
Analysis Of The Application Of Liability Accounting As A Measure Of Profit Center Manager Achievement At LUMBA – LUMBA

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Abstract

The aims of this research are 1). How is the implementation and application of the profit center responsibility accounting system at Lumba-Lumba. 2).Is the accountability accounting at Lumba-Lumba adequate. 3). How is the influence of responsibility accounting as a measure of the achievement of profit center managers. This research is classified as a case study, namely the type of research used to find out the problems that occur in the company objectively and analyze and solve problems using theories that are related to the topics discussed. The location chosen is LUMBA-LUMBA Turen Malang From the research results can draw conclusions as follows 1). The organizational structure at Lumba-Lumba is basically still simple and in certain parts there is still no clear separation of duties or duplication of duties. 2). In the preparation of the budget, it has not been recorded so that the budget cannot be used as a control tool in the event of deviations between the budget and its realization. 3). Classification of costs and the imposition of an account code that does not yet exist causes costs to not be classified into controllable costs and uncontrollable costs. 4). There is no manager's performance appraisal of work results. 5). The financial reporting system is still very simple.

Keywords: Profit Center, Responsibility Accounting System, Accountability Accounting.

INTRODUCTION

The development of the business world in the era of globalization causes extraordinary changes in competition, production, marketing, human resource management and handling transactions between companies and customers and companies with other companies. Many companies are fighting for each other's market, so that competition is inevitable and results in a reduction in profits. These changes encourage companies to prepare themselves to be accepted in a global environment. This situation forces the management to make efforts to prepare, improve, or find new strategies that are able to make the company survive and compete and even develop.

The company can ensure that its strategy is implemented effectively and efficiently through a process known as control. The role of management control is not only carried out in certain areas within the organization but must also be carried out in all aspects of business activities both in the financial, personnel, production, operational and marketing fields. One form of control is to use a budget. The budget made is a reference for future realization, because it helps managers to focus their attention on operational problems, so that the company's stability in earning profits can be maintained. Budgets must be prepared for each level of management through the establishment of a responsibility center, so that the performance of the responsibility center can be measured by comparing the proposed budget with its realization.

Profit responsibility center or profit budget that compares the profit budget with the profit earned (its realization). By using the report, the assessment or measurement of performance which is an important factor in the company can be carried out. Besides being

used to assess the success of the company, performance measurement can also be used as a basis for determining the level of employee salaries and appropriate rewards. The management can also use the company's performance measurement as a tool to evaluate the past period.

RESEARCH METHODS

This research is classified as a case study, namely the type of research used to find out the problems that occur in the company objectively and analyze and solve problems using theories that are related to the topics discussed. The location chosen is Lumba - Lumba in Malang. The data collected in this study is secondary data.

Secondary data is data that quotes and has been processed so that it is not authentic because it is obtained from the second, third and so on. Thus, this data is also known as non-genuine data. Included in this secondary data are literature books, history and company organization and books that support this research as well as data obtained from Lumba - Lumba. Based on the analysis proposed in this study, to retrieve the data obtained, the researcher used data analysis:

1. Qualitative method

Data in the form of a description of words, regarding the requirements for the application of accountable accounting include:

- 1) Analysis of organizational structure.
- 2) Analysis of cost budgeting.
- 3) Analysis of controlled and uncontrolled cost classification.
- 4) Analysis of the cost accounting system.
- 5) Analysis of the cost reporting system.

2. Quantitative method

Quantitative analysis is data analysis by comparing the problems that exist in the company based on existing theories:

1) Difference Analysis

An analysis that compares the budget that has been prepared with its realization

$$\text{Budget} - \text{Realization} = \text{Variance}$$

2) Percentage Trend Analysis

It is an analysis that states the changes in the report for the relevant period. So that we can estimate what we want to achieve next year.

RESULTS AND DISCUSSION

Lumba - Lumba which produces cassava chips was founded in 2001 by Mr. Sucipto as the founder as well as the owner of a business which is one of the companies engaged in the production of snacks. At the beginning of its establishment this company only produced 20 kg which was done independently and manually, this was done due to limited capital. Since its establishment until now, Lumba - Lumba has experienced rapid business development, this situation is balanced with the resulting variety of products, namely cassava chips with sweet, salty and savory spices. In addition, the marketing area is getting wider and the market demand for these food products is increasing.

The Lumba - Lumba cassava chip company is located in Turen Malang. The basis for choosing a place or location to establish a company is a very important thing and has a

considerable influence, besides that the location is chosen for certain reasons that are considered by the owner to help smooth the business, namely:

1) Area potential

The condition of the land is quite good for the company, besides that it is located in the highlands and there are good irrigation channels so as to avoid the possibility of flooding, and around the company's location there is still vacant land that can be used for company expansion if needed in the future.

