

Cash Expenditure Accounting System for Claim Payment at PT Asuransi Umum Bumiputera Muda 1967 Yogyakarta Branch

Evieana R Saputri¹, Bidara Okta Anjani², Hermala Kusumadewi³
hermala@aaaykpn.ac.id

^{1,2}Akuntansi, Politeknik YKPN Yogyakarta, ³Akuntansi Perpajakan, Politeknik YKPN Yogyakarta

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Abstract

The development of the insurance industry in the modern era places insurance companies as an integral part of the financial sector which continues to experience significant growth in recent years. The management of cash expenditures for claim payments requires an efficient and accurate accounting system in order to ensure the company's financial health, compliance with regulations, and optimal service to customers. This study will discuss system design, implementation, and performance evaluation of the Cash Expenditure Accounting System for Claim Payment at PT Asuransi Umum Bumiputera Muda 1967 Yogyakarta Branch Office. A qualitative approach is chosen to explore the views, perceptions, and experiences of the research subject. Data collection in this study uses descriptive methods qualitative approach to obtain in-depth information about the implementation of the cash expenditure accounting system for claim payment in a particular company. The results of this study show that there are several new knowledge and insights that can be obtained: (1) understanding the terms and conditions of claims on certain types of insurance such as cars, motorcycles, health, and homes provides insight into customer responsibilities in reporting incidents and submitting claims. (2) Understanding the internal controls implemented in the organizational structure, separation of duties, and authorization in managing insurance claims helps ensure integrity, reliability, and accuracy in the claims payment process. (3) The implementation of good financial governance in the claim payment process can help reduce the risk of fraud and errors.

Introduction

The development of the insurance industry in the modern era places insurance companies as an integral part of the financial sector which continues to experience significant growth in recent years. This increase is reflected in an increase in the number of customers who rely on insurance companies to protect their interests and assets. One of the services in the insurance industry is the payment of claims to customers who experience certain losses or events covered by their policies. By definition, a claim is a request from one of the parties between two parties who have a bond or have entered into an agreement so that their rights are fulfilled. One of the two parties who have the bond submits its claim against the insurer in accordance with the agreement or policy provision that has been mutually agreed (Ilyas, 2011). In its operations, insurance companies have the responsibility to manage various financial transactions, including cash expenditures for claim payments to participants who submit insurance claims. The management of cash expenditures requires an efficient and accurate accounting system to ensure the company's financial health, compliance with regulations, and optimal service to customers.

Effective and structured cash expenditure management is a must so that the company can ensure the sustainability of its operations and build a good reputation in the eyes of stakeholders. Therefore, an accounting system is needed that can manage and record claim payment transactions quickly, accurately, and efficiently. Currently, many insurance companies still face obstacles in managing cash expenditures for claim payments. Manual processes involving multiple documents often lead to a high risk of errors and delays in the claims process. This manual

process can pose a variety of challenges, such as the risk of human error, weaknesses in time management, and lack of transparency. Therefore, the implementation of a cash expenditure accounting system is expected to provide solutions to overcome these challenges and improve the quality of service to customers. In addition, proper accounting monitoring is also a challenge, given the complexity of the financial transactions involved.

Claim payment in the insurance industry involves several processes, ranging from receipt of claims, verification of claim validity, to payment to policyholders. This process is not only complex, but also requires careful fund management to avoid unwanted financial risks. Therefore, it is necessary to have an integrated and sophisticated cash expenditure accounting system to ensure transparency, speed, and accuracy in the implementation of claim payments. By implementing this system, it is expected that insurance companies can respond faster to claims, minimize the risk of errors, and improve the quality of service to customers. Through the development of a good accounting system, it is expected to provide solutions to optimize the claim payment process, increase efficiency, reduce the risk of errors, and provide more accurate financial information to management. This study will discuss system design, implementation, and performance evaluation of cash expenditure accounting systems for claim payments in a particular company. With a well-integrated system, companies are expected to manage claims more efficiently, optimize resource allocation, and ultimately, improve the company's financial performance and reputation in the eyes of the public and other stakeholders. Based on the description above, the author takes the title "Cash Expenditure Accounting System for Claim Payment at PT. Bumiputera Muda General Insurance 1967 Yogyakarta Branch".

