A SIMPLE INTERNAL CONTROL ANALYSIS OF THE REVENUE CYCLE PROCEDURES USING THE WALKTROUGH METHOD

Rabilla Yusiana
D3 Accounting - 3112301042

Supervisor
Sugeng Riadi

1 BACKGROUND

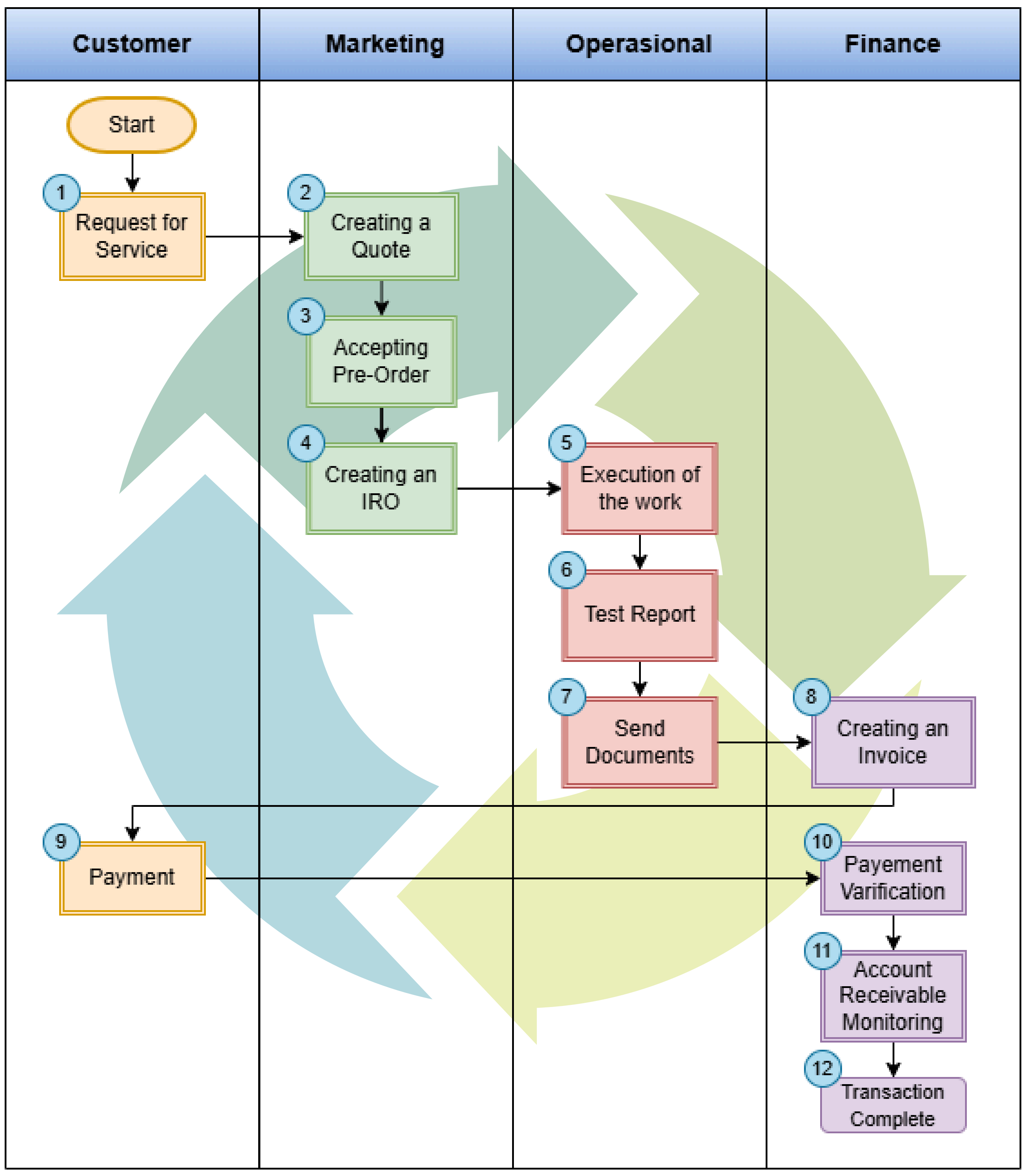
During my internship at PT Multi Transfer Teknologi, I had the opportunity to observe and participate in several administrative activities related to the company's revenue cycle. Through document inspection, observation, and interviews with employees, I learned how revenue transactions are processed from customer requests, operational activities, billing, to payment collection.

Based on these activities, a walkthrough analysis was conducted to understand the business process and evaluate the effectiveness of internal controls within the revenue cycle. The results of this analysis are expected to provide recommendations for improving administrative procedures and strengthening internal controls within the company.

2 COMPANY OVERVIEW

PT Multi Transfer Teknologi is a company engaged in inspection, testing, and certification services. The company provides various technical and occupational safety services to support customer operational needs.

3 REVENUE CYCLE PROCESS



4 LITERATURE REVIEW

Internal Control
A process designed to ensure operational effectiveness, reliable reporting, and compliance with company policies.

Revenue Cycle
A series of activities starting from service requests until customer payments are received.

Walkthrough Method
A method used to trace transactions from beginning to end to understand business processes and evaluate internal controls.

Supporting Documents
Documents used as evidence of transactions and as a basis for recording revenue activities.

5 WALKTHROUGH ANALYSIS RESULTS

BASED ON THE WALKTHROUGH ANALYSIS, THE COMPANY'S REVENUE CYCLE HAS GENERALLY BEEN IMPLEMENTED EFFECTIVELY AND SUPPORTED BY THE SEGREGATION OF DUTIES AND SUPPORTING DOCUMENTATION. HOWEVER, SEVERAL ADMINISTRATIVE WEAKNESSES WERE IDENTIFIED, PARTICULARLY IN DOCUMENT FILING, REPORTING STANDARDIZATION, JOURNAL APPROVAL, DOCUMENT HANDOVER PROCEDURES, AND RECEIVABLE MONITORING. THEREFORE, SEVERAL RECOMMENDATIONS WERE PROPOSED TO IMPROVE THE EFFECTIVENESS OF INTERNAL CONTROLS AND ADMINISTRATIVE PROCESSES WITHIN THE REVENUE CYCLE.

Findings	Risks
Purchase Order (PO) filing is not yet well organized	Difficulty in document retrieval
Temporary report format is not standardized	Inconsistent information
Revenue journal approval is not performed routinely	Delay in transaction verification
No written SOP for document handover	Miscommunication between departments
Accounts receivable monitoring is not conducted regularly	Late customer payments

6 RECOMENDATION

Control Weakness	Recommended Improvement
Document Management	Implement a structured filing system for Purchase Orders (PO).
Reporting Standardization	Develop a standardized format for temporary reports.
Journal Approval	Perform routine daily approval of revenue journals.
Document Handover Procedure	Establish a written SOP for document submission between departments.
Receivable Monitoring	Conduct regular and scheduled monitoring of outstanding receivables.

SCAN ME

7 CONCLUSION

Based on the walktrough analysis, the company's revenue cycle has generally been implemented effectively and supported by the segregation of duties and supporting documentation. However, several administrative weaknesses were identified, particulary in document filing, reporting standardization, journal approval, document handover procedures, and receivable monitoring. Therefore, several recommendations were proposed to improve the effectivenes of internal controls and administrative processes within the revenue.

8 REFERENCE

- COSO (1992)
- Romney & Steinbart (2018)
- Whittington & Pany (2017)
- Pribadi (2025)
- Erry (2022)
- Susilawati et al. (2024)