

THE IMPLEMENTATION OF ACCOUNTING AND INTERNAL CONTROL IN RELIGIOUS ORGANIZATIONS

(Case study at HKBP Perumnas Klender Church)

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Abstract -This study aims to analyze accounting practice and internal control conducted in HKBP Church Perumnas Klender which is a non-profit organization. The data collection technique used in this study is field research. Data analysis carried out is a qualitative descriptive analysis technique, that is by direct observation, interviews and documentation. By using two types of data, namely, primary data and secondary data. The result of the study indicated that implementation of accounting and internal control in HKBP Church are already well underway, but there are some shortcomings that financial statement is not in accordance with IAS 45. Based on analysis conducted by researcher related to IAS 45, researcher make financial reports that are accordance with financial accounting standards number 45 which includes financial position reports, activity reports, cash flow statement and notes to financial statement.

Keywords: Non-profit Organization, IAS 45, Internal Control

I. Introduction

An organization is a place for a group of people who come together and work together in a structured way to achieve goals. Based on the objectives, organizations are divided into profit-oriented and non-profit organizations (non-profit).

The church is one part of a non-profit oriented entity. The church is a place where congregations gather to carry out worship activities. In modern times, the church is not only a place for worship activities, but has become a church organization that is engaged in various fields such as education, community, health, worship services and many more which aim at serving the community. Therefore, the church must prepare financial reports as a form of responsibility to users of financial statements according to the type of organization so that the information presented can be generally accepted. In the sense that the financial statements are presented in accordance with the accounting standards applicable in Indonesia.

The role of accounting in terms of financial management of an organization is increasingly recognized by various parties, both profit-oriented and non-profit organizations. Accounting is the process of identifying, measuring, recording, and communicating economic events from an organization to parties with an interest in the entity's information. The standard for preparing the

financial statements of non-profit organizations set by the Indonesian Institute of Accountants (IAI), namely ISAK 35 concerning the Presentation of Financial Statements for Non-Profit Oriented Entities which became effective starting on or after 1 January 2020 replacing PSAK No. 45 on Financial Reporting of Non-Profit Organizations. With the reporting guidelines, it is hoped that the church can make reports that are relevant and have high appeal.

Church finances are usually considered as social funds that are only used for services, so that the use of church money gives the impression of neglect in its management, and causes the funds spent to be invisible or the occurrence of fraud and abuse. In 2019, a priest from the Sanggau district of West Kalimantan with the initials TS embezzled a land compensation fund for the Indonesian Christian Church of Setia (GKS). The money is used for personal gain (news.okezone.com). Misuse of church finances can occur due to the failure to carry out proper financial management functions. The existence of a corruption case in the church environment raises suspicion between the congregation and the church financial management.

The HKBP Perumnas Klender Church as a non-profit organization presents a very simple financial report regarding church activities, namely in the form of a format consisting of cash receipts that are recapitulated per week. At the end of the year, all cash receipts and disbursements for a year are announced in the form of a cash balance as a transparency of the church in carrying out church activities to the congregation.

The formulation of the problem in this study is how the system of cash receipts and disbursements, church financial reporting, and internal control of the church. The purpose of this research is to find out how the cash receipt and disbursement system is, whether the financial reporting in the church is in accordance with the standards, and how is the internal control in the church.

II. THEORETICAL BASIS

Definition of a non-profit organization

According to IAS 45 non-profit organizations are organizations that obtain resources from members and other donors who do not expect repayments.

Characteristics of a Non-Profit Organization

Financial Accounting Standard Statement No. 45 which applies to non-profit organizations has the following characteristics:

- a) The resources of the not-for-profit entity come from resource providers who do not expect repayments or economic benefits proportionate to the amount of resources provided.
- b) Produce goods and / services without the purpose of making a profit, and if the non-profit entity makes a profit, the amount is not distributed to the founders or owners of the non-profit entity.
- c) There is no common ownership interest in a business entity, in the sense that ownership in a non-profit entity cannot be sold, transferred, or redeemed, or that such ownership does not reflect the proportionate share of the non-profit entity's resources at the time of liquidation or dissolution of the non-profit entity.

Definition of Accounting

According to Kieso (2017) accounting is an information system that identifies, records, and communicates the economic conditions of the organization to interested users.

According to Jusup (2017) accounting information must be prepared and reported objectively so that it is useful for its users. Therefore financial accounting must be based on certain standards or guidelines that have been tested and generally accepted.

