

CHAPTER IV

RESULTS AND DISCUSSION

A. General Picture of Company

1. Visions and Missions

As given in the Corporate Plane 2012-2016, Perusahaan Daerah Air Minum (PDAM) Situbondo has visions and missions:

Visions:

Become healthy, autonomous, professional and the best company in services to support the realization of healthy and prosperous societies. Missions:

1. Improve the competence and prosperity of the human resources
2. Improve the company performance
3. Improve the quality, quantity and continuity of water
4. Preserve the standard water sources
5. Improve the facility of drinking water to the societies

2. Strategic objectives

a. Financial perspective

1. The increase of income continuously
2. The creation of efficiency in production and operation

b. Perspective of internal business process

1. The creation of reliable, productive and continuous production and distribution activities

2. The increase of fixed or current assets
- c. Customer perspective
 1. The increase of services suitable the customer segment
 2. The increase of customer services coverage
- d. Perspective of learning and growth
 1. The creation of conducive organization and professional work culture
 2. The increase of human resources competence

3. Purposes and goals

Purposes:

As given in the Local Regulation of Situbondo Regency No 5 Year 1991 as implementation of Act No 5 Year 1962, to strive and implement the water management to improve the societal prosperity that include:

- 1) General service aspect
- 2) Social aspect
- 3) Prosperity aspect with company economic principle

Goals:

The goals of Perusahaan Daerah Air Minum (PDAM) suitable with the local regulation No 9 Year 1991 to produce drinking water that fulfill the healthy requirements to the societies continuously and as one of income sources of Level II Regency Area of Situbondo and as means for economic development in the frame of local development.

4. The foundations of PDAM Tirta Dharma Situbondo

- 1) Local Government of Situbondo Regent No 11 Year 2005 About Organizational Structure and Work Procedure of Municipal Waterworks of Situbondo Regency
- 2) The regulation of Situbondo Regent No 23 Year 2007 about Organ and Staffing of Municipal Waterworks of Situbondo Regency
- 3) Corporate Plan of 2012-2016 period

5. The Organization Structure at PDAM Tirta Dharma Situbondo

The organization structure based on The regulation of Situbondo Regent No 11 Year 2005 about Organ and Staffing of PDAM Tirta Dharma Situbondo as below:

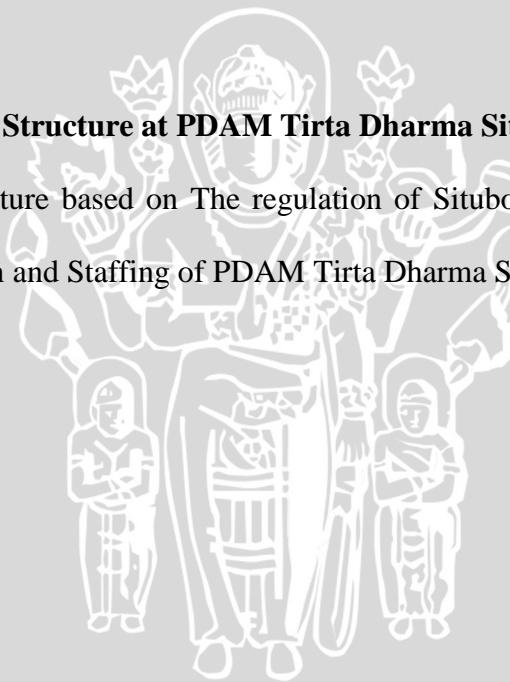
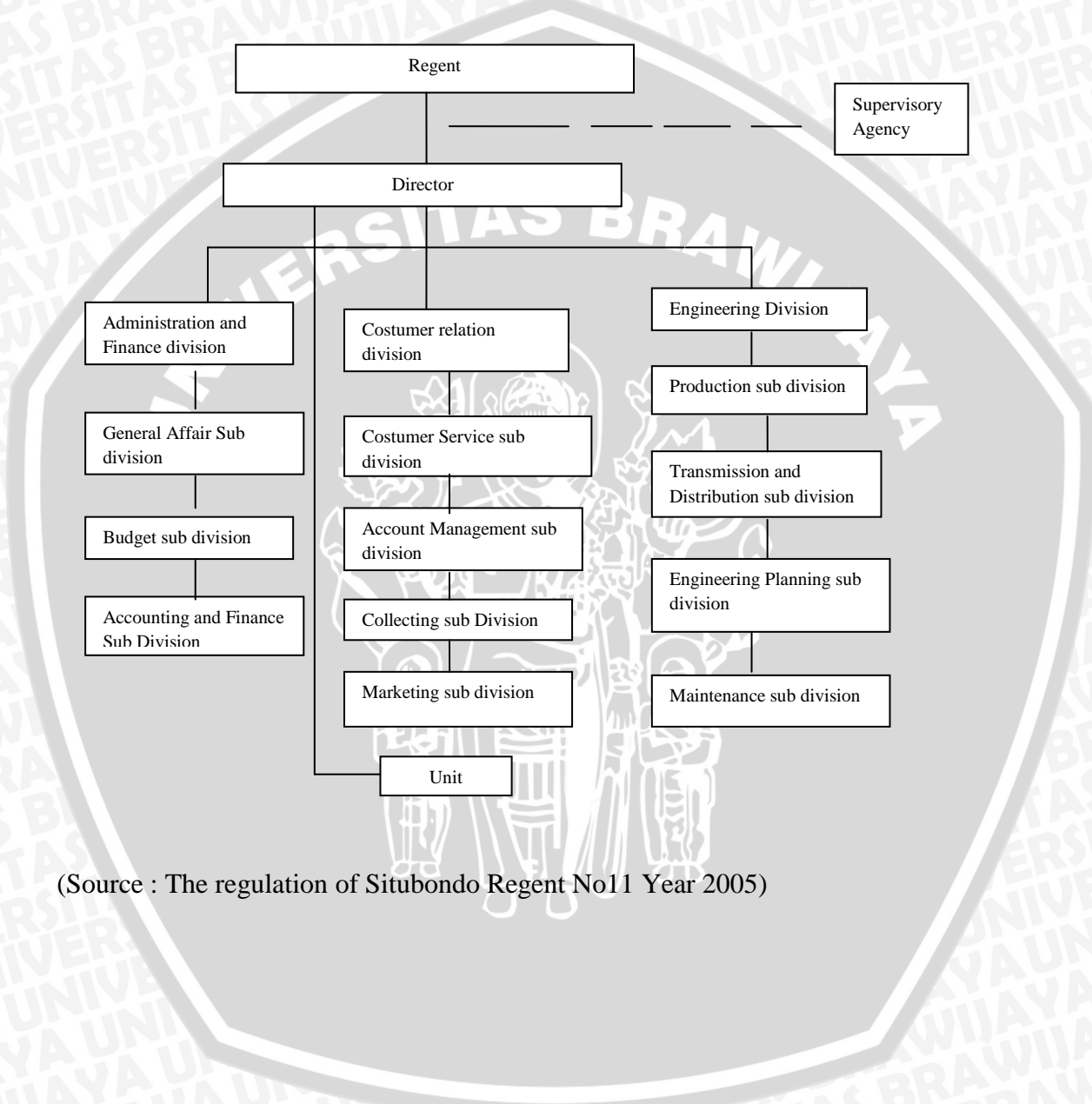