According to the suggestion that "a system can be defined as a set of sub-systems, components or elements that cooperate with each other with the same goal to cooperate with each other with the same goal to produce predetermined outputs" (Mulyani, 2016). According to an accounting information system is a system that processes data and transactions to produce useful information for planning, controlling, and operating a business. To be able to produce the information needed by decision makers, accounting information systems must carry out the following tasks (Krisniasji, 2004):

1. Collect transactions and other data and enter them into the system
2. Process transaction data
3. Storing data for future needs
4. Generate the necessary information by producing reports, or allowing users to view the data stored on the computer for themselves
5. Control the entire process in such a way that the information produced is accurate and trustworthy

Cash (cash) It is the most liquid asset, including available currencies and funds on deposit. Cash equivalents (cash equivalent) It is a highly liquid short-term investment that is easily converted into cash and matures very shortly, so it has minimal risk related to price changes due to interest rate movements. These investments typically have maturities of three months or shorter. Cash can be said to be the single most important item on the balance sheet. Because it applies as a medium of exchange directly or indirectly in almost all business transactions (Subramanyam, 2017). The above is in accordance with the properties of cash, namely:

1. Cash is too involved in almost all transactions.
2. Cash is a treasure that is ready and young to be used in transactions and exchanged for other assets, easy to move and diverse without the owner's mark.
3. The amount of cash owned by the company must be maintained in such a way that it is not too much and not less



According to "The cash expenditure accounting system is a record made to carry out expenditure activities either by check or by cash used for general activities of the company" (Mulyadi, 2016). According to states that the related share in cash expenditure (Widanaputra, 2009):

1. Salary Payment
2. Debt Payment
3. Cash Purchase
4. Cash Withdrawal

According to Law No. 23 Article 1 of 1999 "Payment system is a system that includes a set of rules, institutions, and mechanisms used to carry out the transfer of funds for an obligation arising from an economic activity". In making payment transactions for a sum of money can be done in two ways:

1. Cash Payment. The cash payment system is a payment system using a physical form of money, be it paper or metal, which is done to exchange it for some goods or services.
2. Cashless Payment. The cashless payment system is a payment system that does not use the physical form of money directly. Some ways are done with non-cash payments using e-money, debit cards, credit cards, cheques or bilyet giro.

According to article 246 of the Commercial Law Code (KUHD), an insurance claim is a claim from the insured party in connection with the existence of an agreement contract between insurance and the insured, each party binds itself to guarantee the payment of compensation by the insurer if the payment of insurance premiums has been made by the insured, when a disaster occurs suffered by the insured (Syafira, 2023). The purpose of an insurance claim is to provide benefits in accordance with the provisions in the insurance policy to the policyholder (insured). In order for Insurance Claims to be processed and paid by insurance companies, there are various important provisions regarding claim submission that must be considered:

1. The claims are in line with those in the police.
2. Police still in force
3. Make sure the insurance policy is not in the waiting period.
4. Make sure the claim submitted is not an exception stated in the policy.

According to internal control (internal control) is an organizational plan and method used to maintain or protect assets, produce accurate and reliable information, improve efficiency, and to encourage adherence to management policies (Krismiaji, 2004).

1. Purpose of Internal Control
 - a. While the objectives of internal control according to are as follows (Mulyadi, 2016):
 - a. Safeguarding organizational assets
 - b. Check the accuracy and reliability of accounting data
 - c. Drive efficiency
 - d. Encourage compliance with management policies.

2. Internal Control Structure

According to this internal control structure, it has three elements, namely (Krismiaji, 2004):

- a. Control environment
The control environment describes the collective effect of various factors on the establishment, improvement, or decrease in effectiveness of specific procedures and policies. These factors are in the form of:

- 1) Commitment to integrity and ethical values
- 2) Management philosophy and style of operations



- 3) Organizational structure
 - 4) Audit committee of the board of directors
 - 5) Methods of applying authority and responsibility
 - 6) Human resource practices and policies
 - 7) Various other external influences affecting the activities and practices of the organization
- b. Accounting System

The accounting system consists of methods and records established to identify, compile, analyze, classify, record, and report company transactions and to maintain accountability of related assets and liabilities. An effective accounting system provides an adequate basis for the establishment of methods and records that will function as follows:

- 1) Identify and record all legitimate transactions
- 2) Timely describe business transactions in detail so as to enable proper classification of transactions for financial statements
- 3) Measure the value of transactions precisely so as to allow recording of the monetary value in the financial statements.
- 4) Determine the time period for which transactions occur so as to enable recording of transactions in the right accounting period.
- 5) Accurately present transactions and other related disclosures in financial statements

c. Control Procedure

Control procedures are policies and procedures added to the control environment and accounting systems that have been established by management to provide reasonable assurance that the specific objectives of the organization will be achieved. The scope of such control procedures is as follows:

- 1) Proper authorization of transactions and activities
- 2) Task separators that reduce the chances for someone to make mistakes in their routine tasks, namely by placing different people in the functions of authorizing transactions, recording transactions, and safeguarding assets.
- 3) Design and use of documents on records to help ensure proper recording of transactions.
- 4) Adequate safeguarding of access and use of assets and records
- 5) Independent checking of performance and proper assessment of recorded values.