Definition of the Church

The church is a Christian religious life that is centered on the salvation of God in the Lord Jesus Christ, in which the Holy Spirit works in order to save God. There are two sides to understanding about the church, namely the divine side and the human side (Sukoco, 2006).

The church is included in a non-profit organization because in every activity it does not expect to get profit or profit, but in its operational activities the church receives various kinds of funding, consisting of offerings, thanksgiving, donations, tithes, dues from the congregation and others that assist in church operational activities. A church must be accountable for activities carried out to be announced to the congregation, donors and related parties. Therefore, the Church can be concluded as part of a non-profit organization.

Financial Reporting of Non-Profit Entities according to IAS 45

The characteristics of a non-profit entity are different from that of a business entity. The main difference lies in the event that a non-profit entity obtains the resources it needs to carry out its various operating activities. A not-for-profit entity obtains resources from resource providers who do not expect repayments or economic benefits proportionate to the amount of resources provided.

The purpose of financial reports, including notes to financial statements, is to provide information about:

- a) The number and nature of the assets, liabilities and net assets of the non-profit entity;
- b) The effects of transactions and other events that change the value and nature of net assets;
- c) Types and amounts of cash inflows and cash outflows from resources in a period and the relationship between them;
- d) How non-profit entities obtain and spend cash, obtain loans, and other factors that affect their liquidity
- e) Non-profit entity service business

According to PSAK 1 No. 09 The financial report is a structured presentation of the financial position and financial performance of an entity. The financial statements of non-profit organizations include statements of financial position at the end of the reporting period, activity reports, cash flow reports for a reporting period, and notes to financial statements (paragraph 9).

Definition of Internal Control

According to Diana and Setiawati (2011: 82), internal control is all organizational plans, methods, and measurements selected by a business activity to announce its assets, check the accuracy and reliability of business accounting data, improve operational efficiency, and support compliance with managerial policies. which have been set.

Purpose of Internal Control

According to Mulyadi (2016: 129), there are four main objectives of the internal control system:

- 1) Maintain organizational assets
An organization's physical wealth can be lost through theft, abuse, or destruction in an accident.
- 2) Check the accuracy and reliability of accounting data
Researched and reliable financial information is needed in the smooth running of business activities.
- 3) Encourages Efficiency
The internal control system is aimed at preventing duplication of the use of company resources which are deemed unnecessary waste in all company business activities.
- 4) Encourage compliance with management policies

To achieve company objectives, management establishes internal control system procedural policies aimed at providing adequate assurance that management policies are adhered to by company employees.

Elements of Internal Control

The Elements of Internal Control in the non-profit organization Nainggolan (2012: 123-127):

1) Control Environment

A good control environment will support sound financial practices, and vice versa. If the control environment is not good, it will be reflected in the attitude and daily management actions towards internal control.

2) Accounting System

The accounting system is a series of procedures and forms used to produce financial information. The accounting system is structured by taking into account several accounting standard rules. The end goal is to produce financial reports and other reports. A non-profit organization is expected to have an accounting system that works effectively, so that the system can provide sufficient assurance that all transactions that occur in the organization will fulfill some of the characteristics of a safe transaction. The following are the characteristics / characteristics of a transaction, namely:

- a) What is recorded is valid
- b) What is recorded has been authorized by the competent authority
- c) What happened has been recorded
- d) What happened was assessed fairly
- e) What happened was classified appropriately
- f) What happened was recorded in the correct period
- g) What happened was recorded in the correct detail

Internal Control Procedure

a) Separation of duties

Segregation of duties is necessary to prevent and to enable early detection of errors and non-conformities. With the separation of duties, it is hoped that there will be control over one staff and another in one workflow.

b) Authorization

Authorization is a function that must be carried out to ensure that the transactions that occur can have an effect on the organization and are known to stakeholders. The existence of this authorization aims to make staff responsible for the budget for a program activity, for example, expenditure funds.

c) Design and use of adequate documents

The existence of adequate documentation is required as evidence of changes in the organization's assets, liabilities, income and expenses.

d) Physical control over institutional assets

Physical checks are generally carried out to compare what is in the written documentation with what is in the field. If there is an agreement between the two, it can be said that the financial data presented is an actual fact.

e) Independent party checks

Independent checking of the performance of a part is basically an advanced mechanism of separation of functions.

