

**TABLE OF CONTENT**

<b>MOTTO.....</b>	<b>i</b>
<b>UNDERGRADUATE THESIS APPROVAL.....</b>	<b>ii</b>
<b>LEGALIZATION OF UNDERGRADUATE THESIS.....</b>	<b>iii</b>
<b>STATEMENT OF ORIGINALITY.....</b>	<b>iv</b>
<b>ABSTRACT .....</b>	<b>v</b>
<b>PREFACE.....</b>	<b>vi</b>
<b>TABLE OF CONTENT.....</b>	<b>vii</b>
<b>LIST OF TABLES.....</b>	<b>x</b>
<b>LIST OF FIGURES .....</b>	<b>xi</b>
<b>APPENDIX.....</b>	<b>xii</b>
 <b>CHAPTER I      INTRODUCTION.....</b>	 <b>1</b>
A. Background .....	1
B. Formulation of Problem .....	2
C. Research Objective.....	2
D. Researched Contributions .....	3
E. Part of Discussion .....	4
 <b>CHAPTER II     REVIEW OF RELATED LITERATURE.....</b>	 <b>6</b>
A. Accounting System .....	6
1. The Definition of System and Procedure .....	6
2. Definition of Accounting System .....	7
3. The Importance of Accounting System.....	7
4. Preparation Steps of the Accounting System.....	8
5. Processing Methods .....	8
B. Cash Disbursement Accounting System .....	9
1. Definition of Cash.....	9
2. Definition of Cash Disbursement	
Accounting System .....	10
3. Related Function.....	11
4. Documents Used .....	13
5. Petty Cash Fund.....	14
6. Flowchart of Cash Disbursement	
Accounting System .....	15
C. Internal Control .....	17
1. Definition of Internal Control .....	17
2. An Effective Control.....	19
3. The Aims of Internal Control System .....	25
4. Importance of Internal Control .....	27
5. Elements of Internal Control .....	28
6. The Related Functions of Internal Control .....	32
7. Warning Signs of Internal Controls Problems .....	37
8. The Limitations of Internal Controls .....	40

D.	The Internal Control over Wages and Salaries Accounting System .....	42
1.	The Elements of Internal Control Over Cash Disbursements .....	42
2.	Controls over Cash Disbursements .....	46
3.	Voucher System .....	48
4.	Controlling Petty Cash Disbursements .....	50
5.	Controls over Payment by Check .....	50
6.	Controls over Payment by Electronic Funds Transfer (EFT) .....	53
7.	The Bank Account as a Control Device over Cash .....	53
<b>CHAPTER III RESEARCH METHOD .....</b>		<b>56</b>
A.	Type of Research.....	56
B.	Research Focus.....	57
C.	Research Site.....	57
D.	Data Sources.....	58
E.	Data Collection Techniques .....	59
F.	Research Instruments .....	59
G.	Data Analysis .....	60
<b>CHAPTER IV RESULT AND DISCUSSION.....</b>		<b>61</b>
A.	General Picture of Company .....	61
1.	Visions and Mission .....	61
2.	Strategic Objectives .....	61
3.	Purposes and Goals .....	62
4.	The foundations of PDAM Tirta Dharma Situbondo .....	63
5.	The Organization Structure at PDAM Tirta Dharma Situbondo .....	63
6.	Job Descriptions .....	65
7.	Service Product .....	73
8.	The Employee Descriptions .....	73
B.	The Salary Overview at PDAM Tirta Dharma Situbondo .....	77
C.	Data Analysis .....	82
D.	Analysis and data interpretation .....	91
<b>CHAPTER V CONCLUSION AND SUGGESTION .....</b>		<b>92</b>
A.	Conclusions .....	92
B.	Suggestions .....	92
<b>BIBILOGRAPHY</b>		

## LIST OF TABLES

1. Cash Disbursement Function.....	12
2. Warning Signs of Internal Control Problems.....	37
3. The Internal Control Over Cash Disbursements.....	43
4. Purchasing Process.....	51
5. Frequency distribution of employee gender.....	74
6. Frequency distribution of employee based on education level.....	75
7. Frequency distribution based on position.....	76



## LIST OF FIGURES

1. Flowchart of Computerized System for Cash Disbursements.....	16
2. A Corporate Organization Chart.....	20
3. Organizational Structure PDAM Tirta Dharma Situbondo.....	64
4. The Original Flowchart of Salary Disbursement at PDAM Tirta Dharma Situbondo.....	80
5. Organizational Structure Recommended at PDAM Tirta Dharma Situbondo.....	83
6. The Recommended Flowchart of Salary Disbursement at PDAM Tirta Dharma Situbondo.....	86



## APPENDIX

1. Voucher of Salary Disbursements
2. Voucher of Tax Expenses according Article 21 and 22
3. Example of Employee Salary Sheet

