CHAPTER IV

DISCUSSION AND ANALYSIS

4.1 Company overview

4.1.1. General Description of Company

PT. Angkasa Pura I (Persero) is a State Owned Enterprises (SOEs), which provides air traffic services and airport businesses in Indonesia which focuses on the service area of central Indonesia and eastern Indonesia. Founded on February 20, 1962 based on Government Regulation No. 33 of 1962 with the name of the State Enterprise Angkasa Pura Kemayoran which has the main task as a manager and exploitation Kemayoran Jakarta International Airport.

On May 17, 1965 under Government Regulation No. 21 of 1965 the government changed the name of the State Enterprise Angkasa Pura Kemayoran become Angkasa Pura State Company with a view to further open up the possibility of managing other airports in the region of Indonesia. In order division of management of airports, based on Government Regulation No. 25 of 1987 dated May 19, 1987 Company name changed to General Angkasa Pura Public Company Angkasa Pura I, this is in line with the establishment of the Public Company Angkasa Pura II, which is specifically given the task to manage the airport Soekarno-Hatta and Halim Airport.

PT Angkasa Pura I (Persero), which then referred to Angkasa Pura Airports determined to achieve world-class professional company. Angkasa Pura
Airports sure can do the best to provide safety services, security, and international standards of comfort for the customers.

History of Angkasa Pura Airports as a pioneer of airport commercial exploitation in Indonesia started from the state visit of President Soekarno to the United States to meet with President John F Kennedy. Upon arrival in the country, President Sukarno confirmed his desire to the Minister of Transportation and Public Works Minister that the airfield in Indonesia can be equivalent to the airfield in developed countries. Shortly thereafter, on 15 November 1962 was published Government Regulation (Peraturan Pemerintah) No. 33 Year 1962 on the Establishment of the State Enterprise (Perusahaan Negara) Angkasa Pura Kemayoran. The main task is to manage and commercialize Kemayoran Airport in Jakarta when it is the only international airport serving overseas flights other than domestic flights.

After going through a transitional period for two years, since February 20, 1964 State Enterprise Angkasa Pura Kemayoran has officially taken over the full asset and operating Kemayoran Jakarta Airport from the Government. Dated February 20, 1964 that are then defined as the anniversary of Angkasa Pura Airports. On May 17, 1965, based on Government Regulation No. 21 of 1965 on the Amendment and Additional Government Regulation No. 33 of 1962, the State Enterprise Angkasa Pura Kemayoran changed its name to the State Enterprise Angkasa Pura, in order to further open up the possibility of managing other airports in the region of Indonesia.
Gradually, Ngurah Rai Airport - Bali, Halim Perdanakusumah - Jakarta, Polonia - Medan, Juanda - Surabaya, Sepinggan - Balikpapan, and Sultan Hasanuddin - Ujung Pandang, then joined the management of the State Enterprise Angkasa Pura. Furthermore, based on Government Regulation No. 37 of 1974, the company legal status was changed to Public Company (Perum).

In order to divide the area management of airports, based on Government Regulation No. 25 of 1987 dated May 19, 1987, the name of public company Angkasa Pura was changed to Public Company Angkasa Pura I, this is in line with the establishment of Perum Angkasa Pura II, which is specifically tasked to manage Soekarno -Hatta and Halim Airport. Then, under Regulation No. 5 of 1992, the general form of the Company was changed to a Limited Liability Company (PT) which is wholly owned by the Republic of Indonesia so that renamed to PT Angkasa Pura I (Persero) by Deed Muhani Salim, SH, dated January 3, 1993 and has obtain the approval of the Minister of Justice by decision No. 1993 dated C2-470.HT.01.01 24 April 1993 and was published in the Official Gazette of the Republic of Indonesia No. 52 dated June 29, 1993 with the Official Gazette of the Republic of Indonesia No. 2914/1993.

Amendments to the Articles of Association The latter is based on the decision of the General Meeting of Shareholders on 14 January 1998 and has been notarized by Notary Imas Fatimah, SH No. 30 dated September 18, 1998. Amendments to the Articles of Association was approved by the Minister of Justice of the Republic of Indonesia Number: C2-25829. HT.01.04 1998 November 19, 1998 and included in the State Gazette of the Republic of Indonesia

Until now, Angkasa Pura Airports operates 13 (thirteen) airports in central and eastern Indonesia, consist of:

1. Ngurah Rai Airport – Denpasar
2. Juanda Airport – Surabaya
3. Hasanuddin Airport – Makassar
4. Sepinggan Airport – Balikpapan
5. Frans Kaisiepo Airport – Biak
6. Sam Ratulangi Airport – Manado
7. Syamsudin Noor Airport – Banjarmasin
8. Ahmad Yani Airport – Semarang
9. Adisutjipto Airport – Yogyakarta
10. Adisumarmo Airport – Surakarta
11. Internasional Lombok Airport - Lombok Tengah
12. Pattimura Airport – Ambon
13. El Tari Airport – Kupang