III. RESEARCH METHODS

Research Strategy

The research strategy used is descriptive qualitative research. According to Sugiono (2015) descriptive research is a method that aims to describe or give an overview of the research object under study through samples or data that have been collected and make general conclusions. The research was conducted directly at the HKBP Perumnas Klender Church, East Jakarta.

Research Data and Samples

Research data

The data obtained in this study are primary data and secondary data. Primary data in this study are data obtained directly through interviews with related parties, namely the treasury and church administration that serves the HKBP Perumnas Klender Church. Secondary data in this study were obtained from documentation of the HKBP Perumnas Church and supporting data such as textbooks, previous research, and the internet related to the research topic.

Data Collection Methods

1. Documentation

Documentation is data collection by quoting data from documents from the HKBP Perumnas Klender Church, in this case the data obtained is an overview of the church, organizational structure, and church financial reports.

2. Interview

Interviews are data collection by asking directly with the church, namely the staff who work in the section related to the preparation of financial reports, including the church treasurer and the bookkeeping department.

Data Analysis Methods

The analytical method the researcher will use to solve the first and second problem formulation questions, regarding the application of accounting in the HKBP Perumnas Klender church. The stages to be carried out are as follows:

- 1) Studying the existing organizational structure at the HKBP Perumnas Klender church
- 2) Learn the system of cash receipts and disbursements of the HKBP Perumnas Klender church.
- 3) Studying the procedures for the preparation, form and content of the HKBP Perumnas Klender financial report.
- 4) Draw conclusions and suggestions on the preparation of church financial reports in accordance with applicable standards in Indonesia, namely IAS 45 concerning financial reporting for non-profit entities.

For the formulation of the next problem, the researcher will conduct an interview with the church's financial administration, about how to control or control internal church finances.

IV. RESULTS AND DISCUSSION

HKBP Perumnas Klender Church Cash Receipt System

1. Description of Cash Receipts

- a) Persembahan tahunan, an obligatory offering from church members.
- b) Persembahan Kebaktian, are the offerings given by the congregation when the service is collected.
- c) Ucapan Syukur, is an offering of gratitude from church members.
- d) Perpuluhan, is an offering given by the congregation with a count of one-tenth of the church's income.
- e) Penerimaan sewa, are receipts for the use of the church hall.

- f) Diakonia Sosial, which is the acceptance of a thousand envelopes program that is collected during the second week of service every month, these funds are aimed at social diakonia activities.
 - g) Bank
 - h) Pemasukan Pesta, is the acceptance that comes from a party event held by the church.
 - i) Celengan, is the receipt from raising funds through a piggy bank.
 - j) Pemasukan non rutin, is church revenue that comes from activities that are not routinely carried out.
- 2. Documents used in the cash receipt system
 - a) Receipt of Cash Receipt
 - b) Offering Notebook
 - c) Recapitulation of Acceptance
 - 3. Accounting Records in the HKBP cash receipt system

The accounting records used in the church cash receipt system are notes in the form of cash books and soft files using Microsoft Excel.

The HKBP Perumnas Klender Church cash disbursement system

- 1. HKBP Cash Disbursement System Description
 - a) Biaya tetap gereja, consisting of pastors' salaries, church care and administration fees, medical expenses, transport costs, household and consumption costs, equipment, administration, and maintenance of the church and official homes.
 - b) Pembelian inventaris gereja
 - c) Pengeluaran untuk program
 - d) Pengeluaran tidak tetap
 - e) Pengeluaran tidak terduga
 - f) Persembahn pusat
 - g) PM Insidentil
- 2. Documents used in the cash disbursement system
 - a) Proof of Cash Out
 - b) Activity Proposal
 - c) Church Income and Expenditure Budget
- 3. Accounting Records in HKBP Cash Disbursement System

The accounting records used in the church cash disbursement system are notes in the form of cash books and soft files using Microsoft Excel.

Church Financial Statements

The HKBP Church at the end of each year makes a book of financial statements consisting of:

- 1) Cash Receipt Report
- 2) Cash Expenditure Report
- 3) Recap of Financial Conditions
- 4) Data Entry
- 5) Expenditure Data
- 6) Current account

HKBP Church Financial Reporting

Based on the results of the analysis and data processing carried out, it shows that the financial statements presented by the HKBP Church are not in accordance with the provisions of IAS 45. The components of a non-profit entity financial report consist of a statement of financial position, an activity report, a cash flow statement, and notes to financial statements.

