

COSO FRAMEWORK: CREDIT UNION PERSPECTIVES

BERNADETH WANGGETETE¹

MARSELINUS ASRI²

FACULTY OF BUSINESS AND ECONOMY, UNIVERSITY OF ATMA JAYA
MAKASSAR, INDONESIA

ABSTRACT

This study analyze the application control of COSO Framework at CU Sauan Sibarrung. Method used on this research were observation and interview on a COSO perspective as a whole function management in CU Sauan Sibarrung. Evaluation risk adequate enough with the existence of policy about supervision on cash receipts and disbursements according to the standards that have specified implementation information and communication on accounting information system in a general manner and still adequate for support internal control. The functions involved, procedures, documents, and records required formed and coordinated such the way in which the information is generated could communicated every day. Activity control carried out to system information accounting adequate. Every transactions and activities has been authorized by authorized staff, monitoring activity to internal control has walked with good and effective. This proven with existing reality where activity walk with good. System authorization proven with document bookkeeping and procedures good record keeping will produce accurate and accessible information trusted about assets, debts, income, and expenses .

Keywords: COSO Framework, Credit Union, Risk Evaluation

¹ Correspondence Author

² Email: marselinus.asri@yahoo.co.id

1. Introduction

In achieving organizational goals, the implementation of internal control is an integral part. This applies to all organizations, both small and large scale. Internal control is a preventive effort that must be evaluated to prevent deficiencies in the company that can threaten the sustainability of the company in the long term. This awareness then gave birth to a guideline for the implementation of internal control, namely the Sarbanes-Oxley Act of 2002 (SOX) which requires companies to establish, evaluate and report their internal controls over financial reporting using a recognized framework.

Referring to the internal controls required in SOX, there is a standard in the form of a general framework used by companies to develop an internal control system according to their needs. This framework is the COSO Framework which was published in 1992 by an independent organization called the *Committee of Sponsoring Organizations of the Tradeway Commission* (COSO).

Marshall B. Romney and Paul John Steinbart said that internal control is an "organizational plan and business methods used in maintaining assets, providing accurate and reliable information, encouraging and improving the efficiency of organizational operations, and encouraging compliance with established policies". Internal control not only checks the correctness of numbers and protects company assets from a bookkeeping perspective, but also pays attention to the company's organizational structure, improves work efficiency and analyzes the success of a management policy. Therefore, internal control must be monitored and evaluated so that the benefits of internal control can be accounted for.

One important component in a company is company cash. Cash is one element of working capital with the highest level of liquidity. Cash is in the form of cash in the company (*cash on hand*) and other securities, as well as money in the bank in the form of checking accounts and deposits or savings which can be cashed in the short term or in the near future as a means of payment. In running its business, every company always needs cash.

Having adequate internal controls in place, especially in the system of receiving and disbursing cash, means showing a prudent attitude towards the *Credit Union* in maintaining public trust and in maintaining the continuity of its business. In considering this matter regarding the internal control of the cash receipt and disbursement system, the authors are interested in conducting research on **"COSO-Based Internal Cash Control Case Study at the Sauan Sibarrung Credit Union Cooperative"**.

2. LITERATURE REVIEW

Research on internal control refers to the *Committee of Sponsoring Organization of the Tradeway Commission* (COSO) on an integrated internal control framework. This report emphasizes the importance of internal control in an effort to ensure a reliable financial reporting process. Thus, the COSO report becomes a benchmark for evaluating effective and efficient internal controls.

According to the COSO report, internal control components that are interrelated and function properly have an effective internal control system. Proper internal control must be strengthened by management creating the way in which the organization can be run based on the policies and procedures on which it is based. Management must set the right example through daily actions that will enable junior staff to emulate them.

Good and structured internal control is a tool that can assist management in carrying out the duties and functions that exist within the business entity so that the goals of the business entity are achieved. Through effective internal control, management can assess whether the policies and procedures implemented have been implemented properly, so that the business entity can achieve its goals.

According to the *Committee of Sponsoring Organizations of Treadway Commission (COSO)* (2013: 15), the notion of internal control is a process that is influenced by the board of directors, management, and other personnel within the entity, which is designed to provide reasonable assurance about the achievement of objectives related to operations, reporting, and compliance. Interrelated components of internal control must exist and function properly in order to have an effective control system.

Internal control is a term used to describe various measures implemented by company management to supervise and direct employees in carrying out their work. Internal control includes the organizational structure, checking the accuracy and reliability of accounting data, encouraging efficiency and encouraging compliance with management policies. The interrelated components of internal control include the first control component, namely the Control Environment. This is the foundation of the other components of internal control. The control environment supports the other components of internal control.

Miroga (2015:127-145) The control environment consists of actions, policies and procedures that reflect the overall attitude of top management towards internal control. Appropriate internal control must be strengthened by management by running the organization according to the policies and procedures that have been regulated. Management must set the right example through daily actions. If a company's environment is good, then the other control components will follow by itself.

Based on the explanation above, it can be understood how important it is that internal control is implemented in a company, in order to ensure the continuity of the company's operations in an effective and efficient manner, so as to prevent the possibility of abuse of authority that is not in line with the policies that have been implemented in a company.