Headquarters of PT. Angkasa Pura I (Persero) is located at Kota Baru Bandar Kemayoran, Block B-12 - Kav. 2, Jakarta - 10610.
4.1.2. Brief history of Juanda Airport

Juanda International Airport is an international airport located in Sedati, Sidoarjo district, 20 km south of the city of Surabaya. Juanda International Airport is operated by PT Angkasa Pura 1. Its name is taken from Djuanda Kartawidjaja, Indonesia's last Prime Minister who had suggested the construction of this airport. Juanda International Airport is the second largest and busiest airport in Indonesia after Soekarno-Hatta International Airport by aircraft movements and passengers.

This airport has a runway length of 3000 meters with an area of 51,500 m² terminal, or about two times higher than the old terminal that only 28 088 m². The new airport is also equipped with facilities covering an area of 28,900 m² parking area that can accommodate more than 3,000 vehicles. The airport is expected to accommodate 6 million to 8 million passengers per year and 120,000 tons of cargo/year.

4.1.3. Role of Organization

PT. Angkasa Pura 1 (Persero) has the task of carrying out efforts to develop and improve the role of services in the field of airport and flight navigation. With the vision and mission:

Company’s Vision:

To be one of Asia’s ten best airports management companies.

Company’s Mission:

1. To increase the stakeholders’ value.
2. To become the Government’s partner and boost the economic growth.

3. To provide airport business through excellent services meeting the standards of security, safety and comfort.

4. To improve the company’s competitiveness through creativity and innovation.

5. To give positive contribution to the environment.”

4.1.4. **Line of Business Organization**

Business Sector of PT Angkasa Pura I (Persero) Juanda International Airport Surabaya is an airport services which are divided into two major parts: aeronautical and non-aeronautical services.

1. Aeronautical Services is services given to airlines and passengers that consists of:

   a. Aircraft Parking, plane storage and placement services in airport.

      In order to do that, PT Angkasa Pura I (Persero) Juanda International Airport Surabaya provides facilities apron that can accommodate up to 31 kinds of planes. Except the apron, making cooperation with many institutes, it also provides facilities for bunkering, plane maintenance, and other operational support requirements of the airlines.
b. Passenger Processing, passenger services in the airports. PT Angkasa Pura I (Persero) Juanda International Airport Surabaya provides very comfortable passenger terminal facilities that can accommodate up to 6.5 million passengers each year. It provides check-in, transit, and boarding facilities, 11 pieces of garbarata (bridge to the plane), and other supporting facilities.

2. Non-Aeronautical Services is support services for airlines and passengers needs by cooperating with various parties. It consist of:

a. Food and Beverages. It is food and beverages services inside and outside the airports.

b. Retail. It is a shopping service for passengers, including duty-free.

c. Advertising. As strategic public facilities, the airports provide spots for ads that can be used by various airlines.

d. Hotel. Cooperating with Angkasa Pura Hotel, the airports prepare transit hotels in passenger terminals.

e. Property. The airports lease some spaces both inside and outside passenger terminals that can be rented for various necessities.

f. Vehicle Parking. The airports provide passenger’s vehicle parking service and pick-up services including airport shuttle services, taxi, buses and others.
g. Cargo Services. It is an aircraft cargo management services including cargo inspection and storage.

4.1.5. Overview of Organization Structure

Every company in general has an organizational structure described in a formal organizational chart as guidelines for employees and human resources within the company. It is intended to explain the importance of authority and responsibility, relationships between parts and the relationship between superiors and subordinates. In such organizations it is intentional to separate the owner who is in overseeing the company's sectors and the employees. By having the description of the position and structure of the organization, each employee can carry out activities in accordance with a predetermined task and there will be no imbalance in doing the job. Additionally, it also make the procedures easily coordinates the course of these functions.

Preparation of a good organizational structure is very important for a company, because the presence of a clear organizational structure may provide a guide in performing their duties. Similarly PT Angkasa Pura I (Persero) organizational structure can be seen in Figure 4.1. To determine the duties and responsibilities of each of the parts contained in the organizational structure, it can be seen from the description of the position in PT Angkasa Pura I (Persero):
Figure 4.1 Organizational Structure

4.1.6. Job Description

Along with business development, Angkasa Pura 1 Juanda require qualified individuals for the position. Furthermore, the company needs divide head of division of each position in every division. The advantage of divide the division is make easier to carry out the task and authority, and for each authority and responsibility is held by people who are already in accordance with their competence.