3. Internal Handling Tree Elements

The basic elements of intern control according to are as follows (Mulyadi, 2009):

- a. The control environment establishes the pattern and creates an atmosphere of control in an enterprise that affects the control awareness of its people, the control environment is the basis for all components of internal control, providing discipline and structure of the control environment.
- b. Risk assessment is the identification of risks that are relevant to achieving their objectives, forming a basis for determining how risks should be managed.
- c. Control activities are policies and procedures that help ensure that the actions necessary to mitigate risks in the achievement of an entity are implemented.
- d. Information and communication is the identification, trapping, and exchange of information in a form and time that enables people to carry out their responsibilities. Information systems relevant to financial reporting purposes, which include accounting systems consisting of methods and records built to record, process, summarize, and report entity transactions, events and conditions and to maintain accountability for assets, debts, and equity concerned.
- e. Monitoring Monitoring is a process that determines the quality of internal control performance over

time, it includes determining the design and operation of controls in time and taking corrective actions. This process is carried out through continuous activities, evaluation separately or with various combinations of the two.

The systematic changes in the implementation of state and local financial management in Indonesia are primarily a result of the relationship between the central and regional governments regarding the division of authority, including financial authority (Polzer et al., 2022). According to Government Regulation No. 71 of 2010, the Financial Accounting System (SAP) is a systematically linked system encompassing procedures, organizers, equipment, and other elements aimed at realizing the accounting function, ranging from transaction analysis procedures to financial reporting procedures for an entity. Within the scope of local government, SAP is regulated by Regional Head Regulations that provide general guidelines for implementing the Financial Accounting System (Anggerwati, A. I., 2024). The commonly used general reference in this regard is Ministry of Home Affairs Regulation No. 13 of 2006, which provides an explanation of guidelines for government agencies in implementing the Local Government Financial Accounting System (SAKD) as a replacement for Ministry of Home Affairs Decree No. 29 of 2002.

The origin of the term "mechanism" can be traced back to the word "Mechos," which refers to tools and methods of operating something. However, in the Indonesian vocabulary, the word commonly used is "mechanism." The definition of "mechanism" in the Kamus Besar Bahasa Indonesia (Indonesian Dictionary) is the working method of a machine that applies work through an existing system. Based on the information provided above, it can be concluded that mechanism refers to the functioning of a tool within an organization or entity in order to achieve optimal results and effectively realize the entity's objectives.

Financial reports serve as management products and a form of accountability for the utilization of resources and funds entrusted to an institution. Additionally, financial reports can be defined as structured reports that relate to the financial position and substantive reporting transactions in order to fulfill the general objectives of financial reporting (Schmidhuber et al., 2022). According to Government Regulation No. 71 of 2010, a financial report is a structured report that contains information about the financial position of reporting entities. The general purpose of financial reports is to provide information regarding the financial position, budget realization, surplus budget, cash flow, operating results, and changes in equity of a reporting entity, to assist in the decision-making and evaluation process related to resource allocation.

Izza, V. N. (2020) said that the accounting system in public organizations or companies is closely related to the achievement of previously expected goals. Essentially, the purpose of an accounting system is to present financial information for a specific company or entity, serving the interests of management and providing a basis for decision-making by external parties. The core elements of an accounting system include forms, records such as journals, general ledgers, subsidiary ledgers, and financial reports (Albugis, 2016). Forms are financial documents used to record financial transactions in accounting records. In companies that still follow manual accounting systems, forms are typically pieces of paper, while computerized accounting systems use data processing systems (Rahayu & Kanita, 2023). In conclusion, an accounting system is a framework of documents consisting of various forms and records related to financial transactions, including journals, general ledgers, subsidiary ledgers, and financial reports. The process of designing an accounting system involves three stages: recognizing transaction evidence, classifying and recording transactions in accounting records, and reporting financial statements. These financial statements are used by management to monitor their operations and by external parties to make decisions. To facilitate the design and effective operation of an accounting system, three basic principles need to be considered: efficiency, usefulness, and flexibility.



Methodology

The type of research used in writing this final project uses a descriptive type of qualitative approach research. Research with data analysis uses descriptive methods qualitative approach to deepen understanding of cash expenditure accounting systems for claim payments in the insurance industry. A qualitative approach is chosen to allow exploring the views, perceptions, and experiences of the research subject. According to, qualitative research methods are research methods based on the philosophy of postpositivism, used to examine natural object conditions, (as opposed to experiments) where researchers are key instruments, sampling data sources is carried out purposively and snowball, collection techniques by triangulation (combined), data analysis is inductive / qualitative, and qualitative research results emphasize meaning rather than generalization (Sugiyono, 2016).