FIGURE 4.1

Organizational Structure

PDAM Tirta Dharma Situbondo



(Source : The regulation of Situbondo Regent No11 Year 2005)



6. Job Description

1. Director has the authority:
 - a. Lead and control Regional Company in routine based on general discretion written by Regent and Supervisory Agency in accord to provided norms and rules also by viewing prevailed laws.
 - b. Compile and propose Budget Plan of Regional Company toward Regent through Supervisory Agency at least three months before book year start to prevail for an approval.
 - c. Compile and propose budget revision in particular book year toward Regent through Supervisory Agency.
 - d. Compile periodical statement in measurement of income and activities of Regional Company toward Regent through Supervisory once in three months or call if necessary.
2. Administration and Finance division has the duty and responsibilities as follows:
 - a. Coordinate and control activities in administration, personnel, finance, treasury and logistic/inventory.
 - b. Conduct discretion of Regional Company in personnel matter.
 - c. Compile Revenue and Expenditure Plan of Regional Company.
 - d. Propose to the Director concerning Drinking Water Charges.



- e. Conduct safety measure for all company's assets.
3. General Affair has the duty and responsibilities as follows:
 - a. Record entry official document and passed it to Director through Administration and Finance Division Head.
 - b. Prepare and conduct typing of official document.
 - c. Record out official document and send it to designated addresses.
 - d. Receive, copy, distribute, keep and maintain archives and documents of Regional Company and represented it at call
 4. Budget Sub Division has the duty and responsibilities as follows:
 - a. Compile short term, medium term and long term financial projection.
 - b. Prepare budget plan of Regional Company.
 - c. Conduct budget venture.
 - d. Conduct accounting matter of the company in accord with principle in effect such as concerned with general ledger, bank ledger, account payable ledger, account receivable ledger, inventory ledger and other ledger related with accounting of the company.
 - e. Prepare balance sheet calculation of the company.

5. Accounting and Finance Sub Division has the duty and responsibilities as follows:

- a. Conduct activities in administration collection and conduct cash management.
- b. Receive, keep, issue and record result of account collection and receivables in accord with regulation in effect.
- c. Working in cash book.
- d. Compile cash position statement every day.
- e. Conduct other task given by Administration and Finance Division Head.

6. Costumer Relation Division has the duty and responsibilities as follows:

- a. Conduct activity in delivery of water meter equipment.
- b. Checking water use data according to meter.
- c. Conduct marketing, customer service and concerning itself with account collection of subscribers.
- d. Giving advice and suggestion toward Director in accord with the hierarchy concerning future measures.
- e. Conduct other task given by Director.

7. Costumer Service sub division has the duty and responsibilities as follows:

- a. Receiving request and processing new subscriber registration application and costumer relation dissolution in order and well regulated manner according to procedures and requirement in effect.
- b. Giving explanation toward candidate/subscriber in accord with its duty and authority.
- c. Keep, maintain and secure archives document related with its duty.
- d. Cooperate with other sub division in order to fluency of its activities.
- e. Receive and take information/complaint concerning service disturbance from subscriber or community.

8. Account Management sub division has the duty and responsibilities as follows:

- a. Conduct water account administration activities based on water consumption data in accord with prevailed charges.
- b. Conduct costumer administration related with water account issuing process.
- c. Issuing water account based on its water consumption data in accord with prevailed charges.

- d. Researching and correcting issued accounts.
 - e. Give authentication sign on water account.
 - f. Coordinate and monitor customer service, water meter recording, and maintenance in account calculation list.
9. Collecting sub Division has the duty and responsibilities as follows:
- a. Inventory, keep, maintain, secure and responsible for archives documents in water account and non water account still uncollected.
 - b. Conduct and determine water account and non water account collection techniques in accord with prevailed procedures.
 - c. Inventory, keep, maintain, secure and responsible for archives/documents of water and non water account already collected.
 - d. Report and paid the result of collecting effort/receive on water and non water account every day to Cash Receive Officer for record as cash revenue.
10. Marketing sub division has the duty and responsibilities as follows:
- a. Based on Director Instruction, it could conduct survey and appropriateness toward market potential possibility in company development.
 - b. Compose market segment to found out how big target market potential to gain drinking water service from the company.



- c. Determine designated market in accord with working program planning related with its task of duty.
- d. Reporting effort result of marketing implementation in accord with prevailed procedures.
- e. Propose and search for innovation/idea in order to improve development of subscribers in accord with prevailed procedures.

11. Engineering Division has the duty and responsibilities as follows:

- a. Coordinate and control activities in production, engineering planning, distribution and engineering equipment.
- b. Coordinate and control production installation maintenance, transmission pipes and distribution pipes network, also its equipment
- c. Coordinate activities in engineering equipment activities and chemical ingredients.
- d. Monitoring chemical dosage in use for each kind based on water quality level.
- e. Conduct other task given by Engineering Division Head.

12. Production Sub Division has the duty and responsibilities as follows:

- a. Control quality and quantity of water production, include in compiling plan of production material need.
- b. Conduct continuously research concerning water quality.



- c. Monitoring chemical dosage in use for each kind based on water quality level.
- d. Conduct clean water quality control within distribution network.
- e. Conduct research request on drinking water quality from people or related institution.

13. Transmission and distribution sub division would has the duty and responsibilities as follows:

- a. Conduct drinking water assembly either in transmission, distribution, or water installation connection network in accord to survey result.
- b. Maintain main pipes network and its equipment also its distributional equipment.
- c. Conduct water distribution evenly and continuously.
- d. Conduct checking the field where there is drinking water disturbance.

14. Engineering planning Sub Division has the duty and responsibilities as follows:

- a. Plan and evaluate procurement of building, water building, pipes network and pipes network mapping.
- b. Conducting survey, measurement, and drawing construction work plan.

- c. Prepare and presenting engineering details sketch, budget calculation and other requirement for construction work and permits needed.
- d. Compile construction material data plan.
- e. Monitoring construction technical implementation.

15. Maintenance sub division has the duty and responsibilities as follows:

- a. Receive maintenance request/fixing engineering equipment.
- b. Conduct/managing maintenance/fixing on engineering equipment, included water meter reparation.
- c. Determine working plan and time frame of checking condition and functionality of each water in all subscribers, also monitoring and checking the implementation of this plan.
- d. Monitoring implementation of new water assembly, routing fixing in drinking water meter or on behalf subscriber, after research and examination in need.

