



An Application of Responsibility Accounting With the Budget As A Cost Control Tool at PT. Hearlife Indonesia

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Abstract: *As income grows, it creates complex problems. One of the difficulties experienced by leaders is in terms of supervision and control costs incurred. arise because the leadership cannot directly support the operation as a whole, transactions are increasing many and varied. As a result of the problems faced by PT. Listen LIVE Indonesia, Management and Assets are required to improve financial management namely the improvement of the organizational structure which is realized by the delegation of authorities, duties, responsibilities to the responsibility center carried out through the budget. With a budget, the responsibility center will be able to be controlled and used as a correction to the objectives of PT. Listen LIFE Indonesia. Data collection procedures can be done by observation, interviews / interviews and Documentation. Data analysis is the process of systematically searching and compiling data that obtained from Data Reduction (Data Reduction), Data Display (Data Presentation), and Withdrawal of Conclusions (Verification). Based on the research conducted, it can be said that the application of accounting accountability with the budget as a cost control tool at PT. Listen LIVE Indonesia is still less effective. However, in general PT. HearLIFE Indonesia has met the requirements and characteristics of responsibility accounting which includes structure organization, budget, classification of controlled and uncontrollable costs, code classification, performance measurement standards and the existence of rewards and punishments has been applied. However, in the preparation of the budget there are still many costs that are not can be controlled so that revenue and profit targets do not reach the budget. This too will affect the manager's performance if the realization of costs is above the budget and profit earned under budget.*

Keywords: *accountability accounting; cost control*

I. Introduction

Cost yes this often happens in the production process to achieve company goals by making a profit. The survival of company should control the costs that have been incurred to minimize less effective costs.

As part of the control system in the responsibility center, the leadership delegates authority to who is directly responsible for monitoring the development of the company. To be able to assess whether the company can implement responsibility accounting, it can be seen with the requirements of accountability accounting through organizational structure, cost separation, budget, accountability reports, and account code classification.

Control costs in accounting for responsibility by planning a recording system on controlled costs. The recording system managed by the company is a very important budget in providing aspects and motivation for the management to be able to achieve company goals.

Responsibility accounting relates to several factors, namely related to accounting information systems. It can be said that the accounting information system in accountability accounting is a form of the company's organizational structure. This is because in a discussion in the section that has been focused there are two factors out of the three factors that exist in formal goal setting and implementation reporting.

The responsibility accounting function is to assess the company's performance by providing feedback so that the company can continue to run in the future. The budget used to assess the performance of a leader in accountability accounting is an accounting system that has been neatly arranged to be able to make decisions in a company.

From the problems faced by PT. HearLIFE Indonesia, in managing and managing assets, what must be done for improvement in financial management is to make improvements in the organizational structure which can be done by delegating tasks, authorities, and responsibilities to the responsibility center which has been carried out with a budget. From the above background, the problem that can be identified is that there is a deviation in the budget that has been set with the 2018-2020 budget realization due to frequent unexpected costs so that the cost center manager, especially in the facilities and infrastructure section, has difficulty in budgeting.

Through the budget carried out by the responsibility center in controlling and correcting the objectives of PT. HearLIFE Indonesia. Through the data that has been obtained by the researcher by looking at the group of responsibilities, there are deviations in costs, revenues, and assets that have been budgeted. Based on the above analysis of the importance of cost control, the authors are interested in conducting research on the "Application of Accountability with Budgets as a Cost Control Tool at PT. HearLIFE Indonesia"

II. Review of Literature

2.1. Understanding Responsibility Accounting

Responsibility accounting is one of the concepts used in management accounting in a formal form to produce information with ambiguity in the responsibility center of the organization. In implementing responsibility accounting in controlling costs at cost centers that can provide an objective assessment.

Responsibility accounting is an accounting system that is structured in such a way that the collection and reporting of costs and revenues are carried out by the responsibility center within the organization to appoint a person or group of people who are responsible for deviations from budgeted costs and revenues. (Windaratri, 2017)

Responsibility accounting is an accounting system used to measure the performance of each responsibility center by the information managers need to operate their responsibility center as part of a management control system. (Mengko & Tirayoh, 2015)

Responsibility accounting is a fundamental tool for management control and is determined through four important elements, namely assigning responsibility, making performance measures or benchmarking, evaluating performance, and awarding. Responsibility accounting aims to influence behavior in a certain way so that a person or company's activities will be adjusted to achieve a common goal. (April et al., 2013)

Responsibility accounting in management accounting in general is a problem faced in business that can be controlled effectively by controlling the people who have a responsibility in carrying out operating activities.

