

**HUMAN RESOURCES MANAGEMENT AUDIT TO ASSESS THE
EFFECTIVENESS OF EMPLOYEE AT PT. JANTI SARANA MATERIAL
BETON MALANG**

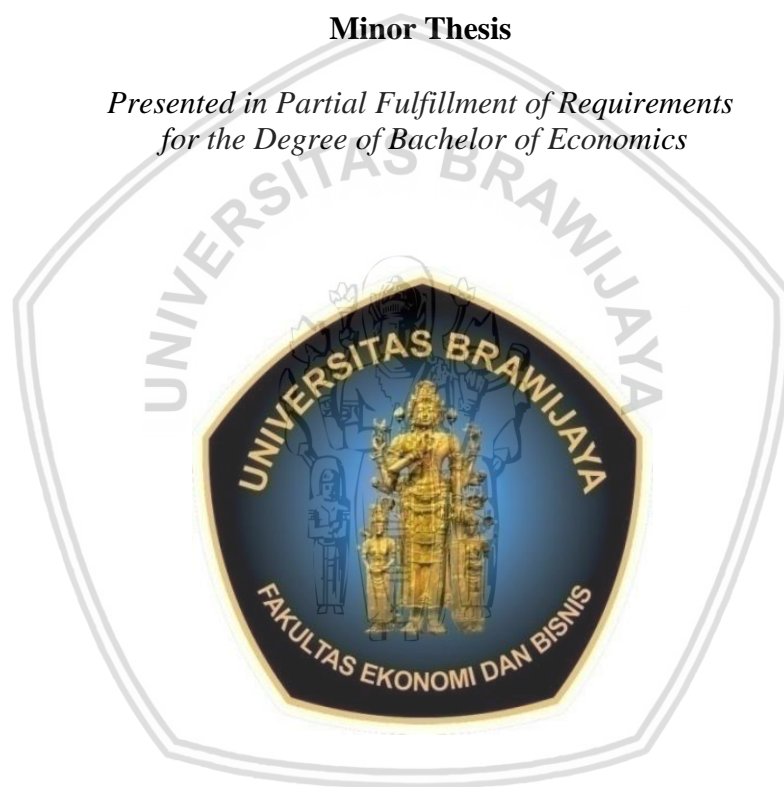
Written By:

Johan Pande Paulo Sitorus

NIM. 135020307121013

Minor Thesis

*Presented in Partial Fulfillment of Requirements
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INTERNATIONAL UNDERGRADUATE ACCOUNTING PROGRAM

FACULTY OF ECONOMICS AND BUSINESS

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APPROVAL PAGE

Minor thesis entitled:

Human Resource Management Audit to Asses The Effectiveness of Employee at PT. Janti Sarana Material Beton Malang

Written by:

Name : Johan Pande Paulo Sitorus

NIM : 135020307121013

Faculty : Economics and Business

Department : Accounting

Has been certified as the requirement for comprehensive test.