16. Unit has the duty:

- a. Coordinate and monitoring also responsible toward implementation of management.
- b. Conduct water distribution to subscriber and responsible over its water quality and quantity evenly



- c. Delivery periodic report as determine by Director over activity implementation in each working unit according to prevailed procedures.
- d. Receive and conduct processing of new assembly application procedures of new subscriber and processing in assembly dissolution application for subscribers in accord to prevailed rules.

7. Service Product

- a. New connection services
- b. The water meter replacement
- c. The transfer of connection installation
- d. The water meter improvement (mossy meter, damaged meter, abnormal and stuck meter)
- e. The repair of leaked pipes
- f. The improvement of drinking water distribution
- g. Services for water tank purchasing
- h. Information of water usage by telephone because of locked house or no person to be noted as the usage to DSML

8. The Employee Description

1. Employee amount

1. Employee amount based on gender

The employee amount of PDAM Tirta Dharma Situbondo based on gender, is presented in table 4.1

TABLE 4.1

Frequency distribution of employee gender

Gender	Frequency (Person)	Percentage (%)
Men	46	50%
Women	46	50%
Amount	92	100%

Source : General Affair PDAM Tirta Dharna Situbondo 2013

Based on table 4.1, it is known that have same equal employee between men and women. Both of them have 46 person (50%) and total 92 person (100%).

b. Employees amount based on education level

The employee amount of PDAM Tirta Dharna Situbondo based on education level, is presented in table 4.3

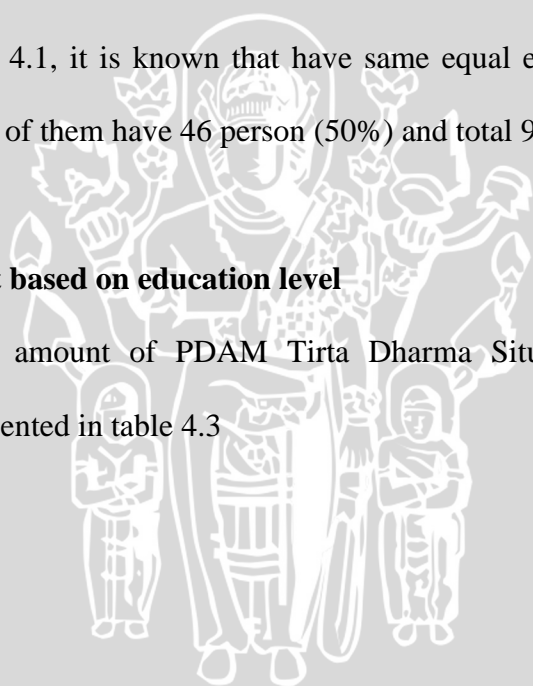


TABLE 4.3

Frequency distribution of employee based on education level

Education level	Frequency (Person)	Percentage (%)
Elementary school	2	2.17
Junior high school	5	5.43
Senior high school	79	85.87
College	2	2.17
KPPA	2	2.17
S1	1	1.09
S2	1	1.09
Amount	92	100

Source : General Affair PDAM Tirta Dharna Situbondo 2013

Based on table 4.3, it is known that majority of employees of PDAM Tirta Dharna have education level of Senior High School of 79 persons (85.87%). It showed that the employees of PDAM Tirta Dharna have education level of medium.

d. The employee amount based on position

The employee amount of PDAM Tirta Dharna Situbondo based on position is presented in table 4.3.



TABLE 4.3

Frequency distribution based on position

Education level	Frequency (Person)	Percentage (%)
Directors	1	1.09
Financial section	15	16.30
Customer section	17	18.48
General section	18	19.57
Production section	23	25.00
Distribution section	10	10.87
Planning section	5	5.43
Instrument section	3	3.26
Amount	92	100

Source : General Affair PDAM Tirta Dharna Situbondo 2013

Based on table 4.3 it can be known that the majority of employee position of PDAM Tirta Dharma Situbondo at production section of 23 person (25%). Then 18 persons (19.57%) at the general section

2. System of salary determination

The system of salary determination at the PDAM Tirta Dharma Situbondo by using system that refer to the group or rank of the employees. The salary amount from the regional minimum wage that has been determined by government including the salary deduction that is taxed by income tax (PPH).

The employee performance influences the implementation of payroll system at PDAM Tirta Dharma Situbondo and the objectives achievement or target in work for a month. The use of the performance influence to the payroll because will get position promotion or award.

B. The Salary Overview at PDAM Tirta Dharma Situbondo

In giving the salary to the employee, the company always consider the feasibility and fairness principle. The fairness means based on the sacrifice that given by the employees, and also balanced by the giving of the right salary. The salary type of at PDAM Tirta Dharma Situbondo as follows:

1. Basic salary

Basic salary is the right obtained by the employees during work for the company. The amount of basic salary refers to the group or tenure. Each employee has different basic salary, and in the future the payroll as the foundation to obtain pension fund.

2. Position allowance

The position allowance is given allowance to the employee based on the employee position suitable with the post weight that given to the employee that valuated based on the insight, experiences, and productivity and the tenure.

a. Salary Policy

The management policy that relates to the salary has been given in the cooperation agreement. The policy contains:

1. In a year, basically each employee has right to receive 12 monthly salary and added by the holiday allowance.
2. The salary payment is done in date 30th each month after the employee do their job, while apprenticeship is paid at the date 30th of the next month after do their job, and if the date fall in the holiday, then the payment is given in the next weekday

b. The Salary Disbursement Procedure at PDAM Tirta Dharma Situbondo

The procedure of salary of PDAM Tirta Dharma Situbondo as follows:

1. The employee presence recording

The employees of PDAM Tirta Dharma Situbondo have to take roll every day in the morning and using manual presence books. If the employees do not take roll in a week three times, then will get salary deduction. The section that recapitulate the employee presence is the general section.

