The implementation of raw material inventory procedure in supporting the effectiveness of internal control is good. Because of PG Ngadiredjo Kras – Kediri has implemented the characteristics of effective internal control that is stated by Mulyadi (2001:164). PG Ngadiredjo has applied organizational structure that separates the functional responsibilities explicitly, authorization system that provides sufficient protection on wealth, debt, revenue, and cost, a healthy practice in

conducting the duties and functions of each unit in the organization, and quality and ability of employee is appropriate with the responsibility. But there are some lacks that is found by researcher such as there is overlapping job that is conducted by some functionary in felling and shipping division and receiving post, the documents such as: PEWLS, CS, FS, ILFS, and PCE should be authorized by manager of related department to assure the reliable document, and CASM should be authorized by chairman of KPTR.

B. Recommendations

1. PG Ngadiredjo must separate some functionaries who are placed in felling and shipping division with receiving post because it will create an inaccurate data. Thus the researcher suggests putting some functionary from quality control department in receiving post.
2. Some of documents require to be authorized by manager of related department that conduct certain activity. Those documents are:
 - a. Picture of Effective Wide and Location Sketch should be authorized by Manager of Quality Control Department.
 - b. Check Sheet, Felling Schedule, Instruction Letter of Felling and Shipping, and Planning of Cost Estimation should be authorized by Manager of Plants Department.
 - c. Contract Agreement of Sugarcane Milling should be aurred by chairman of KPTR.