The duties and responsibilities of each part in the structure are:

1. General manager
   a. Preparing, implementing and controlling air traffic service organization activities.
   b. Preparing, implementing and controlling operational activities.
   c. Preparing, implementing and controlling commercial activities.
   d. Preparing, implementing and controlling electronics, electrical engineering facilities selection activities.
   e. Preparing, implementing and controlling administration activities.
   f. Preparing, implementing and controlling finance activities.

2. Airport operation department head
   a. Preparing and implementing airport service activities.
b. Preparing and implementing air flights rescue and firefighters.

c. Preparing and implementing airport security.

To carry out the task, the air operation service division prepare and execute operations in accordance with their tasks. In performing the duties and functions, the air operations service division is assisted by several departments responsible, namely:

1) Fire fighting and rescue section

The task of carrying out the provision of aviation and fire extinguishers assistance as well as overcoming the medical emergency situation of the airport areas.

2) Airport services section

The task of carrying out the arrangement of services on the air side, the arrangement of services in the terminal and its facilities, the land side, lighting services and general communication related to aviation and tourism for airport service users, the arrangement of airport entry permits and airport operational information system.

3. Airport readiness department head

a. Preparing and implementing careful planning, designing, and providing facility operation report of airport.
b. Preparing and making operational report the facilities such as renew the old facilities to new one.

c. Assisting the implementation of the construction of general engineering facilities and equipment in accordance with the delegation of authority given by the directors.

To carry out the task, the division of readiness and equipment has the function of preparing and executing activities in accordance with the duties of authority and responsibility.

1) Airport readiness section

The airport readiness section is responsible for planning, designing, organizing, developing and inauguration as well as creating a work plan, organize and report the results of the implementation of management activities planning, acceptance, and outcome of inventories in warehouses and supporting administrators.

2) Airport equipment section

The airport equipment section has the task of preparing, implementing, controlling and reporting on building and maintenance activities of building facilities for flight operations and airport operations. Furthermore, this department is responsible for preparing, implementing, controlling and reporting on the development and maintenance activities of mechanical equipment, clean water facilities, operation vehicles, and workshop.
4. Airport security department head

a. Preparing, executing, controlling and reporting on screening of persons and goods entering restricted areas (RPA & NPA) in passenger terminals and cargo areas including special terminals.

b. Preparing, implementing, controlling and reporting on safeguard activities, public order, CCTV security operations, patrols at the airport terminal area.

c. Preparing, implementing, controlling and reporting safeguards, public order, patrols in non-terminal areas, vital objects, offices and airside.

The Airport Security Division has the functions of managing the services of aviation and non-flight security in accordance with the applicable provisions.

1) Terminal and airside security section

Terminal and airside security is responsible for preparing, implementing, controlling, and reporting safeguard activities in terminal building, offices, and airside areas.

2) Screening check point section

Screening check point is responsible for providing airport security for the inspection of persons and goods in accordance with applicable regulations.
3) Public area and perimeter security section

Public area and perimeter section is responsible for of providing airport security for the security of the public area and its scope of circumference with the applicable regulations.

4) Terminal 2 security section

Terminal 2 section is responsible for of airport security for security in the terminal area 2 and its coverage with the applicable regulations.

5. Safety management system, quality management, & customer service department head

   a. Preparing, implementing, controlling and determining management risks, identifying work risks, making effective communications, and implementing sustainable improvement processes.

   b. Preparing, planning, developing and implementing company standards and practical recommendations, also system descriptions of company gap results analysis.

   c. Preparing, implementing, controlling and checking on the quality control over the design, materials, components, projects and sustainable improvement.

   d. Preparing, implementing control communication information on company products and office relationships.
To carry out the task, the division of readiness and equipment is responsible for preparing and executing activities in accordance with the duties of authority and responsibility.

1) Safety health environment section

Safety health environment is responsible for providing a design how the SMS needs will be met and integrated to the organization's work activities and the framework of responsibility for implementation of the company.

2) Quality management section

Quality management section is responsible for providing and designing programs based on quality-oriented principles and policies in all its activities throughout the program, including in every process and product.

3) Customer service section

Customer service section is responsible providing relations and role as a liaison between the company with consumers, providing services to customers, especially on communication services, giving influence to the satisfaction of partners and corporate customers.

6. Sales department head

a. Preparing, implementing, controlling and reporting business development activities and marketing of airport services.
b. Preparing, implementing, controlling and reporting the activities of founding and collecting revenue of airport services.

c. Preparing and conducting commercial business management activities.

To carry out the task, the division of sales department is responsible for preparing and executing activities in accordance with the duties of authority and responsibility

1) Aviation and cargo sales section

Aviation and cargo sales section is responsible for preparing a work plan, to organize and report on the results of the implementation of the activities of establishing, developing and marketing airport services which includes; flights services, landing services, parking services, passenger services, airport counter services, garbarata services, cargo services and other airport services.