Meanwhile, according to the descriptive method is a method of examining the status of a group of humans, an object, a condition, a system of thought, or a class of events in the present. The purpose of this descriptive research is to make a systematic, factual, and accurate description, picture or painting of the facts, properties and relationships between the phenomena investigated (Nazir, 2014). Qualitative data is data in the form of words, not in numbers. Qualitative data is obtained through various data collection techniques such as interviews, document analysis, focused discussions, or observations that have been outlined in field notes (Sugiyono, 2013). The sources of research data used are as follows:

1. Primary data is data collection can be done by means of direct interviews, communication by telephone, or indirect communication such as letters, emails, and others.
2. Secondary data is the collection of data through indirect means or having to do an in-depth search first such as through the internet, literature, statistics, books, and others.

The location of this research is located at PT Asuransi Umum Bumiputera Muda 1967 Yogyakarta Branch Office which is located at Jalan Kolonel Sugiyono No. 69 Yogyakarta. This research activity will be carried out from January 2, 2024, until February 16, 2024. Data collection in this study was carried out using several techniques designed to obtain in-depth information about the implementation of the Cash Expenditure Accounting System for Claim Payment at PT Asuransi Umum Bumiputera Muda 1967 Yogyakarta Branch Office. To obtain valid and accurate data, researchers use three data collection techniques, namely interviews, documentation, and observation.

Result And Discussion

Results

One of the non-bank financial institutions in Indonesia is an insurance company. Based on Law No. 2 of 1992 concerning Insurance Companies, Article 1 Paragraph 1 which states that insurance or coverage is an agreement between two or more parties, by receiving an insurance premium, to provide reimbursement to the insured due to loss, damage, or loss, expected profits, or legal liability to third parties that may be suffered by the insured, arising from an uncertain event, or to make a payment based on the death or life of an insured person. Thus, it can be said that insurance companies are companies that provide coverage services to the community. One of the general insurance companies in Indonesia is PT. Bumiputera Muda General Insurance 1967. Asuransi Umum Bumiputera Muda 1967 commonly called Asuransi Bumida was established on the idea of the management of Asuransi Jiwa Bersama Bumiputera 1912 as the parent company represented by Drs. H.I.K. Suprakto and Mohammad S. Hasyim, MA in accordance with deed No. 7 dated December 8, 1967, from Notary Raden Soerojo Wongsowidjojo, SH domiciled in Jakarta and announced in the supplement to the State Gazette of the Republic of Indonesia No. 15 dated February 20, 1970. Asuransi Bumida obtained an operational license from the Director of the Ministry of Finance of the Republic of Indonesia through letter No. KEP. 350/DJM/III.3/7/1973 dated July 24, 1973, and extended in accordance with the Decree of the Minister of Finance Year 1986.



Asuransi Bumida towards the ideal of becoming "The Big Ten" general insurance company and becoming a quality, trusted, healthy and profitable company for all interested parties (Stakeholder). Asuransi Bumida has branch offices spread throughout Indonesia. Starting from the islands of Sumateera, Java, Kalimantan, Sulawesi, to Papua. In addition to conventional general insurance, Asuransi Bumida also has sharia-based insurance products. Asuransi Bumida also received an establishment permit on February 19, 2004. Asuransi Bumida in supporting its activities using its own capital amounting to Rp267.84 M. This shows that BUMIDA has complied with the regulations contained in PJOK No.71 / PJOK.05 / 2016 article 33 which requires each insurance company to have its own capital of at least Rp100 M. The composition of shareholders is as follows:

- a. AJB Bumiputera 1912 with share ownership of 149,950 shares (99.97%)
- b. PT Wisma Bumiputera with 50 shares (0.03%).