Implementation of the Financial Position Report at the HKBP Perumnas Klender Church based on IAS 45:

Table 4.1

HKBP Perumnas Klender Church			
Financial Position Report as of December 31, 2019			
		2019	Note
ASSET			
Cash and cash equivalents	Rp	465,931,971	
FIXED ASSETS			
Land			-
Building	Rp	3,000,000,000	
Vehicle	Rp	91,000,000	
Inventory	Rp	117,770,000	
	Rp	3,208,770,000	
TOTAL ASSETS	Rp	3,674,701,971	
NET TIME AND ASSETS			
Obligations			-
NET ASSETS			
Unrestricted Net Assets	Rp	20,000,000	
Temporarily Bound Net Assets	Rp	445,931,971	B
Other Net Assets for the period	Rp	3,208,770,000	C
TOTAL LIABILITIES AND NET ASSETS	Rp	3,674,701,971	

Source: Processed Data, 2019

- Asset, current assets for the Church of HKBP Perumnas Klender consist only of cash and cash equivalents because the church does not have accounts receivable and supplies. At the end of 2019 cash and cash equivalents of the church are the remaining cash balances owned by the church. Fixed assets for the church consist of the church's official housing, vehicles (official cars and church motorbikes) and church inventory (equipment such as tables, chairs, money counting machines, safes, infocus screens, music equipment and others).
- Liabilities and Net Assets, HKBP Perumnas Klender Church has no liabilities but has net assets which consist of non-binding assets, temporarily bound net assets and net assets for the current period. Temporary binding net assets in the statement of financial position represent the ending balance of the calculation of binding resources less usage for expenses in accordance with the restrictions in the reporting period, the calculation is presented in the Notes to the Financial Statements.

Implementation of Activity Reports at the HKBP Perumnas Klender Church based on IAS 45

Table 4.2

HKBP Perumnas Klender Church				
Activity Report				
For the Year Ended December 31, 2019				
	Not bound		Bound Temporary	
RECEPTION				
Persembahan	Rp	893,012,700		
Pemeliharaan Gereja	Rp	298,299,500		
Pemeliharaan AC			Rp	101,954,800
Ucapan Syukur untuk Gereja	Rp	159,389,000		
Perpuluhan	Rp	148,679,000		
Persembahan Dana Natal	Rp	44,066,500		
Diakoni Sosial			Rp	170,262,000
Pengadaan Lahan			Rp	96,185,500
Pesta Gotilon & Parheheon SKM	Rp	704,199,000		
Celengan SKM & Pelajar Sidi	Rp	42,340,900		
Non Rutin	Rp	72,215,800		
Pusat			Rp	394,936,500
PM/Insidentil			Rp	200,866,500
Jasa dan Lain-lain	Rp	49,344,190		
Total Receipts	Rp	2,411,546,590	Rp	964,205,300
COSTS / EXPENSES / EXPENSES				
PROGRAM FEES				
Program 3 Dewan	Rp	552,350,500		
SPENDING				
Biaya Tetap	Rp	1,016,504,737		
Transport Pengkotbah dari luar	Rp	19,050,000		
Biaya Natal	Rp	150,000,000		
Pemeliharaan Gereja dan rumah Gereja	Rp	67,841,600		
Pembekalan Parhalado	Rp	100,000,000		
Hadiah Natal dan Lebaran	Rp	14,550,000		
Pembelian rumah dinas Gereja				
kas pengadaan lahan			Rp	664,619,050
kas hasil pesta gotilon	Rp	344,257,450		
kas pemeliharaan Ac			Rp	191,123,500

Cindramata/Konsumsi Pensiun Sintua	Rp	71,775,000	
Hadiah untuk Parhalado Aktif & Pensiun	Rp	81,258,400	
Pembelian Inventaris Gereja	Rp	241,298,000	
Biaya Rapat-rapat	Rp	62,278,900	
Biaya Tak Terduga	Rp	117,698,360	
Iuran ke Distrik VII DKI Jakarta	Rp	51,975,000	
PM/Insidentil			Rp 177,346,500
Persembahan Pusat			Rp 394,936,500
Total Expenses	Rp	2,890,837,947	Rp 1,428,025,550
NET ASSET CHANGES	-Rp	479,291,357	-Rp 463,820,250
NET ASSETS BEGINNING THE YEAR	Rp	499,291,357	Rp 909,752,221
YEAR-END NET ASSETS	Rp	20,000,000	Rp 445,931,971