Head of International Program in
Accounting Department,

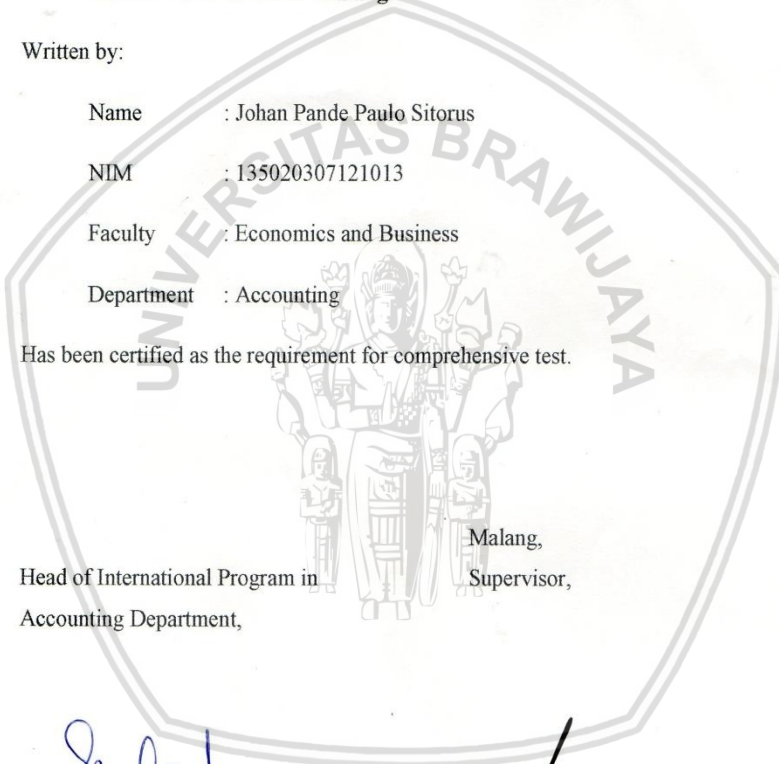
Malang,
Supervisor,



Imam Subekti, Ph.D., AK., CA
NIP: 19651102 199203 1 002



Dr. Drs. Bambang Hariadi, M.Ec., Ak.
NIP: 19570813 198303 1 004



APPROVAL PAGE

Minor Thesis Entitled:

Human Resources Management Audit To Assess The Effectiveness Of Employee At Pt.
Janti Sarana Material Beton Malang

Written by :

Name : Johan Pande Paulo Sitorus
Student ID : 135020307121013
Faculty : Faculty of Economic and Business
Departement : International Accounting

Has been examined by the Board of Examiners on March, 29th 2018 and certified as the requirment for the degree Bachelor of Economics.

1. Dr. Drs. BAMBANG HARIADI, M.Ec., Ak.
NIP : 19570813 198303 1 004
(Minor Thesis Supervisor)
2. Dr. WURYAN ANDAYANI, SE, Ak., M.Si.
NIP : 19681029 199903 2 001
(Examiner I)



Acknowledged by,
Head of Acconting Departement



Dr. Dra. ENDANG MARDIATI, M.Si., Ak.
195909021986012001



STATEMENT OF ORIGINALITY

Name : Johan Pande Paulo Sitorus
NIM : 135020307121013
Faculty : Economics and Business
Program : Accounting
Minor Thesis Title : **HUMAN RESOURCE MANAGEMENT AUDIT TO ASSES
THE EFFECTIVENESS OF EMPLOYEE AT PT. JANTI SARANA
MATERIAL BETON MALANG**

This is to certify that to the best of my knowledge, the content of this thesis is my own work. No part of this thesis has been published or submitted for publication. I certify that the intellectual content of this thesis is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged. I declare that this is a true copy of my thesis, including any final revisions, as approved by my thesis committee and the Graduate Studies Office and that this thesis has not been submitted for a higher degree to any other University or Institution.

If my statement is proven to be incorrect, I agree to accept existing academic sanctions. This statement was made under full awareness and consciousness, to be use when necessary.

Malang, February 28th 2018

Author



Johan Pande Paulo S.
135020307121013





PT. JANTI SARANA MATERIAL BETON
DISTRIBUTOR SEMEN INDONESIA CURAH AREA SUMATERA, JAWA, & BALI
Jl. Sunandar Priyo Sudarmo No. 45 Blok L - Malang
Telp. 0341-403407, 403424, 403425, Fax. 0341 - 403410



Malang, 23 Februari 2018

SURAT KETERANGAN

Nomor: 012/JSMB/HRD/II/2018

Yang bertanda tangan di bawah ini:

Nama : Diena Yanuarieta Ratnanindia
Jabatan : Staff HRD - PT. Janti Sarana Material Beton

Menerangkan dengan sebenarnya bahwa Mahasiswa Universitas Brawijaya Malang:

Nama : Johan Pande Paulo Sitorus
NIM : 135020307121013
Fakultas : Ekonomi dan Bisnis
Jurusan : Akuntansi

Telah melakukan observasi di PT. Janti Sarana Material Beton dengan judul skripsi: "**HUMAN RESOURCES MANAGEMENT AUDIT TO ASSESS THE EFFECTIVENESS OF EMPLOYEE AT PT. JANTI SARANA MATERIAL BETON MALANG**"

Demikian Surat Keterangan ini dibuat untuk dipergunakan seperlunya dan sebagaimana mestinya.

Hormat kami,


PT. JANTI SARANA MATERIAL BETON
Jl. Sunandar Priyo Sudarmo No. 45 Blok L
TELP. (0341) 403407, 403424, 403425
FAX. (0341) 403410

Diena Yanuarieta Ratnanindia

Staff HRD - PT. Janti Sarana Material Beton



CURRICULUM VITAE



Name : Johan Pande Paulo Sitorus
Sex : Male
Place, Date of Birth : Surabaya, 08 June 1995
Email : Johanpandeps@gmail.com
Address : Wisma Kemiri Indah B8-8, Sidoarjo

EDUCATIONAL BACKGROUND

Elementary School (2001-2007) : SDN Sidoklumpuk I Sidoarjo
Junior High School (2007-2010) : SMPK Untung Suropati Sidoarjo
Senior High School (2010-2013) : SMAK Untung Suropati Sidoarjo
Listed as a student of Economics and Business Faculty Brawijaya University,
2013

ORGANIZATIONAL EXPERIENCES

Chief of Human Resource Department of Homeband Economics and Business
Faculty Brawijaya University

Staff of event organizer PMK Maleakhi Faculty of Economics and Business
Brawijaya University

OTHER EXPERIENCES

Internship program in The Audit Board of Indonesia (BPK RI). (January 2017)

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ABSTRAK**AUDIT MANAJEMEN SUMBER DAYA MANUSIA UNTUK MENILAI
EFEKTIVITAS KARYAWAN DI PT. JANTI SARANA MATERIAL
BETON MALANG****Oleh:****Johan Pande Paulo Sitorus****Dosen Pembimbing:****Dr. Drs. Bambang Hariadi, M.Ec., Ak.**

Penelitian ini mengenai audit manajemen fungsi sumber daya manusia pada PT. Janti Sarana Material Beton Malang bertujuan untuk mengetahui efektivitas fungsi sumber daya manusia yang diterapkan perusahaan. Ruang lingkup penelitian adalah sembilan fungsi sumber daya manusia yang terdiri dari : fungsi perencanaan SDM, fungsi rekrutmen, fungsi seleksi dan penempatan, fungsi pelatihan dan pengembangan, fungsi penilaian kinerja, fungsi perencanaan dan pengembangan karir, fungsi kompensasi dan balas jasa, fungsi keselamatan dan kesehatan kerja dan fungsi pemutusan hubungan kerja dan pemensiunan. Peneliti menggunakan pendekatan kualitatif deskriptif. Data dari penelitian ini diperoleh dengan cara wawancara, observasi, serta dokumentasi. Hasil penelitian menunjukkan, dari sembilan fungsi sumber daya manusia, terdapat 5 fungsi sumber daya manusia yang tidak efektif, yaitu perencanaan sumber daya manusia, seleksi, orientasi dan penempatan, pelatihan dan pengembangan, penilaian kinerja dan jaminan keamanan dan kesehatan karyawan.