2) Property and advertising sales section

Property and advertising sales section is responsible for making a work plan, organizing and reporting the results of the implementation of the activities of coaching, collecting, developing and marketing cooperation and advertising services related to the airport, which includes billboards, vehicle parking, commercial significance and other air-related bazaar related to property and advertising.
3) Food and beverage sales section

Food and beverage sales section is responsible for making a work plan, organize and report the results of the implementation of the activities of coaching, collection, development and marketing of business cooperation and self-managed services related to the airport which includes personnel lounge, restaurant, cafe and other air-related services based business and cooperation in the field of food and beverage.

4) Retailed section

Retailed section is responsible for making a work plan, organizing and reporting the results of the implementation of coaching activities, collection, development and marketing of services cooperation business on retailed type.

7. Finance and IT department head

a. Preparing, implementing, controlling, and reporting accounting activities and airport budgets.

b. Preparing, implementing, controlling, and reporting on treasury activities.

c. Preparing, implementing, controlling, and reporting on partnership and CSR program (PKBL).
d. Preparing, implementing, controlling, and reporting on inventory management activities in the warehouse.

To carry out the task, the division of sales department is responsible for preparing and executing activities in accordance with the duties of authority and responsibility.

1) Accounting section

Accounting section is responsible for implementing activities of recording and reporting financial accounting, management accounting, inventory accounting and fixed assets and depreciation, control and reporting budget in accordance with applicable regulations.

2) Treasury section

Treasury section is responsible for organizing the activities of the management of the receipt, storage and disposal of warehouse inventory in the warehouse and its administrative support in accordance with the applicable regulations.

3) Information and technology section

Information and technology section is responsible for the operation, maintenance and reporting of airport telecommunications facilities, office electronics, computer aerial electronics and providing information to the public in accordance with applicable regulations.
4) Corporate social responsible section

CSR section is responsible for creating a work plan, organizing and reporting the results of the implementation of PKBL fund disbursement management activities through a proper selection process and PKBL control so that it can be achieved the payback rate of the partnership program as well as the most optimal benefit principle for the partners.

8. Shared service department head

a. Preparing, implementing, controlling and reporting on personnel management activities of airports.

b. Preparing, implementing, controlling, and reporting, office administration, public service and legal activities at the airport.

c. Preparing, implementing, controlling and reporting management information system, data and reporting, and public relations.

d. Record and report library book transaction data and provide useful books for employees.

To carry out the task, the division of sales department is responsible for preparing and executing activities in accordance with the duties of authority and responsibility.
1) Human capital section

Human capital section is responsible for making a work plan, organizing and reporting the results of the implementation of personnel planning, development activities and personnel administration.

2) General affair section

General affair section is responsible for making a work plan, organize and report the results of the implementation of office administration activities, procurement of goods and services, services and housekeeping offices covering official, protocols and official travel arrangements, regulation preparation, advertising and cooperation.

3) Communication and legal section

Communication and legal section is responsible for making work plans, organizing and reporting the results of the implementation of communication management activities as a tool to accelerate the accuracy of decision-making and activities of collecting, processing, presenting data with the aid of established law, both in general and specific.

4) Procurement section

Procurement section is responsible for drawing, selection, placement, orientation and induction to get employees in accordance with the needs in order to help achieve the goals of the company.
4.2. **Overview Internal Control on Revenue Cycle of PT Angkasa Pura 1 Juanda**

Based on COSO (Committee of Sponsoring Organization) framework, there are five components of internal control structure which important and related. Four components relate with design and internal control system operation, which is control environment, risk assessment, information and communication, also control activities. The fifth component monitoring, is the component which is designed for make sure the internal control going well and effective continuously. Implementation and development of internal control for better performance, the company should understand the aims of control on their system. The aims of control on revenue cycle, are:

a. All sales transactions and cash receipts is authorized in accordance with the structure and policy of the company.

b. All sales activities is recorded fully and accurately.

c. All sales returns is recorded fully and accurately.

d. All sales transaction and cash receipts is posted in the right account.

e. All accounting records, supply inventory and services provided, and cash are well maintained.