Source: Processed Data, 2019

- Penerimaan tidak terikat (*not bound*), in the HKBP Perumnas Klender Church activity report, unbound acceptance consists of the penerimaan persembahan, pemeliharaan gereja, ucapan syukur, perpuluhan, persembahan dana natal, income from pesta gotilon, celengan SKM and Sidi students, non rutin, jasa dan lain-lain.
- Penerimaan terikat temporer (*bound temporary*), in the activity report, temporarily-bound revenue consists of pemeliharaan AC, persembahan pusat, pengadaan lahan, PM / Insidentil, and diakonia sosial.
- Pengeluaran, which are included in pengeluaran, namely all use of funds to finance programs in each sector or section, expenses for church operations, salaries and living expenses of the pastor (HKBP Perumnas Klender church pastor consists of three people), administrative fees and church guards and security, fees transport of church administrators, maintenance of churches and church official houses, costs of parhalado supplies, purchase of church inventory, expenses for meetings, incidentals, fees to VIII district of DKI Jakarta and central offerings.
- Change in unrestricted net assets, which is presented in the change in unrestricted net assets, is the total assets of unrestricted resources less expenditures on unrestricted net assets.
- Change in Temporary Bound Net Assets, which is presented in the change in temporarily bound net assets, is the total assets of binding resources and net assets less expenditures on temporarily bound net assets.

Implementation of Cash Flow Statement at HKBP Perumnas Klender Church based on IAS 45:

Table 4.3

HKBP Perumnas Klender Church Cash Flow Statement For the Year Ended December 31, 2019			
OPERATING ACTIVITIES			
Persembahan	Rp		893,012,700
Ucapan Syukur	Rp		159,389,000
Perpuluhan	Rp		148,679,000
Persembahan Dana Natal	Rp		44,066,500
Celengan SKM & Pelajar Sidi	Rp		42,340,900
Non Rutin	Rp		72,215,800
Jasa dan Lain-lain	Rp		49,344,190

Pesta Gotilon & Parheheon SKM	Rp	704,199,000
	Rp	2,113,247,090
Biaya Program 3 Dewan	Rp	552,350,500
Biaya Tetap	Rp	1,016,504,737
Transport Pengkotbah dari luar	Rp	19,050,000
Biaya Natal	Rp	150,000,000
Pembekalan Parhalado	Rp	100,000,000
Hadiah Natal	Rp	14,550,000
Cindramata/Konsumsi Pensiun Sintua	Rp	71,775,000
Biaya Rapat-rapat	Rp	62,278,900
Biaya Tak Terduga	Rp	117,698,360
	Rp	2,104,207,497
<i>Net cash received (used) in operating activities</i>	Rp	9,039,593
INVESTMENT ACTIVITIES		
DP Rumah Dinas Gereja	Rp	1,200,000,000
Pembelian Inventaris	Rp	241,298,000
	Rp	1,441,298,000
<i>Net cash received (used) for investing activities</i>	-Rp	1,441,298,000
FUNDING ACTIVITIES		
Penerimaan sumbangan terikat temporer dari jemaat	Rp	298,299,500
Pemeliharaan Gereja	Rp	96,185,500
Pengadaan Lahan	Rp	170,262,000
Diakoni Sosial	Rp	101,954,800
Pemeliharaan AC	Rp	394,936,500
Pusat	Rp	200,866,500
Insidentil	Rp	1,262,504,800
Pemeliharaan Gereja dan rumah dinas	Rp	67,841,600
Sumbangan/Hadiah Parhalado Aktif & Pensiun	Rp	81,258,400
Iuran ke Distrik VII DKI Jakarta	Rp	51,975,000
PM/Insidentil	Rp	177,346,500
Persembahan Pusat	Rp	394,936,500
	Rp	773,358,000
<i>Net cash received (used) for financing activities</i>	Rp	489,146,800
NET ASSETS REDUCTION IN CASH AND CASH EQUIVALENTS	-Rp	943,111,607
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	Rp	1,409,043,578
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Rp	465,931,971

Source: Processed Data, 2019

- Operating Activities, estimates that include operating activities in the 2019 cash flow statement are cash receipts and payments that occur in estimates related to church operations such as section program costs of the three councils contained in the church, salaries and living expenses of three church pastors. church administration and caretaker fees, transport costs for church management members, provision of parhalado / sintua or church elders, as well as administrative needs.
- Investment activities, estimates included in investing activities are all related to investing activities. Estimates included in the HKBP Church cash flow statement are purchases of

church inventory items such as screen infocus equipment and purchase of official homes for pastors.