Kata Kunci: Audit Manajemen Sumber Daya Manusia, Pengendalian, efektifitas, rekomendasi

ABSTRACT**HUMAN RESOURCES MANAGEMENT AUDIT TO ASSESS THE
EFFECTIVENESS OF EMPLOYEE AT PT. JANTI SARANA MATERIAL
BETON MALANG****By:****Johan Pande Paulo Sitorus****Supervisor:****Dr. Drs. Bambang Hariadi, M.Ec., Ak.**

This research about Management Audit based on management of HRD at PT. Janti Sarana Material Beton Malang to find out the effectiveness of human resources function. The scope of research is ten function of human resources resource which consist of: the function of human resource planning, human resource recruitment, selections and placement, training and development function, performance appraisal, the planning and career development, compensation and remuneration functions, occupational health and safety, relationship development, firing and retirement. Researcher uses descriptive qualitative analysis method. Researcher obtained data from interview, observation, and documentation. The result of research shows that from the nine functions of human resources, there are 5 ineffective human resource functions, namely human resource planning, selection, orientation and placement, training and development, performance appraisal and employee safety and health protection.

Keywords: Audit Human Resource Management, Control, Effectiveness, Recommendation

CHAPTER I

INTRODUCTION

1.1 Background of Study

Humans' rapid development resulted on the rise the human's needs fulfillment and desires, including in economics. In economics and business activities, it is related to the ability of companies to keep up with the pace of developments of needs. To achieve the objective of the company, human resource also plays a very significant role. Therefore, human is considered as one of the most influential resource in determining the direction and change in the organization or company. Human Resources become one of the main factors in realizing the vision - mission and goals of the organization.

This can be realized through cooperation to form a strong management that can unite various interests exist. In addition, it also requires a capable manager to lead, plan, implement, and control the company's activities to achieve the goals set. Besides, following the latest market and making the opportunity available becomes an advantage.

The development of a company will make the problems faced by the company become more complex. According to Rivai (2004: 12), effective use of human resources requires managers or leaders to find the best way to utilize the people existed within the corporate environment so that the desired goals can be achieved. Therefore, in utilizing human resources owned, it is necessary to adjust to organizational strategy. This is intended to minimize the gap between the goals

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to be achieved and the real situation so that the success of the organization can be realized.

The human resource management is responsible for the management for managing human resources within an organization. According to Simamora (2003: 4), human resource management is the utilization, development, appraisal, rewarding and management of individual members of the organization or group of employees of human resources management concerning the design and implementation of planning system, employee development, career management, performance evaluation, employee compensation, and good employment relationships.

In general, the purpose of the human resources management is to manage and improve the quality of human resources. Through Human Resources Management, managers and all employees are encouraged to implement the organization's strategies. Although, it does not decide on strategic issues and does not directly contribute, but the role of this unit is much more complex and has a significant effect on vital functions within the organization.

Human Resource Management function in preparing and managing human resources is a very important role ultimately in the achievement and competitiveness of the company. The high quality of human resources has a positive correlation to the creation of added value and the level of quality of decisions taken within the company.

In the company's operational activities, it covers all areas within the company, starting from finance, human resources, production, to the field of marketing. A very complex corporate operation will require a tool to achieve

effectiveness. The management audit can determine the targets set previously achieved, and evaluate the extent to which the controls established are understood and implemented by these employees.

Audit management is an examination to assess whether the functions within the company has been implemented properly to achieve corporate objectives. In the context of the management audit, management covers all the company's internal operations and must be accountable to the various parties who have a higher authority (Bayangkara 2008: 2). The management audit should have a reporting status within the company that ensures correct consideration of the findings of internal audit recommendations. Activity operational checks will benefit a lot for the company because it can support the implementation of the company's operations on the continuity of the company in the future.

Audit of human resource management is defined as a quality check activities of Human Resources as a whole within a department, division or company, in terms of evaluating the activities of human resource in a company with the emphasis on upgrading or improvement (Riva, 2004: 548). Human resource management audit is used to make business ventures become more systematic and have good structure to achieve the vision, mission, and objectives of the company. By having good management, especially in the field of human resources, the company can achieve the objectives and targets. Achieving human resource function is a success for the company.