Based on the description above, the researcher will analyze the internal control system on revenue cycle at PT. Angkasa Pura 1 Juanda using framewok of internal control structure from the Commite of Sponsoring Organization (COSO).
4.2.1 Analysis of Internal Control on Revenue Cycle

1. Control Environment

Based on Committee of Sponsoring Organization (COSO) control environment includes all actions, policies and procedures which reflects the attitude of leadership and all personnel of organization. There are several factors which make up the control environment, such as;

a. Integrity and ethical value

Integrity and ethical values are the basis of controls conducted by management to avoid and reduce the possibility of fraud or manipulation in the company especially related to the revenue cycle. The value of ethics is the value must be obeyed by every employee and the company can establish the integrity as a basic principle of the company. The company also should actively socialize and show it. By providing a good example, management may instill and display a good ethical and integrity value which make a good mental attitude for employees. One of emphasized values to support the creation of a controlling environment is be honest, enthusiastic, responsible, and avoid being despised. Based on the findings by researcher in PT. Angkasa Pura 1 Juanda there are several things concerning the possibility of the occurrence of obstacles to the destruction of integrity and ethical values, both internal to the company and external (stakeholder). The constraint is the existence of pressure within the company to employees due to large corporate operations that allow an individual to do things that are not fair, and the existence of corporate gaps on stakeholders due to the possibility of increased
rental rates of services that exist due to the desire of companies who want to continue to grow in revenue. Therefore, the company must solve the problem in integrity and ethical values on the internal company by holding evaluation meeting or training on employees who carried out in several periods, and establish clear regulations on employees. The results emphasized is to teach the value of loyal to the company, to be honest in any situation, do not want to corruption, and have principles in working. Furthermore, the results are emphasized on the extension of the company (stakeholder) that encourages the company's management in a professional, transparent and efficient, and empower the function and increase independence. Encouraging company management to make decisions and carry out actions based on high moral values and compliance with applicable laws and regulations, and awareness of the company's corporate social responsibility towards stakeholders and environmental sustainability around the company. In PT. Angkasa Pura 1 Juanda has also been given good exemplary for implementation of regulations at every level of leadership within the company. So that can be said PT. Angkasa Pura 1 Juanda refers to the base value to every employee in every activity.

b. Commitment to competency

Competency is the knowledge and skill which is needed to accomplish tasks. Commitment to competency includes consideration of the necessary educational, knowledge, and skill requirements, as well as the training and experience required in the development of the competence itself. As a company that wants to develop and grow in line, the desire to improve
increases the ability of the employee’s expertise and knowledge. In this case, PT. Angkasa Pura 1 Juanda improves and develops the ability of its employees continuously through coaching and training development so that employees will be more encouraged to go forward and develop then it will increase the motivation on their work. Based on the findings of researchers in PT. Angkasa Pura 1 Juanda there are some possible obstacles related to this matter, the existence of some new employees who lack experience remains accepted without work experience. And also for the field there are employees who are less responsive or able to perform a job due to lower education. Therefore the company must solve the problem in the commitment to the compensation with for the recruitment of new employees Regarding recruitment, Therefore the company must solve the problem in the commitment to competence with for the recruitment of new employees PT. Angkasa Pura 1 Juanda implements several procedures and requirements as example, for finance department the new employee should be accounting bachelor, knowledgable about tax, and have experience in the field. So, the employee has a good knowledge background to carry out the task well and effectively. Furthermore, provides opportunities for its employees if they wish to pursue higher-level education, and provides specialized training for employees working in the field or airport, such as cargo etc.

c. Determination of authority and responsibility

PT. Angkasa Pura 1 Juanda has divided every function involved in company operations. The separation of functions is accompanied by the separation of authority and responsibilities. Job description in accordance with the existing
functions make it easier for companies to do the plan, direction, and control operations so that general goals can be achieved.

d. Organization structure

The organizational structure of the company is the line of authority and responsibility, also provides a general framework for planning, directing, and controlling the operations. Determining an adequate organizational structure includes describing and explaining the scope of delegation of authority and responsibility also clear line report.

e. Policies and practices of human resources

This factor can be said as critical determinants of successful implementation of internal control because human resources is holder of office also as decisive factor in determining the vision and mission of company. Environment control is based on skill and honesty of employee which carries out the practice and procedure. But skills of employee depends on recruitment procedure, policy, appointment, training, compensation, achievement, promotion, and evaluation. Because employees are key component in every control, PT. Angkasa Pura 1 Juanda should impose special policy in real work. This policies include training for each new employee joined the company, providing special rewards for employee achieving the target. This policy is a company step to minimize the risk of declining employee spirit which always work in accordance with company goals.
Based on the analysis conducted, the control environment at PT. Angkasa Pura 1 Juanda is very good, but there are only few weaknesses needing improvement related to the organizational structure of the company, that are:

1. Less specification of organizational structure

   The organizational structure currently illustrated, should make a clear separation of functions. In this case, information technology communication function should have its own head section or create a new function outside the finance section so that finance section can be more specific in charge of accounting and treasury. For CSR section, because this section is related to outside parties or users, this section should be replaced under the sales department which has same related to third parties or users.