The purpose of internal control, seen from the perspective of an Accounting Information System, is more aimed at helping management secure company assets. The principles of cash control are based on the separation of functional duties and authority by employees. The principles of internal control that are applied to a business entity with other business entities vary depending on several factors such as operations and the size of the business entity. Good internal control over cash requires adequate procedures to protect cash receipts and cash disbursements.

According to the *Committee of Sponsoring Organization of Treadway Commission (COSO)*, internal control is part of the process within the organization and is in the basic management process, namely planning, implementing and monitoring. According to COSO, Internal Control has 5 (five) components, namely:

a. Control Environment (*Control Environment*)

The control environment is a set of standards for facilities and infrastructure, processes and structures that form the basis for implementing internal control throughout the organization. In other words, the control environment determines the organizational climate and influences employee awareness of control. Factors included in the control environment include:

1) Organizational Structure (*Organizational structure*)

The requirement of a good internal control in the organizational structure is the separation of storage and record keeping operational functions. Organizational structure influences the company's ability to achieve its goals. The organizational structure provides an overall framework for planning, implementing, supervising and monitoring company activities.

- 2) Commitment to integrity and ethical values (*Integrity and ethical values*)
To emphasize the importance of integrity and ethical values among personnel, top management needs to create a way of setting an example by demonstrating behavior and integrity with high ethical standards and providing good moral guidelines to employees by communicating to employees about policies and regulations which must be obeyed. Rules that are made can also be intended to reduce or eliminate the urge that causes someone to take *moral hazard actions*.
- 3) Commitment to competence (*Commitment to competence*)
Employee competence is important to enable the internal control process to function properly. This includes management's consideration of the knowledge and skills required, the mix of intelligence, skills and experience required to develop the competence of employees. Therefore, it is important for the personnel department to fill job vacancies with personnel who have the knowledge and skills appropriate to the job to be done.
- 4) Regulations and code of conduct of employees (*Regulations and code of conduct of employees*)
Effective control in an organization begins and ends with a management philosophy. If management believes that controls are important, then they look to see if effective control policies and procedures have been established. Behavior regarding this control will be communicated to subordinates through operational management. Management must have rules and a written code of ethics so that employees know which activities are permitted and which activities are not permitted.
- 5) Methods of assigning responsibility and authority
Authority is a right that is owned because of a person's formal position to give orders to subordinates. Responsibility is a person's obligation to carry out certain tasks and to be held accountable for the results achieved. This determination of authority and responsibility appears in the job description (*jobdesk*). Therefore, it is important for an organization to have a clear job description. In the formal organizational structure, written documents are often used to indicate the assignment of authority and responsibility within the organization.
- 6) Policies and practices for managing human resources
Human resource activities include recruiting new employees, new employee orientation, employee training, employee motivation, employee evaluation, employee promotion, employee compensation, employee counseling, employee protection, and employee termination. Good human resource policies will help companies to achieve efficient operations and maintain data integrity. The qualifications required for each job position within an enterprise should reflect the level of responsibility associated with that position.

b. Risk Assessment (*Risks Assessment*)

Risk assessment involves a dynamic and iterative process to identify and analyze risks related to achieving objectives. COSO IC 2013 formulates the definition of risk as the possibility that an event will occur and have an adverse impact on the achievement of objectives. The risks faced by an organization can be internal (originating from within) or external (originating from outside). Identified risks will be compared with a predetermined level of risk tolerance. Risk assessment forms the basis of how organizational risk will be managed. One of the preconditions for risk assessment is the setting of interrelated objectives at various levels of the organization. Management must clearly define objectives in the categories of operations, reporting and compliance so that the associated risks can be identified and analyzed. Management must also consider the suitability of goals with the organization. Risk assessment requires management to pay attention to the impact of changes in the external environment as well as changes in the organization's own business model that have the potential to result in the ineffectiveness of existing internal controls. Risk assessment (*Riks Assessment*) consists of:

1. New personnel who have a different or inadequate understanding of internal control
2. New or updated information systems and technologies affect transaction processing
3. New products and activities that are not understood by employees will pose a risk of disrupting the company's business processes.
4. Natural disasters or political unrest, such as fires, floods, earthquakes, tsunamis, hurricanes, wars, or mass collapses.

c. Control Activities (*Control Activities*)

Control *activities* are actions defined through policies and procedures that help ensure management directives to reduce risks to achieving objectives. Control *activities* are preventive or detective in nature and can include a variety of manual and automated activities, such as authorization and approval, verification, reconciliation and performance reviews. Control Activities (*Control Activities*) consists of:

1. Document design that is good and serially numbered printed
Good document design is a simple document design that minimizes the possibility of filling errors. The document should also contain a place for a signature for those authorized to authorize. Documents need to be numbered printed as a form of accountability for the use of documents.
2. Separation of duties
There are three jobs that must be separated so that employees do not have the opportunity to steal company assets and falsify accounting records. The three jobs are the function of depository of property, function of recorder, and function of authorization.
3. Adequate authorization of transactions
Authorization is the granting of authority from managers to their subordinates to carry out activities or to make certain decisions. For example, the manager authorizes the cashier to accept money from members. This authorization is manifested in the form of a signature or initials in the transaction document.
4. Securing company assets and records