2.2 Definition of Cost Control

Humans need a control in their lives over what they are doing and what they have done. The existence of control is also needed by a company to carry out operational activities.(Accounting et al., nd)

Cost control is a comparison of actual performance with standard performance, analyzing the differences that arise in order to identify the causes that can be controlled and taking action to be able to fix or adjust planning and control in the future.(Divine et al., 2019)

Controlling the costs that will be issued and reducing costs that are not effective in organizational activities need to be carried out to minimize risk. The application of accountability accounting by local governments is useful in supporting cost control. With the existence of accountability accounting, the leader has the right and responsibility at the leadership level under his auspices more efficiently without directly monitoring all activities within the organization.(Sanusi, 2019)

Control of costs to be incurred and reduce costs that are not effective in their activities need to be carried out. Therefore, companies really need the application of accountability accounting to support production cost control.(Urifah et al., 2021)

Cost control is a comparison of actual performance with standard performance, analyzing the differences that arise in order to identify the causes that can be controlled and taking action to be able to fix or adjust planning and control in the future.(Maslicha Indah Sari, 2019)

From the quote above, it can be explained that there is a relationship between adequate accountability accounting and cost control in the company. Where the better the accountability accounting, the better the cost control will be. While good cost control will facilitate the accounting of accountability within the company so that the company's goals will be achieved.

2.3. Previous Research

My research is a replication of the research conducted by Olivia Sicilia Prang, 2013. The title is Application of Accountability Accounting with Budget as a Control Tool for Performance Assessment at PT. Indonesian National Shipping Belitung Branch. Based on the results of the research and conclusions, in general, the company already has a fairly good internal control although there are still some controls that need to be improved.

III. Research Method

This research was conducted to see the application of accountability accounting with a budget as a cost control tool at PT. HearLIFE Indonesia Medan. The location of this research was carried out at PT. HearLIFE Indonesia Medan.JL. Major General Lubis, No.12, Helvetia Tim., Kec. Medan Helvetia, Medan City. Data is a very important factor in supporting a research. The types of data used in this study are;

1. Primary data

According to Sugiyono(2017;193) "what is meant by primary data is data sources that directly provide data to data collectors".

In this study, the primary data collected came from object opinions that had been obtained from interviews.

2. Secondary data

According to Sugiyono(2017;193) "secondary data is a source that does not directly provide data to data collectors".

In this research, the secondary data used is the financial report data of PT. HearLIFE Indonesia in 2018-2019.

According to Sugiyono (2015, 64) "data collection procedures can be carried out by observation, interviews and documentation"

1. Observation

The observations made by researchers by means of observations and recordings regarding the implementation of accountability accounting at PT. HearLIFE Indonesia.

2. Interview/Interview

In these interviews the researchers interviewed resource persons or informants who have relationships and interrelationships including: finance at PT. HearLIFE Indonesia.

3. Documentation

The documents required are company history, data on costs, budget, financial reports, and accountability reports

Data analysis is the process of systematically finding and compiling data obtained from Data Reduction (Data Reduction), Data Display (Data Presentation), and Conclusion Drawing (Verification)

1. *Data Reduction*(Data reduction)

Sugiyono (2015:338) "Reducing is a summary of looking at things that are focused on and including things that are neither important nor important.

2. *Data Display*(Data Presentation)

The data collected after being recorded in detail and carefully then the presentation of the data can be done in the form of brief descriptions, tables, graphs, charts, and the like.

3. *Conclusion Drawing*(Verification)

After the data is presented in the form of brief descriptions, tables, graphs, charts, and the like, conclusions are drawn and verification is carried out.

IV. Discussion

4.1. Clarification of Application in Accountability Accounting at PT. Hearlife Indonesia

In the accounting system, the resulting accountability in financial reporting can be achieved in every part of the company, even though the components of the company are only small in scale, because the company environment is simple and led by managers can easily find out how much part of the organization performs its duties by comparing the budget that has been applied. company.

4.2. Accountability Accounting Terms

In the organizational structure that has been divided into responsibility centers to be able to apply responsibility accounting within the organizational structure in measuring the

accountability accounting system. At each responsibility center, the budget has been prepared in measuring the implementation of activities and performance appraisals of each responsibility center by making comparisons between the two. In order to facilitate the implementation of accountability reporting carried out in order to collect expenses incurred and generated in the acquisition of each responsibility center. This shows that the reporting of costs incurred in the responsibility center can be recognized. In the presentation of reporting costs, each manager of the responsibility center is held accountable.

4.3. Administration section

Organizing activities in coordination, planning and supervision carried out in the preparation of financial reports in the fields of budgeting, accounting, treasury, personnel and administration in public services. The company secures and manages assets of PT. HearLIFE Indonesia in order to achieve performance in financial accounting management in terms of human resource productivity, fluency and orderliness in the field of administration.

4.4. Budgeting

The budget is a tool in planning and controlling costs that are carried out so that cost management can run effectively. In the process of preparing the budget at PT. HearLIFE Indonesia involves managers in every department. Due to the financial control planning of PT. HearLIFE Indonesia held the preparation of the existing budget in August - September and no later than October.