2. The general section make the data of employee salary detail computerized based on the employee data. Then the employee salary is given to the Budget Section and make the proposal of fund disbursement to the director
3. Budget section checks and if it is suitable then the director will give agreement for the disbursement

4. After it is agreed, the salary detail will be sent to BRI. Then BRI will disburse the salary from the PDAM Tirta Dharma Situbondo cash that have been saved in the BRI. PDAM Tirta Dharma Situbondo employee able to take their salary from BRI in each date of 30th each month

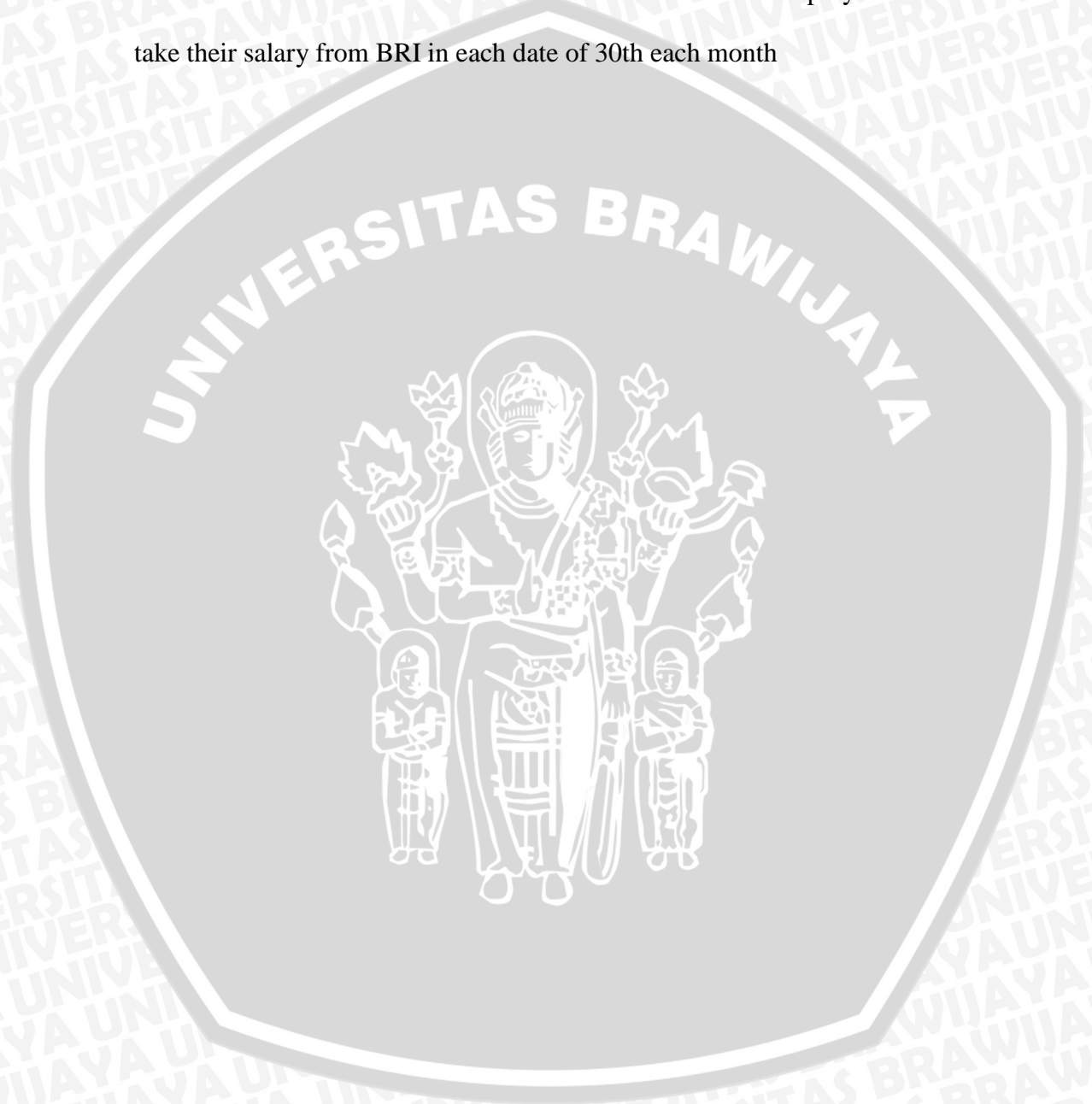
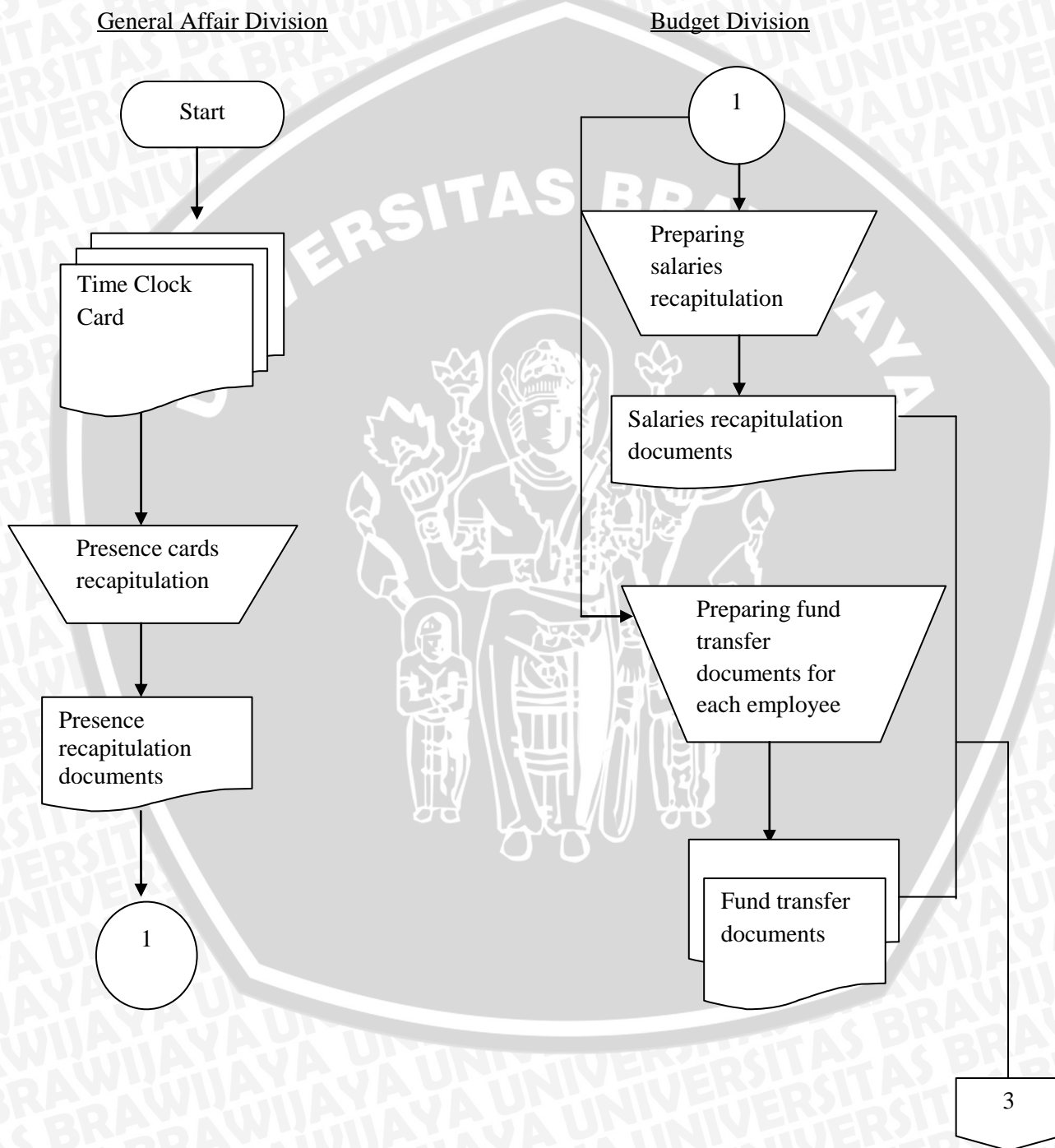