When people think of assets, they often think of cash and physical assets such as inventories and equipment. However, nowadays, company information or records are also an important asset for the company.

d. Information and Communication (*Information and Communication*)

Information is needed to carry out internal control responsibilities to support the achievement of its objectives. Good communication requires effective communication, adequate procedure manuals, policy manuals, and other types of documentation. Effective communication also requires an adequate flow of information within the organization. Management uses relevant information to support the functioning of other components of internal control. Information and Communication consists of:

1. Identify and record all valid transactions
2. Clarifies transactions as they should
3. Record transactions in the proper accounting period
4. Present transactions and related disclosures in the financial statements appropriately

e. Monitoring Activities (*Monitoring Activities*)

One of management's responsibilities is to establish and maintain internal control. Management monitors controls on the basis of whether the controls are operating adequately or not and adjusts internal controls according to changes that occur. Monitoring activities can be carried out continuously, evaluated separately or a combination of the two. Continuous activity monitoring is designed for repetitive activities. Separate evaluations are carried out by internal auditors or other personnel regarding information about strengths and weaknesses as well as recommendations for improving internal control. Control activities can also be carried out by external parties. Monitoring Activities (*Monitoring Activities*) consist of:

1. Effective supervision, including training of employees, monitoring employee performance, correcting mistakes they make.
2. Internal auditing, including:
 - a. Evaluate employee compliance with management policies and procedures, and with applicable regulations.
 - b. Evaluation of management effectiveness and efficiency.

The five components are interrelated and inseparable, carried out in all activities and levels within the organization, starting from the smallest to the entity level. The relationship of the 5 components of COSO control with organizational activities and levels within the organization is illustrated in Figure 1.

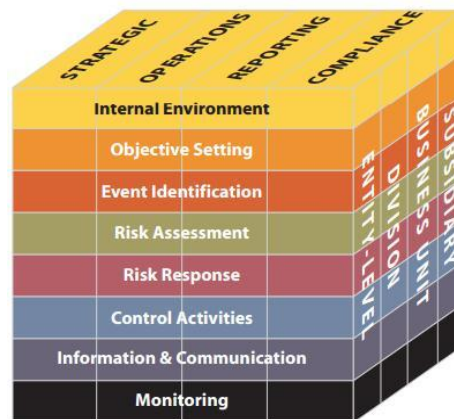


Figure 1.
Interrelationships Between COSO Components

Source: The 2013 COSO

The visualization of COSO's well-known internal control concept is in the form of a cube. COSO clarifies these five components in 17 principles that are a requirement for the formation of effective internal control in a company. The seventeen principles are described in the table.

3. DISCUSSION

Control Environment

The control environment is the main basis. Leaders in an agency must create and maintain a control environment that creates positive behavior and is conducive to implementing an internal control system in the work environment.

The management of the Sauan Sibarrung Credit Union Cooperative highly upholds integrity and competence, between one field and another is an interconnected unit. All employees must have competence. Recruitment of qualified prospective employees is the beginning of competence creation. The Sauan Sibarrung Credit Union Cooperative has a *Standard Operating Procedure* (SOP) that must be carried out by every employee. The SOP is different for each field, because the *job descriptions* for each field are also different. SOPs also play an important role in maintaining the consistency of the quality of business processes carried out by the organization (De Treville, Antonakis, & Edelson, 2005).

The management of the Sauan Sibarrung Credit Union Cooperative also conducts *briefings* every day before and after work. *Briefing* must be followed by all employees. In addition, at the beginning of the month all fields provide final information regarding the results of achievements, so that the performance per field will be known, all employees are entitled to provide feedback, suggestions or input towards improvement.

Based on the results of interviews conducted by researchers, that the control environment related to the organizational structure of the Sauan Sibarrung Credit Union Cooperative already has a clear organizational structure. The organizational structure illustrates that the role of authorization and responsibility is very important for the entire organization, especially the Sauan Sibarrung CU in order to have clear job descriptions so that there is no overlapping of responsibilities.

a. Organizational structure

The organizational structure is structured according to function, consisting of managers, finance, credit, administration, training, billing, marketing. The preparation of an organizational structure based on this function is suitable for cooperatives such as the Sauan Sibarrung *Credit Union* so that the division of tasks and authorities from each section will be clearly seen so that control can be carried out better at the Sauan Sibarrung CU.

b. Audit Committee

Credit Union Sauan Sibarrung does not have an audit committee, only has an internal audit and an external audit.

c. Determination of Authorities and Responsibilities

Determination of authority and responsibility is the development of the organizational structure, which is broadly manifested in the form of separation of the functions of each section. With this separation of functions, managers at a higher level can assess the parts they lead, whether each staff has carried out their duties properly according to their functions.

d. Internal Audit Function

Credit Union Sauan Sibarrung has an internal auditor who periodically checks financial reports and other auditing aspects twice a year to evaluate their fairness. If in the presentation of the data fraud or fraud is found, then the audit findings will be reported to the leadership.