- c) Funding Activities, estimates that are included in funding activities are estimates of cash receipts and disbursements from congregational contributions whose use is limited, and cash disbursements such as payment of obligations and other funding activities.

Implementation of Notes to Financial Reports at the HKBP Perumnas Klender Church based on IAS 45:

Table 4.4

HKBP Perumnas Klender Church	
NOTES TO FINANCIAL STATEMENTS	
Note A Describes notes B and C are presented	
Note A	
The HKBP Perumnas Klender Church presents unbound and temporary bound donations. Temporarily bound offerings consist of the pemeliharaan AC account, diakonia sosial, persembahan pusat, PM Insidentil, and pengadaan lahan. If the fund of temporary bound is not sufficient to finance their needs then, the needs of the fund are with other donations, and if the unbound donations have been met then the funds can be used to finance othe activities of the church.	
Note B	
Net Asset Pemeliharaan AC and Diakonia Sosial & Pengadaan lahan up to the current period (Temporary Bound)	2019
The remaining cash received by the HKBP Church for:	
Pemeliharaan AC	
Beginning balance	Rp 291,839,771
Reception	Rp 101,954,800
Cash granted for the purchase of official housing	Rp 191,123,500
Remaining cash on Air Conditioning Maintenance	Rp 202,671,071
Pengadaan Lahan	
Beginning balance	Rp 568,433,550
Reception	Rp 96,185,500
Purchase of official housing	Rp 664,619,050
Remaining Cash for Land Acquisition	Rp -
Diakonia Sosial	
Beginning balance	Rp 49,478,900
Reception	Rp 170,262,000
Spending	-
Remaining Diakonia Sosial Cash	Rp 219,740,900
PM / Insidentil	
Reception	Rp 200,866,500
Spending	Rp 177,346,500
The remaining PM Insidentil that has not been deposited	Rp 23,520,000

to the concerned		
Total Net Assets tied to Temporarily	Rp	445,931,971
Note C		
Other Net Assets (Temporary Bound)		
Church Fixed Assets		
Building	Rp	3,000,000,000
Vehicle	Rp	91,000,000
Inventaris Gereja	Rp	117,770,000
total	Rp	3,208,770,000

Source: Processed Data, 2019

- a) Treasury Council Policy and Church Administration HKBP Perumnas Klender. The Church makes temporarily unbound and bound offerings. The temporary church offerings presented in the table above consist of Ac maintenance, land acquisition, social deacons and PM / Incidental. Ac maintenance accounts are intended to finance the maintenance of Ac, land acquisition accounts are intended for the purchase of official homes for pastors, social deacon accounts are intended for social purposes such as sick and dead congregations.
- b) Note The net temporarily bound assets contains information on the remaining balance of each of the temporarily bound offerings at the end of the year after deducting them to finance their respective needs.
- c) The Fixed Asset Record of the HKBP Perumnas Klender Church contains information on fixed assets owned by the church which consists of buildings, vehicles (official cars and church motorbikes).

Internal Control at the HKBP Perumnas Klender Church

1. Control Environment

The HKBP Perumnas Klender Church refers to the ethical values and order that are standardized from the HKBP head office into Church regulations. The HKBP organization implements the main requirement to be able to join in the church management must be a sintua / elder. Sintua who meet the minimum requirements have served for five years. The administrators of the HKBP Perumnas Klender Church in carrying out their operational activities routinely carry out evaluations of services and finances. Service evaluation is done once a week while financial evaluation is done once a month or it can be done suddenly if there is something that needs to be discussed.

2. Accounting System

The HKBP Perumnas Klender Church at the end of each year makes a work program plan and a budget for cash receipts and disbursements for the coming period. Based on this budget, the Perumnas Klender Church received and disbursed cash for a year. If there is an unexpected church expense, the expense will be discussed in the committee's ceremony. Church cash receipts other than from services are made with proof of cash receipts, documents for cash receipts for the church are made with printed debt numbers. Cash disbursements must go through the approval of the authorities, namely the Chairperson of the Treasury and Administration Council and the Church Leader.

3. Internal Control Procedure

a) Separation of Duties

The division of tasks in the HKBP Church has gone well, this can be seen from the division that records finances is different from those who save money. Likewise with cash disbursements, the recording portion is separated from the expenditure approval portion.

b) Authorization

The church's cash disbursements are always known to the authorities and through the approval of the church leadership.