2. Additional section or function

   The finance department is responsible for recording and reporting all transactions and contracts made by the company. But, there is sales on credit which sometimes occur due date to the user for their reasons. The establishment of a new function for specifically remind the due date to the user which can ease the financial department in doing receivables. Furthermore, the control of receivables have not been listed in the description of the organizational structure of the company.

   Based on the description above, the researcher suggest the company to follow job descriptions and explanations to maximize revenue cycle of PT. Angkasa Pura 1 Juanda.
1. The company organizes a new overview of the organizational structure by making IT departments as its own department head, regardless of the finance section. The Corporate Social Responsibility (CSR) section is replaced under the leadership of the sales department because it deals directly with user or outside parties, such as terminal service users etc. This way, the finance department can work better and more effectively in the revenue cycle consisting of cash sales and cash receipts.

2. The company adds a new function in the organizational structure of the company responsible for the receivable controller. Because with the function of the receivable controller will minimize the possibility of errors both in the process of collection and record receivables. This function will directly responsible to the head of finance. So the head of finance will oversee the specific 3 parts, there are accounting section, treasury section and account receivable section.

PT. Angkasa Pura 1 Juanda should rearrange and add some elements into its organizational structure as follow:
Figure 4.2; Researcher suggestion for rearrangement and addition of

PT. Angkasa 1 Pura Juanda.
Based on the rearrangement and additional on the organizational structure at PT. Angkasa Pura 1 Juanda, the job description of the new position will be explained as follow:

For the unchanged section, the function and job description will be the same as described previously.

The job description with new suggested organizational structure:

- **Account receivable section**

a) Rights and authority

1. Reminding the user if the receivable is due.

2. Eligible and authorized to collect accounts receivable to user.

b) Responsibilities

1. Creating a list of receivables for each user.

2. Responsible for the amount of receivables to be paid by the user to the company.

3. Responsible for notifying the cashier if there on due date user about his receivables.

4. Responsible for posting acceptance or amendments to obtain accurate information.

5. Making regular and periodic reports about the last position of accounts receivable.
6. Responsible to the head of finance.

2. Risk Assessment

Risk is a future uncertainty about losses. Risk assessment is a kind of actions carried out in identifying, analyzing, and managing risks related to the presentation of financial statements. In risk assessment, activities are identified, analyzed, managed risks that affect the company's goals related to the income cycle. Risk assessment in this case is preferred to credit sales activities, where the sales system is directly related to the activity or transaction of accounts payable in the company. Control needs to be done on the sales system to minimize the risks that occur from the activities carried out through the transactions. After observing PT. Angkasa Pura 1 Juanda, it is found the risk that can occur within the company, especially related of transactions in the revenue cycles, such as:

1. The risk of inaccuracy of payment time and number due of bill or invoice

The risk of inaccurate payment of bills occurs, due to the user for various reasons. This one of course could be a risk for the company for examples on short-term contracts made by the user to the company and related invoices agreed for two parties.

2. The risk of bad debts

The risk of any bad debts can occur due to various reasons, example in this case is long term contracts made by the user to the company but with the agreement payment is not full or credit. This is certainly a risk in
itself, if the user later can not pay off the rest of the accounts receivable company.

3. Unexpected risks

Unexpected risks are risks beyond the control of the revenue cycle, such as violation committed, resignation or dismissal of employees, and the scattering of transaction records in the warehouse due to re-checking the transaction record by the cashier.

3. **Control Activities**

Control activities are policies and procedures that required action in order to minimize the risk, within the scope of the organization's objectives. Risk might be arise from internal and external factors of the company. Internal risks include limited operational funds, incompetent resources, unclear policies and procedures, and unfavorable working conditions. External security factors such as new regulations, technological developments, natural disasters, and security disturbances.

Based on interviews about control activities, PT. Angkasa Pura 1 Juanda faces in achieving company goals. Control activities undertaken by the company include:

1. Analyzing the related parts of the revenue cycle (segregation of duties)

The basic principle is that no one may be placed in a position that can do and hide mistakes or irregularities without immediately known to other employees, in performing daily duties and responsibilities. PT. Angkasa Pura
1 Juanda separated tasks into record, treasury, and authorization. Recording worked by accounting employees. Treasury worked by warehouse employees, finance and cashier is responsible for handling cash. Furthermore, the highest authorization the company is general manager. Obstacles found is the process on storage, sometimes cashier need take back the cash receipt or invoice for checking, the receipt or invoice already on storage may scattered. The company minimize by employing senior employees or intership studend for checked routine checks once in three day. While for recording activities only permanent employees who have authority under the direction and supervision of head accounting.

Based on the description above the task of each section also has been described above, PT. Angkasa Pura 1 Juanda has done a good job separation. Responsibilities and duties between employees related to authorization, approval, treasury, and asset management are well-separated.