Submitting a claim involves several terms and conditions that must be met by the customer so that the claim process can run smoothly. Here are some general terms and conditions in filing a claim:

a. Car InsuranceKoe

The following terms and conditions must be met by customers in submitting a mobilkoe insurance claim:

- 1) Immediately report to the Branch Office of PT. The nearest Bumiputera Muda General Insurance 1967 no later than 3 x 24 working hours since experiencing an incident or disaster.
- 2) Fill out the claim form provided by PT. Bumiputera Muda General Insurance 1967.
- 3) Include photocopies of the following documents:
 - Policy and claim receipts
 - Driver's license and vehicle registration
 - Police report when handled by the police
 - Photos of the vehicle to be claimed
- 4) Complete a letter or claim document deemed necessary.
- 5) Claims are considered expired if for 6 (six) months the policyholder or his family does not complete the claim requirement documents.

b. MotorKoe Insurance

The following terms and conditions must be met by customers in submitting a motorkoe insurance claim:

- 1) The maximum vehicle is 8 years old and for the renewal policy can be done 1 (one) time if more than 8 (eight) years old (maximum vehicle age 9 years).
- 2) The price is according to the market price of two-wheeled vehicles
- 3) Insured vehicles must include proof of friction of the vehicle's frame number or engine number, photo/scan of vehicle registration and vehicle owner's ID card.
- 4) Guarantee or compensation only applies if the vehicle has a valid STNK and is still valid.
- 5) The motorist has a SIM still in place.
- 6) The vehicle is not used for rent and commercial use
- 7) Immediately report to the Branch Office of PT. The nearest Bumiputera Muda General Insurance 1967 no later than 3 x 24 working hours since experiencing an incident or disaster.
- 8) Fill out the claim form provided by PT. Bumiputera Muda General Insurance 1967.
- 9) Include photocopies of the following documents:
 - Policy and claim receipts
 - Driver's license and vehicle registration
 - Police report when handled by the police
 - Photos of the vehicle to be claimed
- 10) Complete a letter or claim document deemed necessary.



- 11) Claims are considered expired if for 6 (six) months the policyholder or his family does not complete the claim requirement documents.
- c. SiswaKoe and Siswakoe Insurance
- The following terms and conditions must be met by customers in submitting siswakoe and siswakoe insurance claims:
- 1) Claim participants are members of education aged 3 to 64 years by attaching the class/department/class and student parent number.
 - 2) Immediately report to the manager no later than within 3 x 24 working hours after discharge from the hospital or clinic or the event of death.
 - 3) Fill out a personal accident claim report or regular health insurance (ASKES) claim form, depending on the type of claim that occurs, signed by the principal (for claims below IDR 150,000) and by the attending physician (for claims above IDR 150,000.00).
 - 4) Attach supporting documents, namely:
 - a. For the risk of treatment in hospitals/puskesmas/treatment centers in the form of: receipts/treatment details (original or legalized copy of hospitals/puskesmas/treatment centers.
 - b. For treatment risks below IDR 150,000.00, copies can be legalized by the principal concerned.
 - c. For the risk of death in the form of village or police certificate or doctor / hospital.
 - d. Photocopy of insurance policy or card
 - e. Photocopy of ID card and other identity
 - f. Copy of driver's license (for driver)
 - 5) The maximum claim filing limit is 30 (thirty) days from the date of the incident/loss.
 - 6) The claim is considered expired, if for 6 (six) months the policyholder or his family does not complete the claim requirement documents.

Terms of reimbursement and compensation:

- 1) The amount of compensation for the risk of death due to accidents and permanent disability (according to the percentage of disability) is given according to the insurance package taken).
 - 2) Reimbursement of the risk of medical expenses or hospital treatment is total in accordance with the package taken and shows evidence of treatment or treatment that is valid / original or legalized if the original is used for filing other claims.
 - 3) Compensation for the risk of death due to an accident and compensation for funeral costs are given in total according to the package.
- d. Koe Health Insurance
- The following terms and conditions must be met by customers in submitting a sehatkoe insurance claim:
- 1) The provision of benefits in accordance with the highest receipt in accordance with the benefits.
 - 2) There is a waiting period of 14 (fourteen) days for all diseases from the validity of the insurance coverage period unless the contract of an accident is valid from the first day.
 - 3) Immediately report to the Branch Office of PT. The nearest Bumiputera Muda 1967 General Insurance no later than 3 x 24 working hours.
 - 4) Fill out the claim form.
 - 5) Complete letters and supporting documents for claims.
 - 6) The claim is considered expired, if for 6 (six) months the policyholder or his family does not complete the claim requirement documents.

e. Standby InsuranceKoe

The following terms and conditions must be met by customers in submitting a standby insurance claim:



- 1) Immediately report to the insurer no later than 3 x 24 working hours after discharge from the hospital or death.
- 2) Fill out a personal accident claim report signed by the insured and the treating doctor.
- 3) Attach supporting documents, namely:
 - For treatment at the hospital/puskesmas/treatment center in the form of: receipt/treatment details (original or legalized copy of the hospital/puskesmas/treatment center).
 - To die in the form of a village or police certificate or a doctor or hospital.
 - For ambulance costs in the form of ambulance receipts from the hospital.
 - For expatriasy fees in the form of letters or receipts for the removal of the body from the authorized agency.
 - For proteche costs in the form of a referral letter from a doctor and a receipt for the purchase of these aids.
 - The maximum claim filing limit is 90 days from the date of the incident or loss.