Adequate Documentation

Every cash receipt and disbursement is accompanied by proof. Proof of acceptance and expenditure in the HKBP Church consists of several copies and is given a printed serial number.

c) Physical Control

Physical control over the cash assets of the church has been running well, this can be seen from the monthly cash inspection by the Treasury Council. Likewise with church assets or inventory consisting of equipment, tools, vehicles and official houses. The Treasury Assembly has created an inventory book that lists the inventory, amount, value, year acquired, and condition of the asset.

d) Independent party checks

The HKBP Church has an independent team to check the church's financial and service performance and has been running for two periods.

Implementation of Audit at the HKBP Perumnas Klender Church

In the HKBP Perumnas Klender Church there is an independent team that functions as an examiner of financial performance reports and the service program of the HKBP Perumnas Klender Church which is referred to as the Audit Board. The first objective of the audit in the HKBP Perumnas Klender Church is to determine the extent of the achievement of financial and service programs, and the second is to find out the problems found and their recommendations.

The audit agency is formed through the mechanism of the Huria Meeting which is attended by church leaders, functional pastors, chairmen of the board, section heads, syntua / elders and church representatives from each ward.

The examination process in the HKBP Perumnas Klender church is carried out based on the work program cash revenue and expenditure budget.

The audit agency in the process checks the authenticity of that, for example, it can be in the form of evidence of cash disbursements and receipts. after the examination process is complete, if something happens, for example, there is incomplete data or evidence of cash receipts or disbursements, then the audit body can confirm directly to the finance department.

Based on the results of the financial performance audit of the HKBP Perumnas Klender Church in 2019, the treasurers of the HKBP Perumnas Klender Church have carried out activities in accordance with the provisions set by the HKBP. From the results of the examination, the Audit Board did not find any misuse of Church finances during 2019.

V. CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the research results it can be concluded that:

1. Cash Receipt and Disbursement System at HKBP Church

The church cash receipt and disbursement system is already running well. The HKBP Church makes proof of cash receipts with serial numbers printed on cash receipts sourced outside of the worship offerings and announced at the service the following week in Warta Finance. Cash disbursements at the HKBP Church are always signed by four people consisting of the recipient, the head of the treasury board, treasurer, and church leadership.

2. HKBP Church Financial Reporting

The application of accounting in the church has gone well. However, in the financial reporting of the HKBP Perumnas Klender Church has not implemented the preparation of financial reports in accordance with IAS 45 financial reports that are presented by the church are only

in the form of cash receipts and payments during the year and the financial condition at the end of the period

3. Internal Control of the HKBP Perumnas Klender Church

The HKBP Perumnas Klender Church has carried out good internal control, in accordance with the elements of internal control in non-profit organizations according to Pahala Nainggolan. The controlling environment in the HKBP Church is good, the requirements to become a caretaker must be an elder who has served in the church for several years. There is a separation of duties between those who record, cash holders and those who give approval to the Treasury and Church Administration to minimize fraud and misappropriation of church cash.

The HKBP Perumnas Klender Church has an independent team which is also known as an audit body. The church's financial performance audit is conducted every six months by the audit agency. The audit board has been auditing church finances for two periods. The results of the audit on the 2019 church financial statements showed that there was no misuse of church finances by the church treasurer.

Suggestion

From the results of research on the application of accounting and internal control in the church. So the following are suggestions that researchers can provide

1. For the HKBP Church

Treasury and Church Administration HKBP Perumnas Klender needs to study the preparation of financial statements based on accounting standards from the IAI, be it PSAK No.45 or ISAK 35 which was recently approved by IAI, which includes statements of financial position at the end of the reporting period, activity reports and cash flow reports for a reporting period and notes to financial statements.

2. For Further Researchers

For further researchers, it is expected to carry out research on objects with complete financial data so that the components of financial statements based on applicable standards can be presented.

Research Limitations and Further Research Development

In conducting this research, the constraints and limitations experienced by the researchers were that interviews were conducted only with the church finance treasurer admin. Another limitation is that this research was only conducted in one church with the HKBP denomination.

For the next researchers, it is hoped that different research objects such as foundations and religious organizations are selected from previous researchers in order to enrich the research results regarding the application of accounting and internal control in non-profit organizations in Indonesia.

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