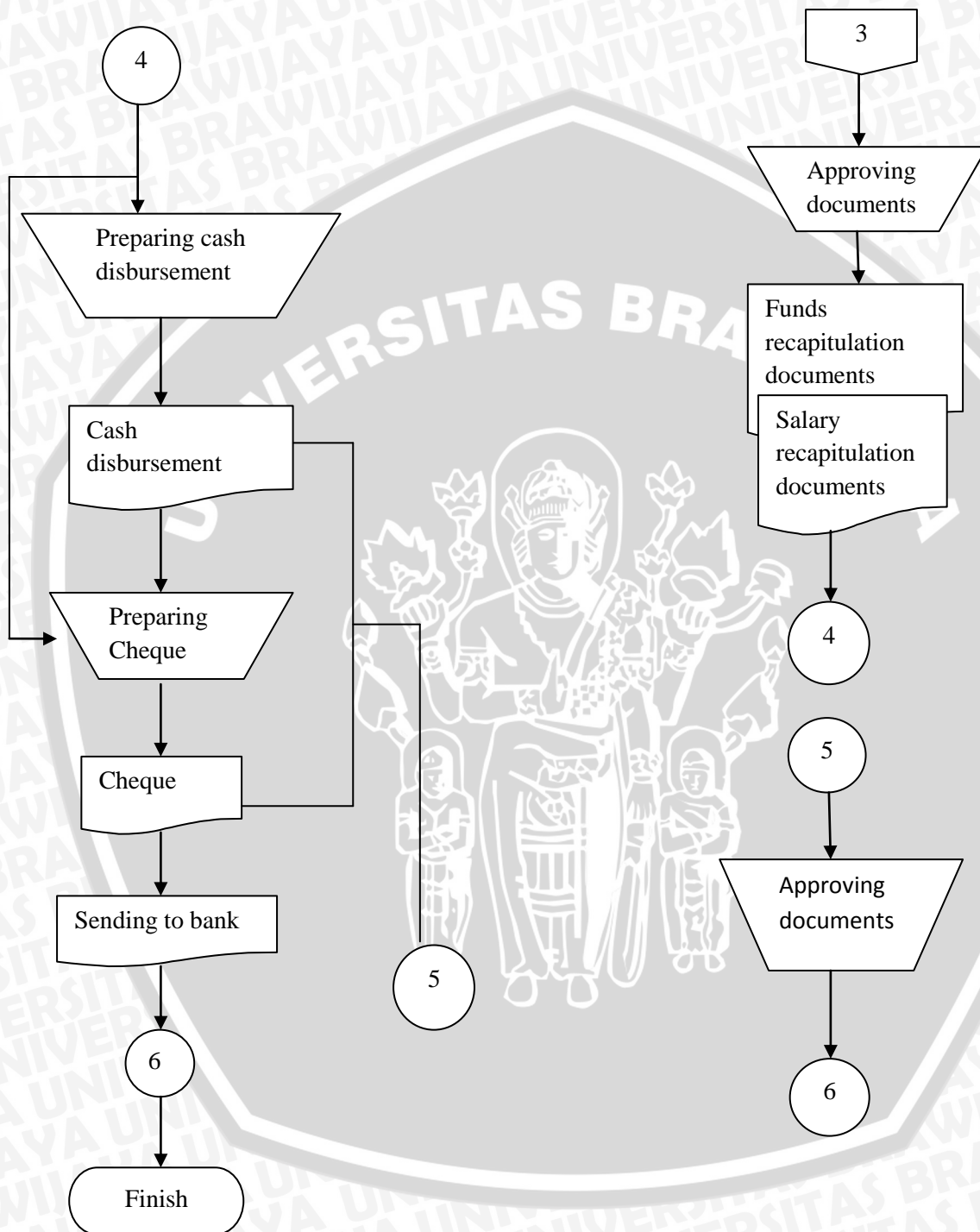
FIGURE 4.2

The Original Flowchart of Salary Disbursement at
PDAM TIRTA DHARMA SITUBONDO



Budget Division

director



C. Data Analysis

a. Organization Structure (Recommended)

The organization structure based on The regulation of Situbondo Regent No 23 Year 2007 about Organ and Staffing of PDAM Tirta Dharma Situbondo as below:

Based on the organization structure chart describe above there are several weaknesses that might be threats the internal control implementation.