2) Labor Potential

In Lumba - Lumba is a labor-intensive activity and to meet the needs of manpower can be obtained around the company, so as to reduce unemployment and can improve the standard of living.

3) Potential of Raw Material

The raw materials needed by the company are sufficiently available, so that the production process can run well, namely by planting cassava plants in an area of 80 hectares. In addition, Lumba - Lumba gets a supply of cassava from farmers in the Jabung and Janger areas.

4) Product Marketing Potential

In terms of product marketing, Lumba - Lumba does not experience any difficulties because the products are already well known and trusted in the surrounding area.

1. Employment

Employee status has a big influence on the size of the salary and other benefits that will be received by employees. The dolphin chip company applies a payroll system that is divided into daily workers and piece workers.

1) Daily labor

Daily workers work based on the time determined by the company. Wages or salaries are calculated based on working days multiplied by the wage rate, the salary for daily workers is given once a month, which includes daily employees Lumba - Lumba including: administration department, warehouse department, marketing department, and production department.

2) Contract labor

Contract workers are only in the packaging section who work based on orders, if there is an increase in the number of orders for products, the working hours will increase, and vice versa if orders from agents or customers are few, the working hours will also decrease. Wages are based on the number of pieces that are produced, the more pieces that are produced, the greater the salary that will be obtained, and vice versa if you only get a little piece of work, the income you get is only a little.

2. Production Process

The materials used in the production process include:

1) Main raw material

The main raw materials for making cassava chips are cassava, cooking oil, sugar and salt. Cassava raw materials are obtained from the local area and the area around Malang, namely Jabung and the Dampit sub-district, namely Janger village.

2) Auxiliary Material

Auxiliary materials include: wood, kerosene, plastics, dyes, newspapers. Activities in the production department itself are adjusted to customer requests or orders. The production stages of cassava chips: first, the cassava is peeled with a peeler, then the cassava is put into the cassava cutting machine to slice the peeled and cleaned cassava. Then put in a vessel or a frying pan filled with oil and then fried. After the frying stage is complete, the cassava chips are mixed with the prepared spices. For sweet cassava chips mixed with sugar

that has been mashed first and salt. As for the salted cassava chips mixed with onions and salt. The last stage is packaging which is packaged in two ways, namely: using a machine and manual packaging, after which the product is ready to be marketed.

3. Marketing

Marketing is a core part of business activities because marketing is the spearhead of the company. If a company only carries out production activities without paying attention to marketing, it will experience losses, for that in terms of marketing it is necessary to pay attention to product quality, competitive prices, promotions, and the market to be targeted, so that the company is able to market products right on target.

The sales system used by Lumba - Lumba is to carry out a routine delivery system to agents and pick up goods by agents or customers who come directly to Lumba - Lumba to buy. While the method of payment is by cash or transfer after the goods are received by the agent so that no funds are stuck at the agent. The marketing areas that are intended to market dolphin products include: the districts of Malang and Malang city, Mojokerto, Kediri, Surabaya, Solo, Yogyakarta and Bali.

Based on ownership and organizational structure, the preparation of the budget is entirely the authority and authority of the Lumba - Lumba leader. The preparation of the budget, especially the profit budget, is carried out after knowing the amount of costs incurred so that it can be estimated the amount of profit to be obtained using the highest standard. Based on the financial data that has been obtained, the researcher analyzes the role of responsible accounting at Lumba - Lumba.

Analysis of the Five Requirements for The Application of Responsibility Accounting.

1. Organizational structure analysis

Organizational structure can be said as a characteristic of an organization or company that can control the parts in it. Therefore, one of the goals of the organizational structure is to control, channel and move the behavior of the people involved in it to achieve the goals of the organization as a whole. The organizational structure related to the responsibility accounting system must meet the following requirements:

- 1) There is good integrity.
- 2) There is a division of tasks (job description).
- 3) There are clear boundaries of authority and responsibility among organizational units.

The organizational structure at Lumba - Lumba is in the form of a line, where authority flows from top to bottom (top down) and responsibility flows from subordinates to superiors (bottom up), but in the division of tasks (job description) there is still overlap or duplication of tasks And Responsibility. This will have an impact on the responsibility that is charged more heavily on one part besides it will be difficult to find who is responsible if something goes wrong.

2. Analysis of Budgeting by Accountability Center.

Budget is a tool that can be used in carrying out the planning process and management control. In addition, the budget can also be used as a guideline for the implementation of the work of each section. In Lumba - Lumba budgeting is the authority of the leadership using the highest standards, and even then it is still in a simple form and has not been written in detail, the budget at Lumba - Lumba is a type of planning budget. Because in its planning the company plans limited to the part that is considered important in this case is profit, and has not been planned for the company's activities as a whole.