Terms of reimbursement and compensation:

- 1) Permanent disability coverage caused by accidents is provided in accordance with the presentation of disability contained in the personal accident policy.
- 2) The guarantee of medical expenses for the insured caused by an accident is given in the amount of losses suffered by the insured, the maximum guarantee contained in the package option.
- 3) Expatriasy fee compensation applies if the insured whose name is listed in the policy has an accident abroad that results in death, expatriasy fee compensation is given if the body is sent to the country.
- 4) Proteche fee compensation is given if the insured has an accident requiring assistance such as mobility aids to support the insured's activities.
- 5) Compensation for handling documents/surrat for accident or death of the insured guaranteed in the policy is given in the amount of IDR 50,000.00 (paid with claim payment).

f. Home InsuranceKoe

The following terms and conditions must be met by customers in submitting a homekoe lux insurance claim:

- 1) Immediately report to the Branch Office of PT. The nearest Bumiputera Muda 1967 General Insurance no later than 3 x 24 working hours.
- 2) Fill out the claim form.
- 3) Complete letters and supporting documents for claims.
- 4) The claim is considered expired, if for 6 (six) months the policyholder or his family does not complete the claim requirement documents.

Terms for replacement and compensation for rumahkoe lux:

- 1) The building is permanent, concrete walls / walls (non-flammable and tile / asbestos / zinc roofs).
- 2) The building is only used for residential purposes (no other business) with right, left, back is a permanent residence (as point 1) or right, left, back is not a residential house with a minimum distance of 75 meters.
- 3) Rental compensation is given if the residential house cannot be used at all because it has burned down.
- 4) In front of the house there is a ramp that can be passed by 4-wheeled vehicles or fire fighting vehicles.
- 5) The compensation value given (points 2-6) is the maximum value received by customers during the 1-year insurance period.
- 6) To compensate losses caused by flood risk, it must be accompanied by a certificate from the local kelurahan.
- 7) For high-rise buildings, the building area is the sum of the building area of each floor.



- 8) The earthquake and terrorist police stand alone.

Accounting Records Used

- a. Bank Proof Sheet (LBB)
Bank Proof Sheet (LBB) is a recap of the balances in the bank so that the company knows the amount of balance in each bank by matching vouchers for income (Receipt Voucher) and expenditure (Payment Voucher) so that the results can be more accurate.
- b. Cass Proof Sheet (LBK)
Cash Proof Sheet (LBK) is a recap of the amount of cash balance in the company. Cash Proof Sheet (LBK) is made every month so that the calculation of the cash balance is accurate and there is no material difference.

Organizational Units Involved in a Claims Transaction

- a. Engineering Section
The engineering department, especially claims staff, has the task of receiving and serving customers who submit claims and then making temporary loss reports to be reported to the branch head for approval. After approval, the engineering department, especially the claims staff, makes a definite loss report.
- b. Section Head of Finance, General Affairs, and Personnel
The head of the finance, personnel, and general affairs section has the task of checking the completeness of the files and documents for submitting claims from customers before being sent to the head office and making a drop-off application letter that will be sent to the head office after receipt of a definite loss report from the engineering staff, as well as putting signatures on the claim payment receipt.
- c. Head Office Finance Department
The head office finance department has the task of sending claim funds to the customer's account after receiving a request letter for dropping claim payments from the branch office because the claim or loss suffered by the customer is large (> IDR 10,000,000.00) because the amount exceeds the limit limit of the branch office.
- d. Cashier
The cashier has the task of transferring or paying claim funds directly to the customer if the value of the claim submitted by the insured party still meets the limit of the branch office, which is a small value (< IDR 10,000,000.00). In addition, the cashier is also in charge of making a triple claim receipt authorized by the finance department and ensuring that the receipt or proof of claim transfer has been received and signed by the customer.

Discussion

Description of the Procedure for Claim Payment Transactions. The following is a description of the steps regarding the claim payment transaction process:

- a. The Company accepts the submission of the insured's claim along with the completeness of the documents.
- b. The engineering department, especially the claims staff, will make a temporary loss report to report to the branch head for approval. If the branch head approves the temporary loss report based on existing documents and truths, the claims staff will make a definite loss report.
- c. The engineering department, especially the claims staff, makes a threefold definite loss report, the 1st and 2nd sheets are submitted to the administration and finance department, while the 3rd sheet is archived in the engineering section.
- d. The creation of a definite loss report is authorized by the technical kasie.