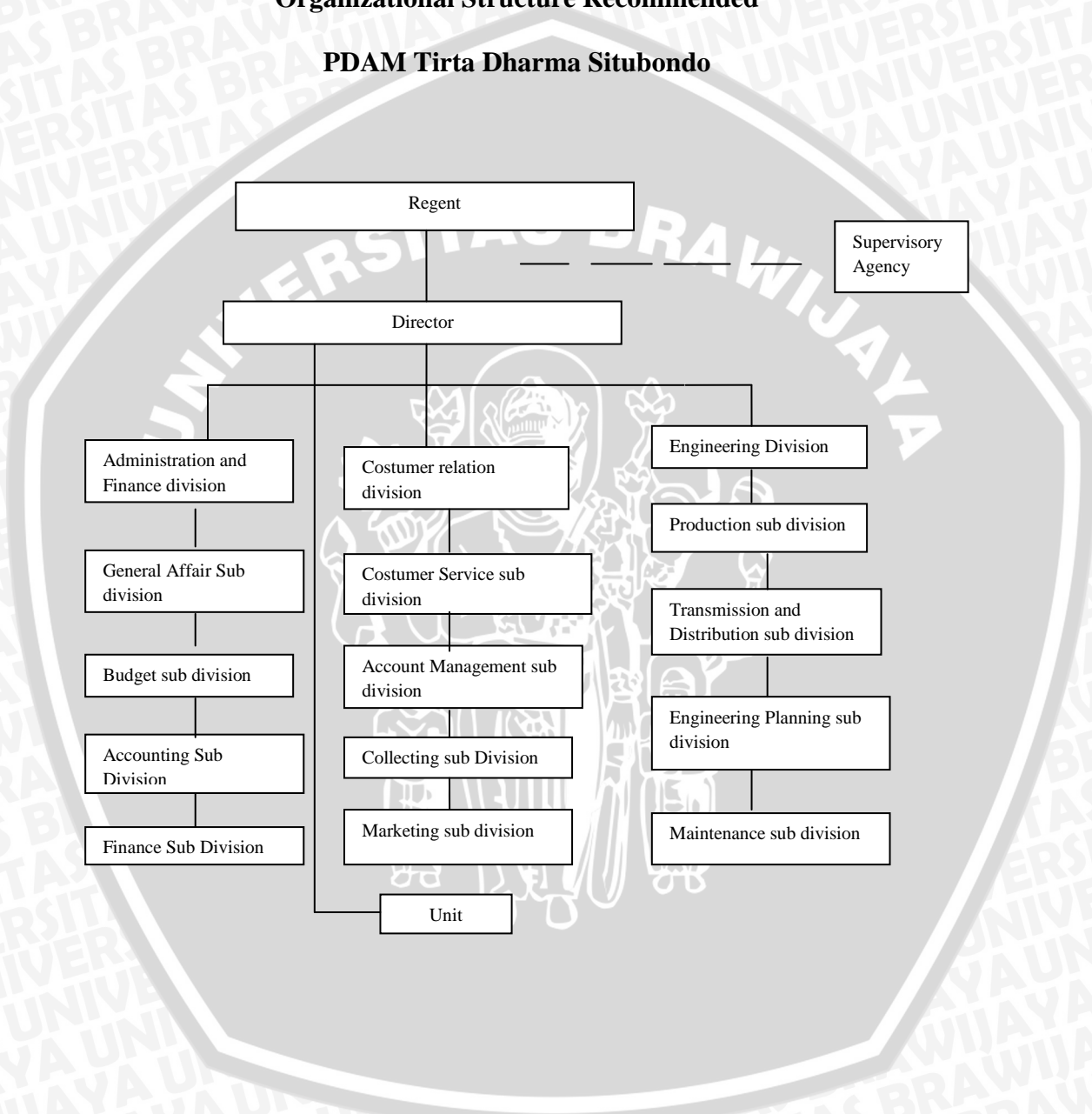
There is the overlapping function having done by the General Affair. So the researcher recommended



FIGURE 4.3

Organizational Structure Recommended

PDAM Tirta Dharma Situbondo



b. Procedures of Salary (recommended)

1. Security took time clock card and brings to general affair division so they can recapitulate immediately. After that security return the time clock card into machine
2. After recapitulate, general affair division preparing documents based on presence card and makes it. After that they preparing salary document and make it.
3. General affair division send a copy of salary document to accounting division and they make cash disbursement document, salary document, and salary document so they send it to finance division.
4. Finance division preparing cheque and send to BRI.
5. Cash disbursement document, presence document, salary document, and cheque bring by finance division and send to director for approving.
6. After approving by director, accounting division posting transactions to account payable journal, cost of goods manufacture subsidiary, cost of goods sold subsidiary.
7. Finance divisions prepare cheque and a copy of cash disbursement document and bring them to BRI.



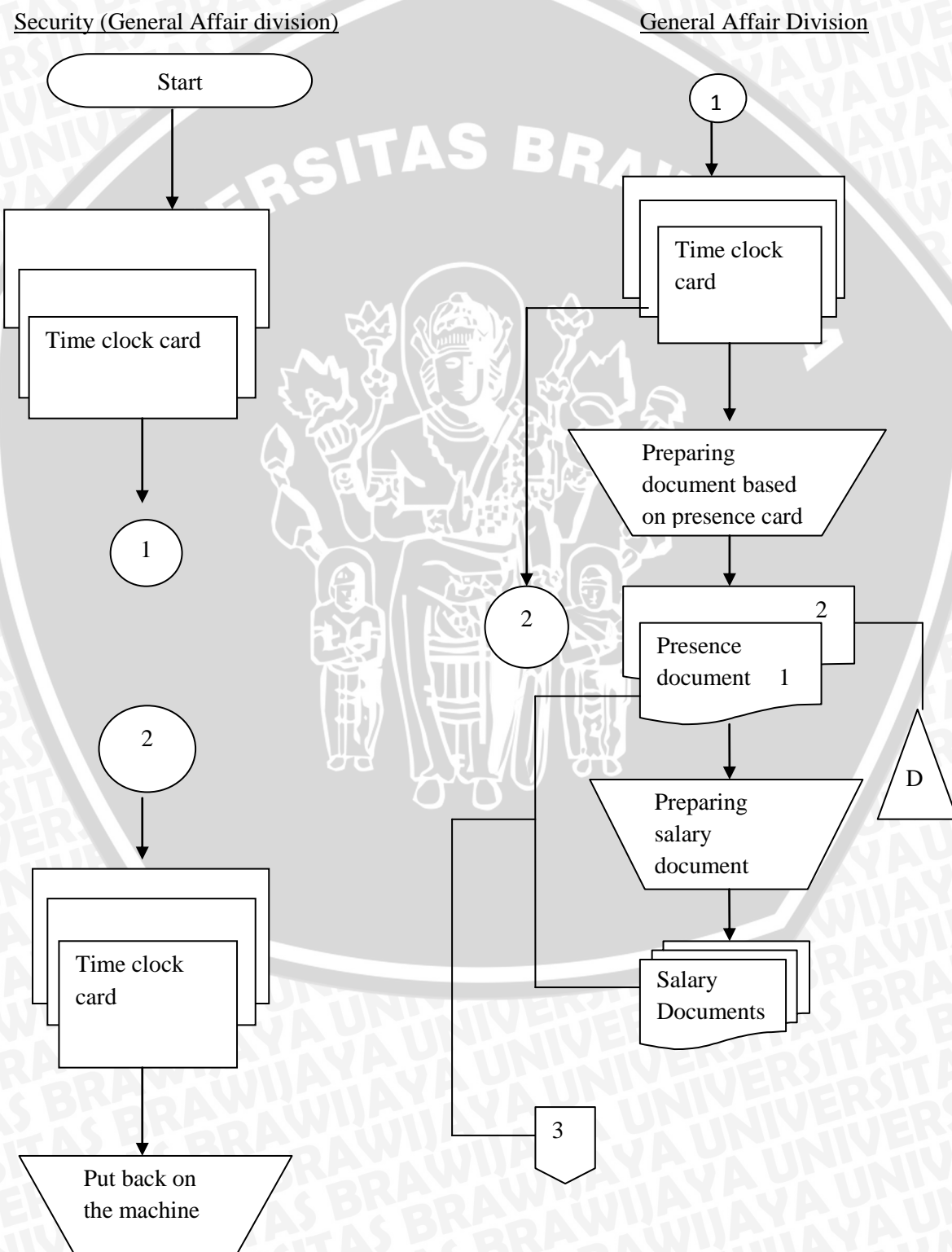
8. Meanwhile, accounting division posting transactions such as:

- Cash disbursement journal
- General ledger
- Cost of goods manufactured report
- Cost of goods sold report
- Balance sheet
- Finance statement



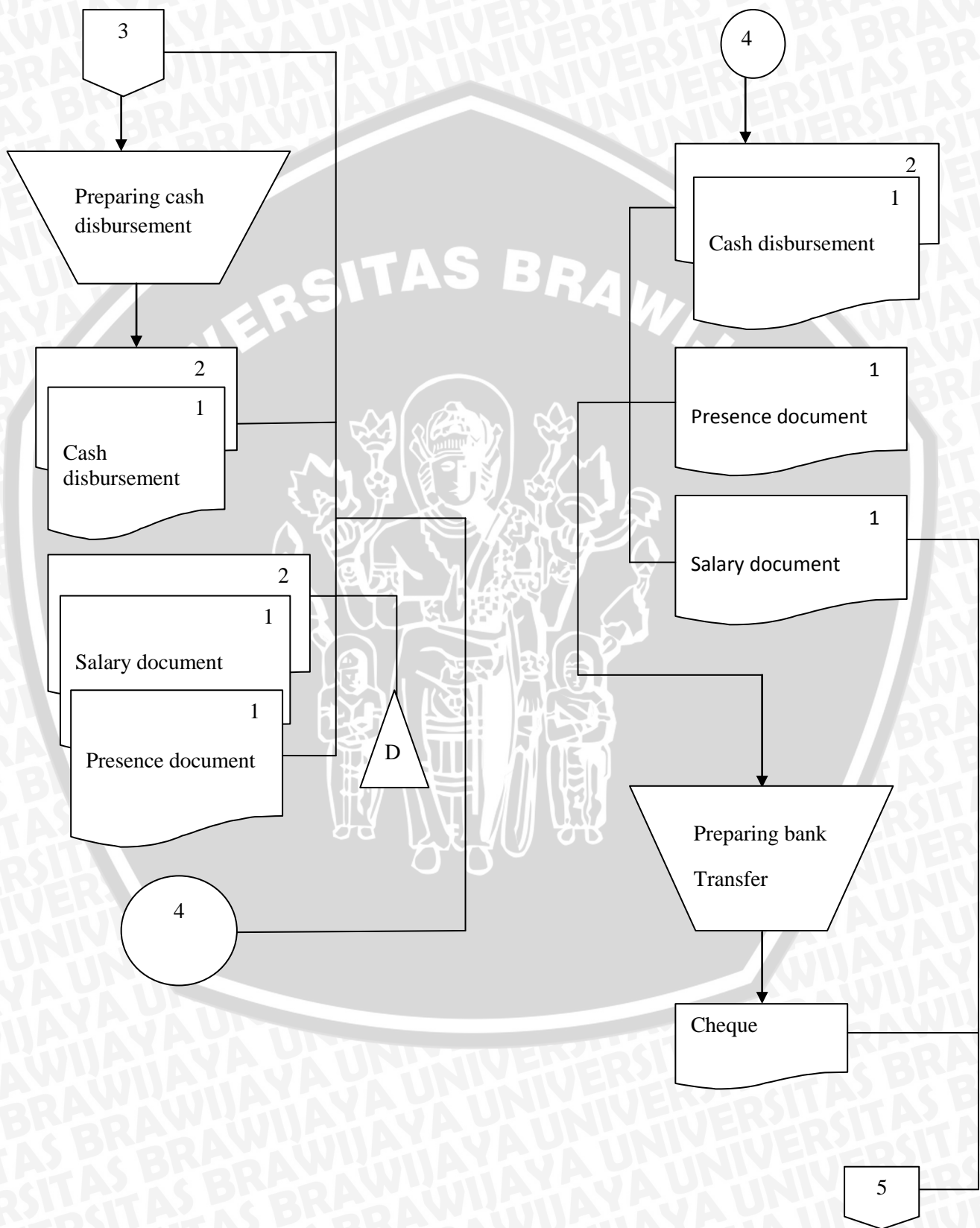
FIGURE 4.4

The Recommended Flowchart of Salary Disbursement at PDAM TIRTA DHARMA SITUBONDO



Accounting Division

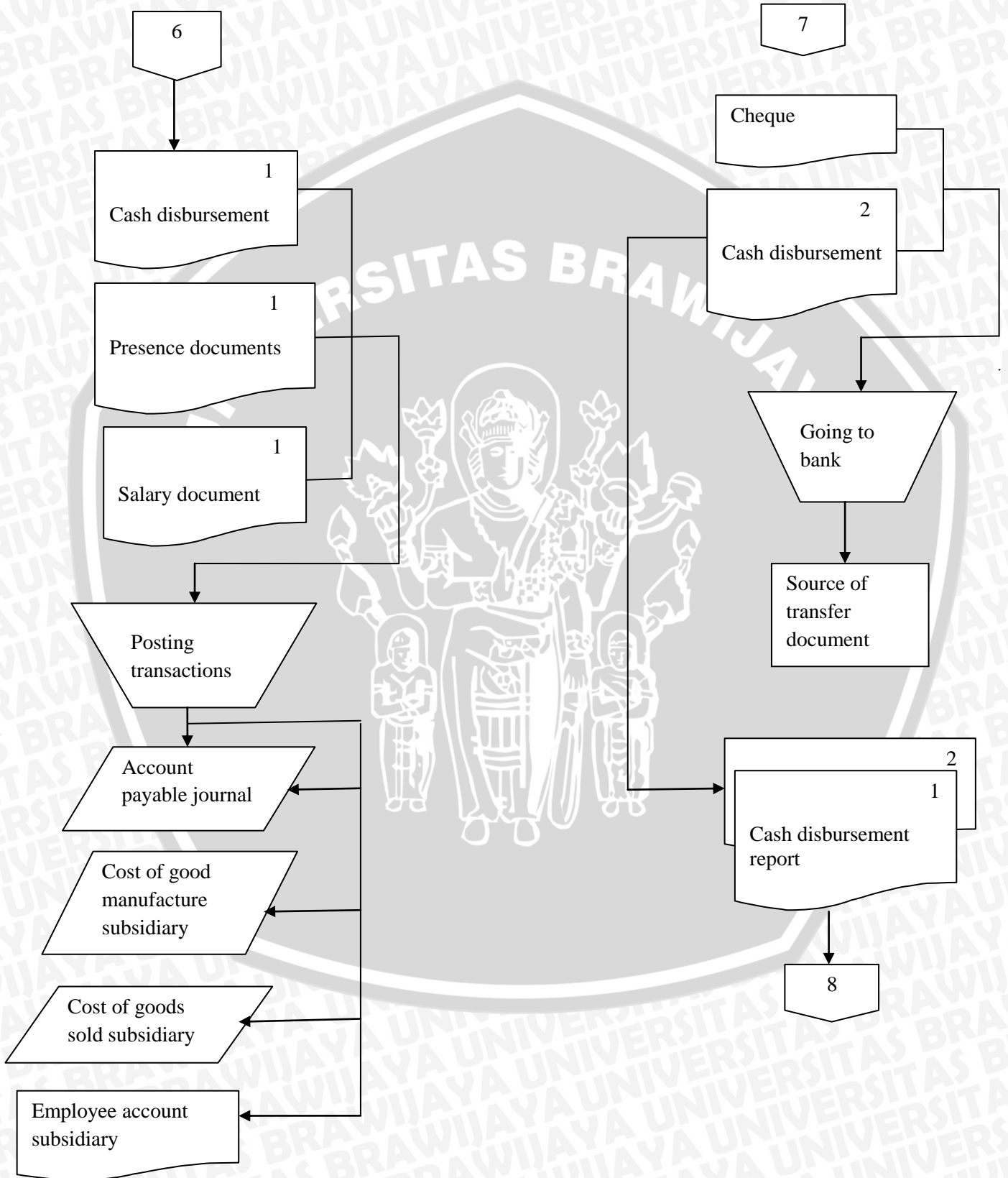
Finance Division



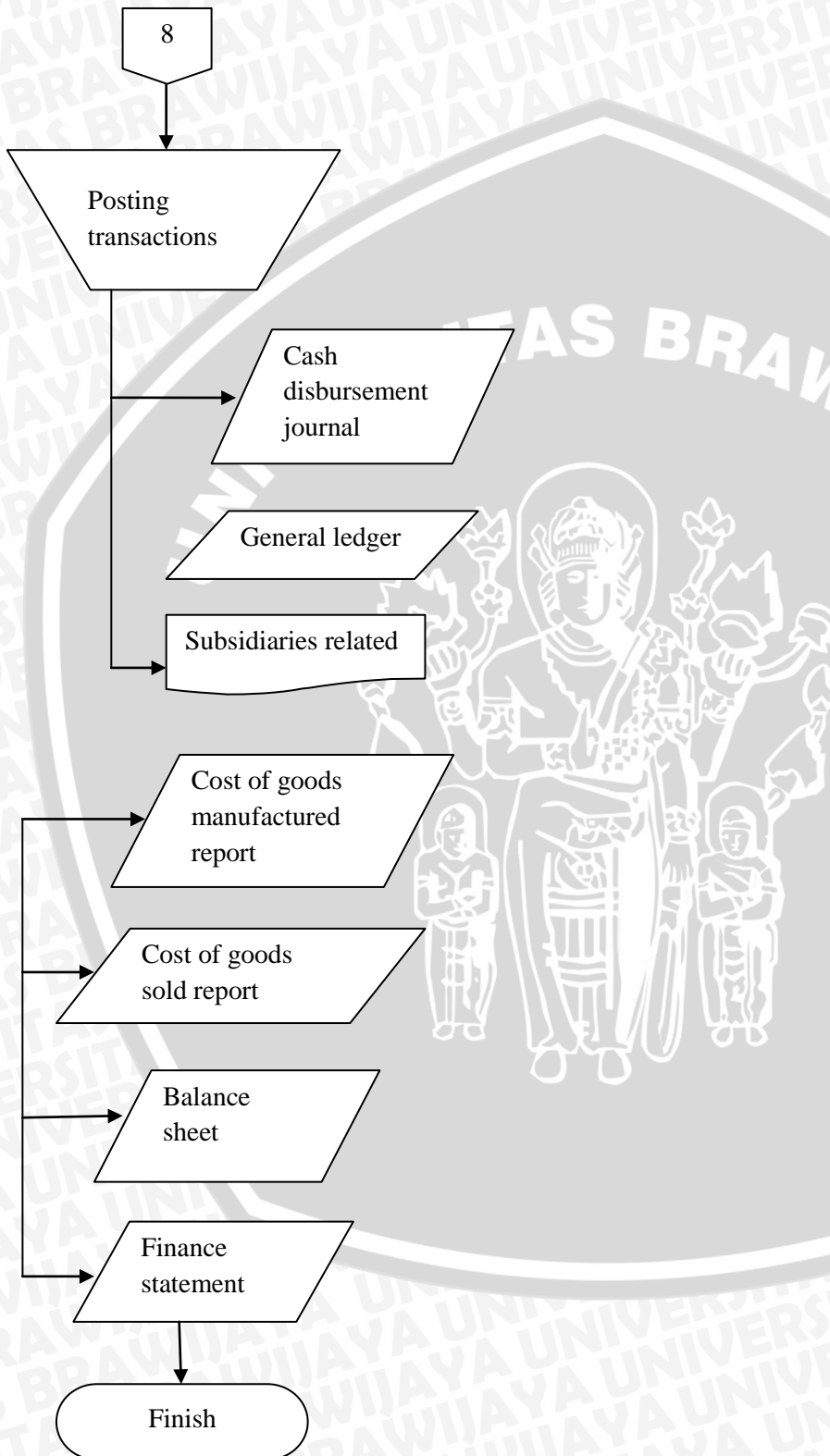


Accounting Division

finance division



Accounting Division



D. Analysis and data interpretation

1. Analysis of employee salary payment

Based on research that was done at the PDAM Tirta Dharma Situbondo then it can be known that the employee salary payment at the PDAM Tirta Dharma has been effective enough. PDAM Tirta Dharma has organizational structure that able to show clearly the task and authorities and the separation of functions in the organization. The organizational functions can be used to prevent the unhealthy practice in the organization. Mulyadi (2001: 386) found that the system elements of internal control for the salary system that relate with organization include:

- a) the salary making functions should be separated from the financial function
- b) Presence recording function should be separated from the operation function.
 - a. General section of PDAM Tirta Dharma Situbondo is function of payroll making, while the budget section is the financial function. Both section work separately. The function separation able to avoid the task accumulation and avoid the fraudulence in the salary payment.
 - b. The presence recording section at the PDAM Tirta Dharma Situbondo use absence list that oblige the employee to sign in morning.



CHAPTER V

CONCLUSION AND SUGGESTION

A. Conclusions

Based on the research that was done at PDAM Tirta Dharma Situbondo, and then it can be concluded:

1. The employees of PDAM Tirta Dharma Situbondo each month receive basic salary that refer to the group level and tenure, and added by position allowance.
2. The employee salary payment at the PDAM Tirta Dhama Situbondo is effective enough. PDAM Tirta Dharma has organizational structure that able to show clearly the task and authority and the function separation in the organization.

B. Suggestions

1. Better if accounting and treasury sub division separated because it will minimize fraud and corruption
2. Use clockwork machine presence because if PDAM Tirta Dharma still use presence book it easy to make take signature if someone can't attended work