2. Authorization system of transactions and important occurrence (physical control)

Authorization of important transactions and occurrence takes place to provide confidence that only important transactions and occurrence are carried out. Authorizations are implemented to protect the company's assets and ensure that transactions are conducted properly. Form of authorization in the achievement of internal control at PT. Angkasa Pura 1 can be seen from the cash receipt. Based on the interviews, the flow of cash receipts from cash sales begins with the receipt of payment in full in accordance with the price
agreed earlier. Cashier will provide payment receipt as evidence of income and cash receipts from the sales of company service provided. On this payment receipt there should be a signature from the user (depositor) and from the cashier (recipient of the deposit). While the sales credit starts with the receipt of the first installment payment (down payment) paid by user to PT. Angkasa Pura 1 Juanda. Previously, the accounting and finance give a credit authorization to users. After the users makes a payment, the cashier will make the payment receipt as evidence of income and cash receipts from the sales of company services provided. Records by the cashier is done every day, so the cash receipts ledger is in the form of dated report. The information contained in the cash receipts involves: the type of sale, from whom the deposit, amount, total revenue per date, and receipt until such date. The control process is done at the end of the month, matching the cash balance in the cash section with the records in the accounting and finance sections. For every big and long term contract, ussually on contract discussion, the company include a key master of finance department to involved.

3. Procedures of cash receipt from cash and credit sales activities (performance and information)

Basically, procedures exist in PT. Angkasa Pura 1 Juanda is a step which should be passed by users who will conduct transactions, both aeronautical and non aeronautical needs. The procedure is a media to control every users who will transact and fulfil the processes and requirements that have been determined by the company. The set of procedures includes bidding procedures, ordering procedures, data collection procedures, payment
procedures, reporting procedures, authorization procedures for credit sales, and collection procedures for credit sales. The results of observing, sales department will communicates two times to accounting department of sales reports, both aeronautical sales and non-aeronautical, cashier will checking the relevant documents, verifying, and submitting back for accounting department, then accounting department confirm to sales department and record the receipts.

4. Design and use of adequate documents (control of information processing)

PT. Angkasa Pura 1 Juanda uses payment receipt in each user payment to the cashier, by including information about the type of deposit and amount paid, as well as the parties who are authorized. The document used has been made as needed. The company divide into three document receipt or invoice, first is responsible for dollar payment, second is responsible for rupiah under twenty million, third is responsible for rupiah above twenty million. All operational activities relate with information process already used computerize system, and head department has backup data of each.

5. Performance review

A review on the performance is performed by the head of each section periodically. Head of section performing inspection of financial performance of PT. Angkasa Pura 1 Juanda every month through cash checks that exist at the cashier and bookkeeping done by the finance and accounting department. The intended goal in the cash check is to find out the unbalanced fit contained in the cash receipts ledger with the physical balance. While in the
bookkeeping study, the intended target is whether all cash receipts transactions have been properly recorded in accordance with supporting evidence (receipts of payment, credit notes, current accounts), timely and in accordance with applicable provisions.

4. Information and Communication

Information and communication is the result of overall control activities that have been done. The existence of a good control system will produce the precise information. Information refers to the organization's accounting system, which consists of methods and records made to identify, organize, analyze, classify, record, and report on organization transactions and to maintain accountability for assets also liabilities related to cash receipt or sales in cash or credit. Based on observing accounting section with internal auditor is responsible for their performance at the end of each year in the form of financial statements. The financial statements are prepared including income statement, statement of changes in capital, balance sheet, cash flow statement, and notes of financial statements. Based on the internal auditor's report, the resulting financial statements is in accordance with accounting principles in Indonesia and also communicate the results of examination periodically (at least once in three months) to the company's manager. The existing control system at PT. Angkasa Pura 1 Juanda is able to provide sufficient and complete internal information on financial condition, compliance with prevailing rules and regulations, and all activities related to the revenue cycle. This information is obtained through carry out cash accounting system of PT. Angkasa Pura 1 Juanda which results in financial report. Communication by company manager doing often communicates
with employees to improve the kinship between both. Furthermore, the manager and management are involved in the preparation or completion of a new information system.

Based on the above description the researcher considers that the internal control system conducted by PT. Angkasa Pura 1 Juanda aims to produce comprehensive information about financial condition, regulatory compliance, and high activities. Based on these objectives, PT. Angkasa Pura 1 Juanda shall establish a procedures and documents related to the revenue cycle to control the activities to fit the company's objectives and provide correct, clear, on time and relevant information in order to decision making.