3. Analysis of Controllable and Uncontrollable Cost Classification.

Controllable costs or controlled costs are costs that are directly influenced by a certain leader within a certain period of time, while uncontrollable costs or uncontrollable costs are costs that cannot be significantly influenced by a certain leader within a certain period of time.

At Lumba - Lumba has not separated controlled costs and uncontrollable costs from all costs incurred, so it cannot be linked the occurrence of these costs to someone's responsibility in the company. In responsibility accounting, only costs that can be controlled by managers must be accounted for as a basis for performance appraisal.

4. Analysis of Cost Accounting System Adapted to Organizational Structure

The cost responsibility accounting system is a system of recording, classifying and presenting and reporting all costs, Lumba - Lumba has recorded all costs incurred even though it is in a simple form and the classification of costs according to the organizational structure is not yet detailed. So it will be difficult to control the expenses incurred and know who is responsible.

5. Cost reporting system analysis

In accountability accounting the organizational structure describes a clear flow of responsibilities, authorities and positions for each work unit. At Lumba - Lumba reports are made only by the administrative and financial sections which contain all costs incurred and cash receipts from product sales.

Profit is the main goal of trading businesses, especially those that are the object of research, namely Lumba - Lumba Talok which is engaged in producing snacks. What is studied in this research is the difference between the budget and the realization for the profit center so that it can be used as a basis for measuring the performance of the profit center manager.

With regard to profit, the financial statements that are very influential are the income statement and balance sheet, while the cost of goods sold report is used to support the preparation of the income statement. The statement of changes in Equity itself is used to find out the extent of changes in the owner's final capital for a certain period.

Profit Center Performance Analysis

Analysis of Difference (Variance)

This analysis is obtained by comparing the budget and its realization so that deviations or differences can be known. In order for the analysis to be fully utilized, the differences that occur, both favorable and unfavorable, must be found for the cause and then corrective action is taken. So that the correct information will be obtained, in order to assess the performance of the responsibility center manager. The analysis of variance at Lumba - Lumba for the 2020-2021 period is as follows:

Analysis For 2020 – 2021

Analysis in this year there is a profitable variance of Rp. 48,920,200 from the budgeted profit of Rp. 463,246,525, Lumba - Lumba was able to earn a profit of Rp. 512,166,725 this happened because Lumba - Lumba was able to sell more products than what budgeted.

Analysis for 2020

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Analysis for 2020

In this year's analysis there is a favorable variance because the profit earned is greater than the budgeted amount of Rp. 125,981,000 so that indirectly the amount of capital owned by the owner has increased significantly, this can be seen in the statement of changes in equity, in addition the manager is able to increase the profit earned from the previous year. However, it is

necessary to be careful because the variance at the point of sale is less than Rp. 25,000,000, and selling costs that exceed the budget, causing an unfavorable variance of Rp. 2,750,000.

Analysis for 2021

Analysis in this year there is an unfavorable variance of Rp. 289,550,000, From the budgeted Rp. 2,500,000,000 Lumba - Lumba was only able to achieve sales of Rp. 2,210,450,000, but Lumba - Lumba was able to reduce the costs incurred in this case. can be seen in the profitable variance of Rp. 11,675,000 for business costs, so that Lumba - Lumba is still able to achieve a profit of Rp. 505,893,080 although smaller than the profit earned in the previous year. From some of these analyzes, it can be explained that the causes of a decrease in profits obtained include:

- 1) The decline in sales turnover, especially in 2009 and the costs incurred increased.
- 2) There is an increase in raw materials so that the budgeted costs are not sufficient.
- 3) Due to increasingly fierce competition, especially cassava chips snack products.

CONCLUSION

From the results of research that researchers did on Lumba - Lumba, it can draw the following conclusions:

1. The organizational structure at Lumba - Lumba is basically still simple and in certain parts there is still no clear separation of duties or doubling of duties, for example the finance department which doubles as personnel. This has an impact on the responsibilities given to these sections will be heavier. And it will be difficult to determine who is responsible in case of irregularities.
 2. In the preparation of the budget, it has not been recorded so that the budget cannot be used as a control tool in the event of deviations between the budget and its realization, besides that subordinates are not involved in its preparation so that subordinates are less motivated and responsible for its implementation.
 3. Classification of costs and the imposition of an account code that does not yet exist causes costs cannot be classified into controlled costs and uncontrollable costs so that they do not meet the requirements to apply responsibility accounting as a measure of the achievement of profit center managers.
 4. There is no manager's performance appraisal of work results, so managers are not motivated to be able to do their best.
- The financial reporting system is still very simple.

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