Risk Assessment

The management leadership of the Sauan Sibarrung *Credit Union Cooperative* is required to carry out a risk assessment. Risk assessment aims to identify, analyze, and manage risks related to internal control, both internal and external risks.

Based on the results of interviews conducted by researchers, respondents stated that regulatory changes could result in different risks. However, the Sauan Sibarrung *Credit Union Cooperative* is trying to minimize the occurrence of existing risks, especially those related to cash by placing employees according to educational backgrounds, all supporting documents related to cash, both cash receipts and disbursements must be properly archived with the initials of the employees process transactions, the availability of safes to store cash.

Of course, in a company or agency, each internal control will carry out a risk assessment that occurs in an organization both in the acceptance of new employees and the completeness of documents related to transactions.

Control Activity

Control activities are required to address risks. This activity establishes and implements policies and procedures to ensure that actions to overcome risks have been implemented effectively by the management of the Sauan Sibarrung *Credit Union Cooperative*. The control activities include:

a. Adequate authorization of transactions

Authorization is the granting of authority from managers to their subordinates to carry out activities or to make certain decisions. According to the respondent, the manager of CU Sauan Sibarrung authorized the cashier to receive and disburse money from members. This authorization is manifested in the form of a signature or initials in the transaction document.

b. Separation of duties

The segregation of duties is carried out so that each Sauan Sibarrung CU employee performs tasks that are in accordance with their authority and responsibility. Separation of duties is a support for the creation of good internal control.

c. Control of information processing

With the control of information processing, the CU can control all events that occur. Currently CU Sauan Sibarrung has used an online-based system, so that all existing data is connected automatically to all existing branches.

d. Performance review

The Sauan Sibarrung *Credit Union* Cooperative routinely carries out monitoring and evaluation activities on a quarterly basis to review performance aimed at assessing the extent to which work has been successful so as to improve the performance of employees and management for the progress and smooth running of the Sauan Sibarrung CU. The same is the case with audits, where audits will be carried out at all branch offices, both those with good and poor internal control. Internal audit is very important to assess whether each person in each branch carries out work according to operational standards and is able to improve CU's internal control. If the existing standard procedures have not been able to create internal control, then the auditor will provide recommendations to the management in Monitoring and Evaluation activities.

Information and Communication

To achieve effective internal control, information and communication must run well. The information needed by the management of Sauan Sibarrung CU is relevant and good quality information from internal and external sources that is used to support the functions of other components of internal control.

The elements of information and communication in the Sauan Sibarrung *Credit Union* Cooperative are as follows:

1. Compile and record all valid transactions

The finance department has compiled and recorded all transactions that have supporting evidence that has been authorized according to the time the transaction occurred and then examined by the manager so as to produce adequate and timely information in the decision-making process.

2. Classification of financial transactions

The recording section does not always include the date, month and year when the transaction occurred so that the time contained in the receipt does not match the evidence of cash disbursement. However, the existence of a printed validation number can function as a sign in filing and make it easier to record.

3. Communication

Communication within the organization both verbally in the form of actions taken by management and in writing in the form of accountability reports has been going well, especially those related to cash, so that it can facilitate internal control at the Sauan Sibarrung *Credit Union*. The finance department always seeks approval from the manager in issuing money. Then the finance department examines the evidence of the transaction with the existing money.

Monitoring

Monitoring is established to determine the quality of internal control performance over time. Monitoring includes determining the design and operation of controls in a timely manner and taking corrective action. The process is carried

out through ongoing activities, evaluations separately or with various combinations of the two. In short it is said that monitoring is carried out to provide assurance whether internal control can be carried out adequately or not. From the results of monitoring it can be found weaknesses and deficiencies in controls so that better controls can be proposed.

Cash Control System Strategy at the Sauan Sibarrung Credit Union Cooperative

Cash is a current asset which includes banknotes, coins and other objects that can be used as a medium of exchange or legal tender and can be withdrawn at any time. As for internal control carried out by the Sauan Sibarrung Credit Union Cooperative to minimize risk and maximize income, cash storage must pay attention to the following matters:

- a. The safe contains cash and other securities which are collateral for members' loans.
- b. Cash is kept in a safe after being counted by the cashier.
- c. Before cash is deposited into the safe, the Cashier/Finance Staff together with the TP Manager must first make calculations.
- d. The provision for cash in each TP safe is a maximum of IDR 35,000,000 (thirty-five million rupiah).
- e. The tolerance for excess cash is 10% of what it should be.
- f. If it is found during the book closing inspection that there is an amount that exceeds the cash standard, the TP Manager will receive an oral warning from the Deputy for Business.
- g. Cash after the closing of the daily cashbook may not be stored in the cashier's drawer or *Cash-Box*.
- h. All safe master keys, one for each TP are kept at the Central Office.

Cash Receipt and Disbursement Procedures at the Sauan Sibarrung Credit Union Cooperative

Financial transactions are financial information activities of the Sauan Sibarrung Credit Union Cooperative with related parties that cause changes to the financial position and results of operations. Transactions can be in the form of cash and non-cash.