- e. After the definite loss report is published, it is then submitted to the financial, personnel, and general departments.
- f. Furthermore, the finance, personnel, and general affairs department made a drop-off application letter which was submitted to the head office finance on a weekly basis.
- g. If the claim or loss suffered by the insured is small (< IDR 10,000,000.00), then the payment of the claim will be paid directly by the insurer to the insured. The existence of this policy is because the value of the claim submitted by the insured party still meets the limit limit of the branch office. So that the branch office can pay claims through the account of the insured.
- h. If the claim or loss suffered by the insured is large (> IDR 10,000,000.00), then the payment of the claim will be paid by the head office through the bank to the insured's account. When the insured party submits a claim with a claim value that exceeds the limit of the branch office, the branch office will make a request letter for dropping claim payment to the head office to send the claim funds to the insured party's account.
- i. The cashier makes a triple claim receipt authorized by the finance department, the 1st sheet is submitted to the customer, the 2nd sheet is to the finance department, and the 3rd sheet is archived by the engineering department.
- j. Finally, the cashier or finance department ensures that the receipt or proof of claim transfer has been received and signed by the customer. This is proof that the claim money has been received directly by the customer.

Internal Control of Cash Expenditure Accounting System for Claim Payment

- a. Organizational Structure
The implementation of good internal controls on the organizational structure of the cash expenditure accounting system for claims payment can help reduce the risk of fraud, errors, and improve the reliability of the company's financial information. The organizational structure applied already meets the existing internal control elements. There is a separation of duties and responsibilities between staff involved in cash disbursement, accounting records and claims payments.
- b. Competent Employees
There is a separation of duties between employees involved in the accounting process with employees who authorize payments and recipients of claims. Separation of duties is done in good terms to help prevent abuse of trust and reduce the risk of fraud. The existence of competent employees makes all activities related to cash expenditure for claim payments run well and can achieve the goals to be achieved properly.
- c. Authorization and Authority System
All files and documents related to cash expenditure for claim payment are drawn up and signed by the competent authority. There are also complete supporting documents for each claim submitted, including claim forms, proof of expenditure, and authorization approval. The document can be accounted for its use in the future. Accounting records of cash expenditure transactions are based on existing and complete supporting documents. The document is stored neatly and easily accessible for archival purposes.
- d. Healthy Practices
Existing cash balances are stored in a vault that has a code. Documents related to cash expenditure for the payment of claims can be accounted for their use. All cash expenditures made by check already use the name of the associated company. The bookkeeping of cash expenditure has been done very well and accompanied by evidence that supports the transaction.



Conclusions

PT. Bumiputera Muda General Insurance 1967 or now better known as Bumida General Insurance is an insurance company specialized in general loss insurance services. There are many insurance products in it. In submitting an insurance claim there are terms and conditions that must be met by the customer so that the claim process runs smoothly. For MobilKoe Insurance, MotorKoe Insurance, SiswaKoe Insurance, and Siswakoe, as well as SehatKoe Insurance, customers must report claims within 3 x 24 hours after the incident, fill out the claim form, and include documents such as policies, receipts, driver's licenses, STNK, and others. A claim is considered expired if the documents are not completed within 6 months.

Asuransi SiagaKoe has additional requirements, such as reporting the incident within 3 x 24 hours, filling out a personal accident claim form, and including documents such as medical receipts and death certificates. Asuransi RumahKoe has conditions such as reporting events within 3 x 24 hours, filling out claim forms, and completing supporting documents.

The claim process involves several documents, such as temporary loss reports, definite loss reports, dropping application letters, payment vouchers, and claim receipts. There are also accounting records, such as Bank Proof Sheets (LBB) and Cash Proof Sheets (LBK), which help companies monitor balances and in and out of money.

Internal control is implemented through an organizational structure that separates tasks, competent employees, and a system of authorization and authority. All cash expenditure files and documents are authorized by the competent authorities, with supervision from various relevant organizational units such as engineering, finance, and cashiers.