In the preparation of the budget at PT. HearLIFE Indonesia in order to find out how much funds were spent on each part of PT. HearLIFE Indonesia in carrying out operational activities carried out to assist the management in preventing fraud in the use of PT. HearLIFE Indonesia. Corporate budgeting that is applied plays a role in carrying out effectiveness in achieving company goals in human resources that have been provided for role holders in the company to enable them to carry out their duties.

Costs are grouped into two groups, namely controllable costs and uncontrollable costs. Controlled costs are costs that can affect the responsibility center manager within a certain period of time. Unknown costs are costs that can be influenced by decisions that have been made by certain managers.

Controlled and uncontrollable costs in the company do not occur because the company in managing controlled costs and uncontrollable costs is directly charged and the benefits are taken from the existing burden. Controlled and uncontrollable costs applied by PT. HearLIFE Indonesia has an effect on the quality of the company with the existence of an adequate separation of controlled and controlled costs carried out with the budget made by PT. HearLIFE Indonesia.

Classification in the account code to be able to record changes in assets, capital, liabilities and income and expenses from financial transactions carried out. Accounts that provide information about the company's operations can be seen the magnitude of changes in liabilities of assets, capital, expenses and income. In clarifying the account code that already exists in the company, it describes the finances at the responsibility center as being able to provide information on costs that facilitate the preparation of the company's financial reporting.

The requirement in the application of liability accounting is the clarification of the company account code. From the results of the study said PT. HearLIFE Indonesia has provided the account code in each estimate quite clearly, the costs are recorded at the management level, and then classified in the appropriate code at the management level in the organizational structure.

In accountability accounting reporting which includes operations management with the help of the budget accounting division, costs that provide financial reports in the form of daily, weekly and monthly. Accountability report which includes responsibility accounting reporting.

The financial reports that have been presented to the division allow managers to manage costs to be able to monitor the implementation of the budget in order to make it easier for managers to determine the accountability of the reports of each division that has been given responsibility from each division. PT. HearLIFE Indonesia reported that the accountability report went well. In the accountability report, the division has delegated responsibility for each report that has been reported.

4.5. Responsibility Accounting Clarification Plays a Role in Supporting the Efficiency of Cost Control at PT. HearLIFE Indonesia

In the measurements used by PT. HearLIFE Indonesia to be able to measure the control of cost efficiency is by doing a comparison between business costs and standard costs. The following is a report on the realization of the budget at PT. HearLIFE Indonesia :

Table 1. Budget Realization Report in 2018-2020

Year	Budget	Realization	Difference
2018	Rp. 884,163,000	Rp. 791,165,000	Rp. 92,998,000
2019	Rp. 944,500,000	Rp. 850,582,000	Rp. 93,918,000
2020	Rp. 690,325,000	Rp. 614,262,000	Rp. 76,063,000

Actual costs in 2018 amounted to Rp. 791,165,000, - from a budget of Rp. 884,163,000,-. From the above calculation shows that there is an unfavorable difference of Rp. 92,998,000, - in the realization, it has exceeded the budgeted cost for the business that has been applied. Actual costs in 2019 amounted to Rp. 850,582,000, - from a budget of Rp. 994,500,000,-. This shows that there is an unfavorable difference of Rp. 93.918.000,-, realization exceeds the budgeted business costs that have been applied. The realization of costs in 2020 is Rp. 624,262,000, - from a budget of Rp. 690.325.000,-. This shows that there is an unfavorable difference of Rp. 76.063.000,-, realization exceeds the budgeted business costs that have been applied. Based on the above analysis, it can be concluded that the costs incurred at PT. HearLIFE Indonesia has not been efficient.

4.6. Responsibility Accounting Has In Supporting Cost Control Efficiency At PT. HearLIFE Indonesia

Accountability accounting at PT. HearLIFE Indonesia has in improving the efficiency of budgetary control, in accountability accounting at PT. HearLIFE Indonesia has implemented responsibility accounting, from data from PT. HearLIFE Indonesia fraud occurred in the budgeted costs and realized costs made by PT. HearLIFE Indonesia. Because one of the requirements for liability accounting is controlled or uncontrollable costs that are applied but there is no separation.

The application of responsibility accounting in companies is needed to meet the requirements and characteristics of responsibility accounting in the organizational structure, separation of controlled and uncontrollable costs, budget classification of account codes, accountability reports.

V. Conclusion

From the research above, it can be concluded that in the application of accountability accounting to the budget as a cost control tool at PT. HearLIFE Indonesia is still less effective because one of the requirements in accountability accounting, namely the separation of controlled and uncontrolled costs has not been implemented in the preparation of the company's budget. Although in general PT. HearLIFE Indonesia has fulfilled the responsibility accounting, including the organizational structure in budgeting and the classification of controlled and uncontrollable costs by clarifying the account code in the performance measurement standards on the rewards and punishments that have been set. Basically, the preparation of budgeting still has costs that can be controlled to target revenues and profits that are not achieved in the budget.

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