Transaction Types

There are 3 (three) types of transactions that often occur at Sauan Sibarrung CU, namely cash receipts transactions, cash disbursement transactions and transactions that are not included in these two types of transactions.

1. Cash receipt transactions can be in the form of:
 - 1.1. Receipt of loan repayments
 - 1.2. Receipt of income from loan services, DCR, administration of late members, etc
 - 1.3. Acceptance of principal savings and mandatory savings
 - 1.4. Receipt of other non-share deposits
2. Cash disbursement transactions can be in the form of:
 - 2.1. Lending
 - 2.2. Repayment of principal and mandatory savings (for leaving members)
 - 2.3. Withdrawal of members' non-share deposits
 - 2.4. Deposit to the bank

- 2.5. Payment of costs, business, and operations
3. The transactions that are not included in the cash receipts and disbursements of the Sauan Sibarrung CU are:
 - 3.1. Receipt of giro services
 - 3.2. Imposition of bank administration fees
 - 3.3. Prepaid expenses
 - 3.4. Fixed assets arrangement
 - 3.5. Allowance for uncollectible accounts
 - 3.6. Use of equipment, etc

On the basis of these three types of transactions, evidence of transactions is made consisting of evidence of cash receipts transactions, evidence of cash disbursements transactions and general evidence (memorial).

Bookkeeping Device

1. Money In Slip (SUM) is proof of cash receipts that records all transactions of cash receipts at CU Sauan Sibarrung. For example: initial money, deposit deposits, services, loan interest, fines, contributions, and others. SUM is made in 2 (two) copies.
2. Money Out Slip (SUK) is proof of cash disbursement that records all cash disbursement transactions at CU Sauan Sibarrung. For example: lending, salary, photocopying (administrative fees/fees), withdrawing deposits, and others. SUK is made in 2 (two) copies.
3. Member's book: used to record deposits deposited and withdrawn. Also to record loans given, interest, installments, loan balances and fines. The member book is numbered and kept by each member.
4. Summary of Money In Slip (RSUM) is a summary/summary of all incoming money on one transaction day whose numbers are taken from all SUM on the day in question.
5. Summary of Money Out Slip (RSUK) is a summary/summary of all cash outlays on one transaction day whose numbers are taken from all SUKs on the day in question.
6. Daily Cash Book (BKH) is a book for recording all incoming and outgoing cash amounts, as well as the balance on one transaction day, the amount taken from RSUM and RSUK.
7. The Cash Journal Book (BJK) is to record the entire amount of incoming and outgoing money on that day and its translation into estimates.
8. Ledger (BB) is a book to record the position of estimates at the end of the month. The figure is taken from BJK after it is closed (summed up) at the end of the month.
9. Trial balance (NS) is a list showing the position of the estimated balance of assets, liabilities, income and expenses at the end of the year. The total debits must equal the total credits.
10. Monthly Financial Report & Statistics (LKSB) is a list (financial report) that shows the position of the balance sheet, income, costs and calculation of results of operations at the end of the month.

The following is the Standard Operating Procedure (SOP) for cash receipts and cash disbursements at the Sauan Sibarrung *Credit Union Cooperative*:

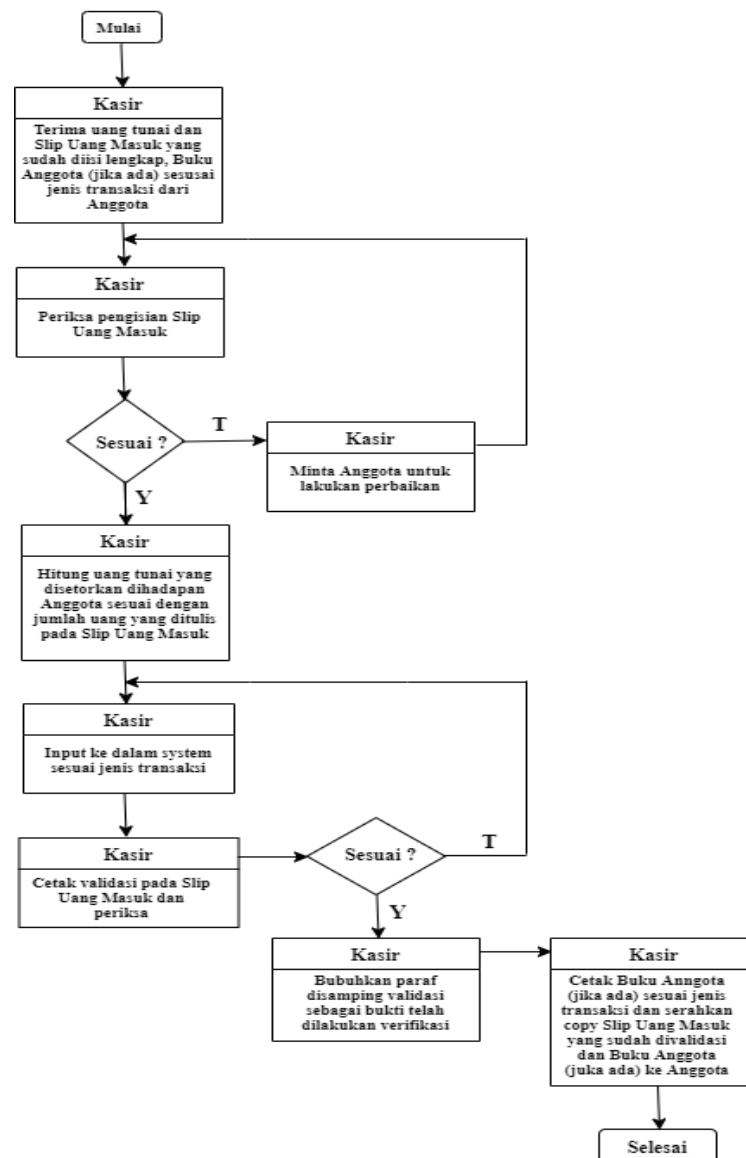


Figure 2.
SOP for Cash Receipts

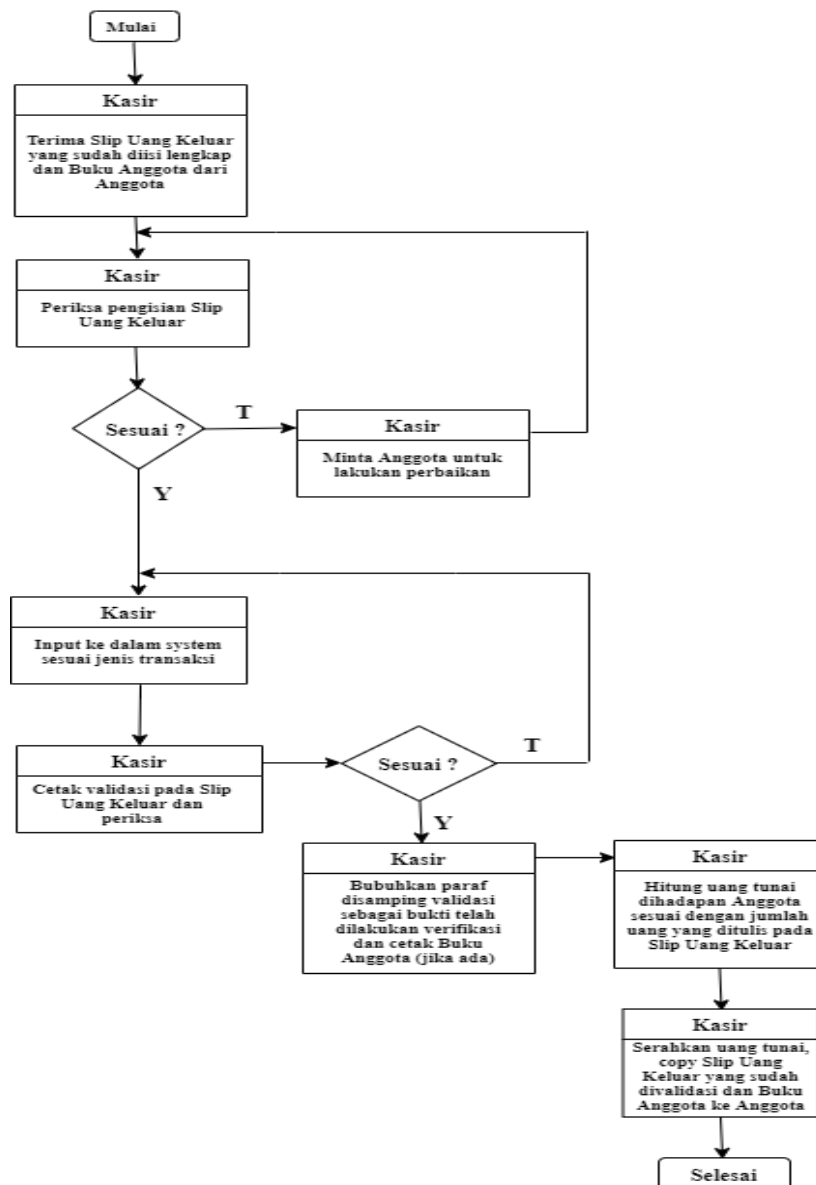


Figure 3.
SOP for cash disbursements

Discussion

Interviews to obtain primary data were carried out face-to-face and telephone interviews. The interview used the 17 COSO principle question design developed by Ernst & Young in 2014. The respondent data used as samples in this study:

Table 1. Respondent Data

Name	Age	Position	Long time working
Sri Eva Topayung	38 years	Deputy Business	± 12 years
Traktiana fan	45 years	Manager of TP Rantetayo	± 14 years
Yohanny Yenny S.	37 years	TP Parepare Manager	± 9 years
Laurensius Tombi Padang		Manager of TP Rantepao	± 10 years
Alfriani Ambun K.	32 years	Auditing Staff	± 11 years

Respondents listed in the table are respondents selected according to research relevance, namely people who occupy answers that are directly related to internal control activities.

In accordance with the research design, the research results will be presented by following the implementation framework in the business processes of the Sauan Sibarrung Credit Union Cooperative by using the 17 COSO control principles which are described in tabular form.