The claim payment transaction procedure involves receiving claim submissions, making temporary and definite loss reports, and processing payments through the cashier or head office, depending on the size of the claim. The claim receipt is proof of payment submitted to the customer. Internal control in the cash expenditure accounting system provides confidence that the claims process is conducted with integrity and accuracy, involving various organizational units working together to achieve the goal of efficient and transparent claims payments. Based on the results of studies and observations on the final project of the Cash Expenditure Accounting System for Claim Payment, there are several new knowledge and insights that can be obtained:

1. Know about the procedure for submitting an insurance claim, including requirements, required documents, and stages of claim fund issuance, including making temporary loss reports, definite loss reports, and dropping application letters.
2. Understanding the terms and conditions of claims on certain types of insurance such as cars, motorcycles, health, and homes provides insight into customer responsibilities in reporting incidents and submitting claims.
3. Knowing the types of supporting documents required in the claim process, such as receipts, police reports, driver's licenses, vehicle registrations, and more, provides an overview of the information needed to validate claims.
4. Understanding the internal controls implemented in the organizational structure, separation of duties, and authorization in managing insurance claims helps ensure integrity, reliability, and accuracy in the claims payment process.
5. Knowing the risk control measures implemented in the insurance claims process, including separation of duties and authorization, helps minimize the risk of fraud and mishandling of claims.
6. Know insight into cash expenditure accounting involving bank proof sheets (LBB), cash proof sheets (LBK), as well as making claim receipts and payment vouchers. This provides an overview of good financial governance in the claim payment process.

7. Know the sequence of steps in the claim's payment process, and how each organizational unit is involved in the process.

Limitations

This study, while providing valuable insights into the cash expenditure accounting system for claim payments at PT Asuransi Umum Bumiputera Muda 1967 Yogyakarta Branch, is subject to several limitations that should be acknowledged.

Firstly, the geographical scope of the research is limited to a single branch of an insurance company located in Yogyakarta. Consequently, the findings may not be broadly applicable to other branches or different insurance companies operating in diverse geographical locations. The specific practices, challenges, and solutions identified in this study may vary significantly in other contexts due to regional regulatory differences, market conditions, and organizational cultures. Therefore, caution should be exercised in generalizing these results beyond the immediate study setting.

Secondly, the study employs a qualitative research approach, which focuses on exploring the views, perceptions, and experiences of the subjects involved. While this approach allows for a deep and nuanced understanding of the phenomena under investigation, it also introduces certain limitations. The qualitative data, being inherently subjective, may be influenced by the personal biases of the participants as well as the researcher. Additionally, qualitative findings are often more challenging to quantify and may lack the statistical generalizability of quantitative research. This limitation affects the ability to apply the findings universally across different contexts.

Thirdly, the research is constrained by time and resource limitations. The scope and depth of data collection and analysis were necessarily bounded by these constraints. As a result, certain aspects of the cash expenditure accounting system for claim payments may not have been explored in as much detail as desired. The limited duration of the study might have prevented the capture of long-term trends and the full impact of implemented changes within the system. Moreover, resource limitations might have restricted access to a broader range of participants and data sources, potentially affecting the comprehensiveness of the findings.

In summary, while this study offers significant contributions to understanding the cash expenditure accounting system for claim payments, its findings should be interpreted considering these limitations. Future research could address these limitations by expanding the geographical scope, employing mixed methods approaches to balance qualitative insights with quantitative validation, and allocating more time and resources to enable a more thorough investigation.

Research Contribution

This study provides significant contributions to the field of insurance and financial management through a detailed examination of the cash expenditure accounting system for claim payments at PT Asuransi Umum Bumiputera Muda 1967 Yogyakarta Branch. The research offers practical knowledge that is invaluable for the improvement of similar systems in other insurance companies. By documenting and analyzing the current practices, the study highlights the key aspects that contribute to efficient claim payment processes.

One of the primary contributions is the in-depth understanding of internal controls. The research underscores the importance of a robust internal control system within the organizational structure, emphasizing the roles of task separation and authorization. This helps ensure that the claims payment process is reliable, accurate, and protected against fraud. Insurance companies can leverage these insights to strengthen their own internal control mechanisms, thereby enhancing the integrity of their financial operations.



Furthermore, the study provides practical insights into financial governance. It demonstrates how effective financial governance can significantly reduce risks associated with claim payments, including the risk of fraud and errors. This aspect of the research is particularly crucial as it offers a framework that insurance companies can adopt to streamline their financial processes, improve operational efficiency, and deliver better service to their customers. By implementing strong financial governance practices, companies can ensure that claim payments are handled transparently and efficiently, thus fostering trust and satisfaction among policyholders.

In addition to these practical insights, the research contributes to the academic discourse by filling gaps in the existing literature on cash expenditure accounting systems in the insurance industry. The qualitative approach adopted in the study allows for a rich, detailed exploration of the subject, providing a comprehensive understanding of the challenges and best practices in managing cash expenditures for claim payments. This contributes to the broader knowledge base and serves as a valuable resource for both academics and practitioners in the field.

Overall, this research not only enhances our understanding of the technical and managerial aspects of claim payment systems but also provides actionable recommendations that can help insurance companies improve their financial operations and customer service.

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