5. Monitoring

Monitoring performed is to provide assurance in which the system and procedures are running well. Monitoring may be used as a corrective action, so that the policy actually gives support for established policies. Quality of control can be otherwise influenced by several of way, including lack of compliance, changing conditions, or even misunderstandings of supervision that happen through continuously activities, separate evaluations, or a combination of both. Through the monitoring activity is expected to run in accordance with the system and procedures that have been determined, in this case the revenue cycle.

Monitoring is a process to assess the implementation of internal controls have been implemented at PT. Angkasa Pura 1 Juanda. Monitoring activities has been well implemented. This is evident from the existence of surveillance activities without any prior notice (sudden). After supervision, usually the leaders and other
employees do evaluate to discuss problems then make necessary improvement action.

4.2.2 Findings and Obstacles

Table 4.2. Obstacles and Findings According Researcher

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Findings</th>
<th>Obstacles</th>
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<tbody>
<tr>
<td>Control Environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Integrity and ethics values</td>
<td>• The company implements the policies and values of high ethical standards</td>
<td>• The possibility of individual pressures on work, and employees might do things that are not fair</td>
</tr>
<tr>
<td></td>
<td>• The management provides model behavior and integrity of high ethical standards to employees.</td>
<td>• The possibility of loss an several stakeholders is due to the increased cost of rent/services due to repair or renovation at the airport and company</td>
</tr>
<tr>
<td></td>
<td>• Managers always communicate to employees about policies and regulations concerning violations</td>
<td></td>
</tr>
<tr>
<td>2. Commitment to competency</td>
<td></td>
<td>• The possibility of lack of skill and low education for some employees usually at field/airport section</td>
</tr>
<tr>
<td>3. Determination of authority and responsibilities</td>
<td>• The company implements screening, training, and opportunity for every employee to develop their skills</td>
<td>• The possibility of new employee if company do rotation on previous position</td>
</tr>
<tr>
<td>4. Organization structure</td>
<td>• The company has a policy of adequate separation of responsibilities for authorization and approval of each transaction</td>
<td>• The possibility of the risk assessment happening, there is no receiveable section in order to handle the users bad debt or</td>
</tr>
<tr>
<td>5. Policies and practices of human resources</td>
<td>• The company not yet for making the separation on finance department, related for receivable</td>
<td>account receivable</td>
</tr>
<tr>
<td>• The personnel responsible for determining each policy recruitment, selection, and training of new employees</td>
<td>• The possibility of incorrect selecting the employee, may influence in decision making</td>
<td></td>
</tr>
<tr>
<td>• The personnel responsible for determining each policy recruitment, selection, and training of new employees</td>
<td>• The reward by given is only by one sight, another employee should give their own vote/recommendation</td>
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| Risk Assessment | • The company anticipates the occurrence of bad debts on long term contracts | • The possibility is found in facing bad debt in long term contracts, and inaccurate of payment time |
| • The company anticipates the inaccuracy of payment time due of bill or invoice | |

| Control Activities | • The company doing segregation of duties between the validation or authorization of financial transactions, record transactions into financial records and asset management | • The possibility of scattered file in storage by recheck cashier |
| 1. Segregation of duties (related parts of the revenue cycle) | • The company transactions or contract do with company procedures and ensure that transactions are conducted properly, if the contract is big or long term, usually the key master of finance department included on contract discussion | • The possibility of fail on negotiating on contract by company if a key master not include in discussion |
| 2. Physical control (authorization system of transaction and important occurrence) | • The company set the transactions procedures | • The possibility of careless in inputing the |
| 3. Procedures of cash receipt from cash | | |
and credit sales activities (performance and information)

4. Design and use of adequate documents (Control of information processing)

- The company implement every transactions with add information user, checking each document needs, and information system has been computerized
- The company checking and matching the available cash on cashier with bookkeeping by finance and accounting department in order to know all cash receipts transactions had been properly recorded suitable with physical balance
- The possibility of scattered file, and system damage
- The possibility of human error by employees, this is because the company procedures in implementing all section is well managed

5. Performance review

- data on each section, it may making the works should do twice and not effective

<table>
<thead>
<tr>
<th>Information and Communication</th>
<th>Financial division makes the financial statement every end of the year, while the internal auditors make periodic reports on the results of the audit</th>
<th>The capability of employee to finish the procedures and documents involved revenue cycle to produce the clear information and on time</th>
</tr>
</thead>
</table>
| 1. Information                | Employee relations can be established well, the personnel give direction for new employees, and managers can communicate well with employees | The possibility of lack on communicate between employees

<table>
<thead>
<tr>
<th>2. Communication</th>
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</table>
| Monitoring                  | • The company monitors the operations, periodically, and on the spot inspections (sudden), also gives evaluation  
|                            | • The company monitors and provides assessment on employee performance on quartelry basis  
|                            | • The possibility of employees that is already informed by other, the employees could prepare the sudden inspections |