Table 2. 17 COSO Principles

	Principle	Aspects Containing Deficiency	Explanation from CUSS staff
Control Environment	1 Commitment to integrity and ethical values	There is a code of ethics or rules that have been adequately communicated to all members	There is already a Policy Pattern issued by CUSS
		The organization's commitment to integrity and ethical behavior has been incorporated into new employee training	<ul style="list-style-type: none"> - CUSS conducts training or Training Center for 1 month for new employees - Management must create an organizational culture that emphasizes integrity and ethical behavior - CUSS through <i>Human Resort Management</i> conducts counseling for employees who encounter

			problems and tries to help optimally
			- Written in the MO and submitted to all CUSS management
	2	The independence of the board of management in carrying out their duties	Administrators attend several mandatory training courses to keep skills updated and relevant
			Well implemented, Managers and Management always follow the specified training both internal and external training.
	4	Commitment to competition	There is a formal process to evaluate competency, identify gaps to address underlying risks and root causes of incompetence resulting in competency problems
			- There are already educational qualifications when CUSS recruits new employees
			- Recruit new employees who have the knowledge and skills that match the desired qualifications
	5	Develop accountability	Management sets realistic financial targets (not too aggressive)
			- Targets have been set for the next 5 years in the Strategic Planning (SP) & Business Plan (BP)
			- BP results are evaluated quarterly
Risk Assessment	7	Identification and analysis of risks that affect the achievement of objectives	There is a comprehensive risk identification covering significant risks of internal and external interactions
			There is MO Credit Management
	9	Identify and analyze significant changes to the internal	There are groups or individuals who are responsible for addressing or identifying external changes that have a significant impact on the organization (eg regulatory and economic
			There is a special staff for that, SPI staff

...COSO FRAMEWORK...
[B. WANGGETETE, M. ASRI]

	control system	changes). There is a process to inform the management about these changes.	
	10 Establish and develop control activities	There is a regular process for reviewing systems and controlling access to organizational databases	<ul style="list-style-type: none"> - Audit staff checks - Sidak - Periodic audits
Control Activity	11 Define and develop general control activities over technology	<p>There is a system whose role is to process significant transactions into financial reports that are equipped with general controls over the system</p> <p>General controls over IT have been properly identified considering the technology infrastructure built (e.g. application backups, databases and operating systems)</p> <p>There are technological controls that are sufficient to overcome the risk of using the application by third parties</p>	<p>CUSS has used an online-based program and sticks to people controls</p> <p>Manager confirmation with IT Staff kp</p> <ul style="list-style-type: none"> - There are ID restrictions to access computers and CU files - There is an MOU that regulates - Adequate authorization role for transactions
	12 Implement controls through policies and procedures	For operational manuals does the organization have formal policies and procedures that define a minimum system security approach (including data and information confidentiality)	
	15 Communicating externally	The organization has separate communication channels for external parties to communicate irregularities	<ul style="list-style-type: none"> - Present transactions and related disclosures in the financial statements appropriately

...COSO FRAMEWORK...
[B. WANGGETETE, M. ASRI]

Monitoring	1	Carry out	There are periodic assessments	Every month an
	6	periodic and continuous evaluations	of the security of the IT environment	evaluation meeting is held regarding the application system used
			There are procedures to monitor when controls are neglected	- Procedure control by manager with KP's IT department

Implementation of the 2013 COSO framework requires dedicated resources to identify relevant changes needed to internal controls, update existing documentation, and ensure compliance with the new framework. The process of implementing the 2013 COSO framework, including implementing the mapping of the 17 principles to the five components of internal control, is more onerous due to the increasing complexity of the financial reporting environment. Company performance can also affect timely compliance. Companies in financial distress may lack the resources necessary to dedicate compliance to the updated framework as they focus on survival or securing capital required. Companies in legitimate industries may be more inclined to adhere to industry norms (such as compliance with the 2013 COSO framework). Although the 2013 COSO framework is not enforced by regulatory authorities, these companies may exhibit more risk aversion to non-compliance.

4 . CONCLUSION

The organizational structure of the Sauan Sibarrung *Credit Union Cooperative* is functional, consisting of the functions of manager, finance, administration, training, billing and marketing. The division of tasks into each section is based on the main functions carried out. Even though there are multiple tasks in CUSS operations, as long as the activities run well and are in accordance with the established SOPs, it is not a serious problem for CUSS. The risk assessment carried out by the Sauan Sibarrung *Credit Union Cooperative* is sufficient. This can be seen from the existence of a policy regarding monitoring cash receipts and disbursements according to predetermined standards.

Implementation of information and communication on the accounting information system in general is still sufficient to support internal control. The functions involved, the necessary procedures, documents and records are established and coordinated in such a way that the resulting information can be communicated on a daily basis. Control activities carried out on the accounting information system are also adequate.

Every transaction and activity has been authorized by authorized staff, the documents used in each transaction have a printed serial number so that the document is sufficient in creating control activities. Monitoring activities on internal control have been running well and effectively. This is evidenced by the existing reality where the activity is going well. An authorization system evidenced by good bookkeeping documents and record keeping procedures will produce accurate and reliable information about assets, debts, income and expenses .

REFERENCES

- Amin Widjaja Tunggal, Sistem Informasi Akuntansi, (Jakarta: PT. Rineka Cipta, 1993), hal. 99.
- Arens, Alvin A & Loebbecke, James K. Auditing, Terintegrasi Pendekatan. Edisi Ketujuh. Upper Saddle River, New Jersey: Prentice-Hall, Inc, 1997.
- Committee of Sponsoring Organization of The Treadway Commission (COSO). 2013. Internal Control – Integrated Framework. Durham
- Committee of Sponsoring Organizations of the Treadway Commission. . Pengendalian Internal - Kerangka Terintegrasi (COSO Melaporkan); 1992
- COSO Internal Control Integrated Framework 2013
- Credit Union Counselling Office (CUCO). 2013. Apa yang anda ketahui tentang Koperasi Credit Union. CUCO, Jakarta.
- Credit Union Solution Series No 3 Auditor's Manual. Percetakan Mitra Kasih, Pontianak Utara
- Daud B, Abu. Pemeriksaan Keuangan Negara. Jakarta: Bina Aksa; 1988
- Dr. Julius Bichanga Miroga. "An Evaluation Of The Internal Control System Of Cash In Management And Growth Of Small Businesses In Kenya: A Case Of Nairobi Small Businesses" dalam International journal of management and economics invention, Vol.1 Issue 4, Juni 2015, h. 127-145
- Dwi Martani, Akuntansi Keuangan Menengah Berbasis PSAK, (Jakarta: Salemba Empat, 2014), hal. 180.
- Dwiky Andika, Pengertian Flowchart, <https://www.it-jurnal.com/pengertian-flowchart/>. Diunduh pada tanggal 10 Juli 2018
- Ernst & Young, 2014, Transitional to The 2013 COSO Framework For External Financial Reporting Purpose
- <http://cupkborneo.blogspot.com/2008/11/apa-itu-credit-union.html>
- https://id.wikipedia.org/wiki/Pengendalian_intern
- <https://oriza8.wordpress.com/artikel/pendidikan/pengendalian-intern-dalam-sistem-informasi-akuntansi/>
- <http://www.ensiklopedi.org/2016/08/coso-sistem-pengendalian-internal.html>
- Kasmir, Pengantar Manajemen Keuangan, (Jakarta: Kencana Prenada Media Group, 2010), hal. 188

Keuangan LSM, Sistem Pengendalian Internal Terhadap Kas, <http://keuanganlsm.com/sistem-pengendalian-internal-terhadap-kas/>. Diunduh pada tanggal 30 Januari 2018

Komite Organisasi Sponsor Komisi Treadway (COSO). Mei 2013. Pengendalian Internal–Kerangka Kerja Terpadu: Ringkasan Eksekuti

Lianto, Venny. 2017. Peranan Pengendalian Intern dalam Mengurangi Penyelewengan Aset pada PT. Mustika Asri Agung. Medan: STIE Professional Manajemen College Indonesia.

Mardi. 2014. Sistem Informasi Akuntansi. Bogor: Penerbit Ghalia Indonesia.

Mei Hotma Mariati Munte, Sistem Informasi Akuntansi (Edisi kedua: Buku Satu, Medan, 2016), hal. 97

Mei Hotma Mariati Munte, Sistem Informasi Akuntansi, (Medan, Fakultas Ekonomi HKBP Nommensen, 20016)

Moleong, L. J. 2011. Metodologi Penelitian Kualitatif Edisi Revisi. Bandung: PT Remaja Rosdakarya.

Mulyadi.” Sistem Informasi Akuntansi”. Penerbit STIE YKPN, Yogyakarta. 1997

Mulayadi dan Setyawan, J. Sistem Perencanaan dan Pengendalian Manajemen. Jakarta: Salemba Empat; 2001.

Mulyadi. Sistem Akuntansi Edisi Dua, Seni Yogyakarta: Bagian Penerbitan Sekolah Tinggi Ilmu Ekonomi YKPN, 1989.

Mulyadi. Sistem Akuntansi. Yogyakarta: Salemba Empat, 1989.

Munaldus.,Yuspita Karlana., dan Herlina. 2014. Kiat Mengelola Credit Union

Mutmainnah, Analisis Sistem Pengendalian Intern Terhadap Efektifitas Pengelolaan Kas, hal.10.

Romney, Marshall B. dan Paul John Steinbart. 2015. Accounting Informtion System, 13th Edition. Pearson Education, New Jersey.

Seprida Hanum, Sistem Informasi Akuntansi, (Bandung: Citapustaka Media, 2015), h. 91.

Sugiyono, Metode Penelitian Kuantitatif, Kualitatif, dan R&D, (Bandung: Alfabeta, 2016), hal. 228.

Sukrisno Agoes, Auditing, (Jakarta: Salemba Empat, 2012), hal. 100

Syafri H, Sofyan. Auditing Perusahaan Kecil. Jakarta: Bumi Aksara;1995

Undang-Undang Republik Indonesia Nomor 25 Tahun 1992 tentang
Perkoperasian

www.cusauansibarrung.org