PT. Janti Sarana Material Beton is a distributor and forwarder company from PT. Semen Indonesia serving distribution and sale of cement in Java, Bali and Sumatera. PT Janti is a company established in 1994 and has been a business



partner of UD truck PT Astra International for 24 Years. PT Janti is one of largest distributor and cement material transporter in Malang. PT. Janti Sarana Material Beton is committed to always provide the best service with the most competitive cost for the satisfaction of partners and customers.

To support the company's vision, PT. Janti Sarana Material Beton needs to have competent human resources in the company. Because the company wants to provide the best performance for its stakeholders, the company must have a commitment to produce high quality products, improve service and have customer solution orientation. This vision can be realized if the company has superior quality human resources. Therefore, to accommodate the human resources of all divisions, not only separate from the organizational structure of the company, the activities or efforts must be coordinated with the management of a well-functioning company.

Based on the previous discussion, the researcher is interested to study about management audit entitled as **"HUMAN RESOURCES MANAGEMENT AUDIT TO ASSESS THE EFFECTIVENESS OF EMPLOYEE AT PT. JANTI SARANA MATERIAL BETON MALANG"**

1.2 Research Problems

Based on the previous background, the formulated research problems are:

1. How is the effectiveness of human resources function management at PT. Janti Sarana Material Beton Malang?
2. What kind of obstacle found in implementing the human resources function effectiveness at PT. Janti Sarana Material Beton Malang?

3. What are alternative improvements that can be made to increase the human resource function effectiveness at PT. Janti Sarana Material Beton Malang?

1.3 Objective of the Research

This research is limited on:

1. The activity on human resources function which is the implementation of human resources function including:
 - a. The human resources planning
 - b. The human resources recruitment
 - c. The human resources selection
 - d. Training and human resources development
 - e. Performance assessment of human resources
 - f. Compensation for employees
 - g. Employee Relation
2. Managerial Compliance is measured by comparing the real activity and the criteria based on the vision, regulation and policy decided by the management on human resource function.

1.4 Purpose of the Research

The objectives of this research are:

1. To know the effectiveness of human resources function at PT. Janti Sarana Material Beton Malang
2. To find weakness in the implementation of human resources function.
3. To provide recommendations for improvements of human resources function

1.5 Significance of the Study

The results of this research are expected to provide benefits for the author, PT. Janti Sarana Material Beton Malang, as well as to the readers. The benefit expected from this research are:

1. For the Theory

The result of this research is expected to add and develop the knowledge of the researcher in the scope of human resource management audit in a company or organization and apply the theory obtained during study.

2. For the Practice

The result of the research can provide suggestion, information and consideration for the company to increase the performance of the company to achieve its purpose and vision, and increase the performance of human resources at the company.

3. For the Policy

The result of research is expected to provide insight to the reader about the audit of human resource management for an organization in achieving certain goals and provide information to readers who need information about human resources audit at PT. Janti Sarana Material Beton Malang.

CHAPTER II

REVIEW OF RELATED LITERATURE

2.1 Basic Concepts of Audit

2.1.1 The definition of Audit

According to Arens, Beasley and Elder (2003:11) define auditing, as “Auditing is the accumulation and evaluation of evidence about information to determine and report on the degree of correspondence between the information and established criteria. Auditing should be done by a competent, independent person”.

Another useful definition of auditing developed by Whittington, Ray and Panny (2012: 4) which

“Auditing is an examination of a company’s financial statements by a firm of independent public accountants. The audit consists of a searching investigation of the accounting records and other evidence supporting those financial statements. By obtaining an understanding of the company’s internal control, and by inspecting documents, observing of assets, making enquires within and outside the company, and performing other auditing procedures, the auditors will gather the evidence necessary to determine whether the financial statements provide a fair and reasonably complete picture of the company’s financial position and its activities during the period being audited”.

Moreover, according to (Johnstone, Gramling, & Rittenberg, 2014), "Audit is a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between those assertions and established criteria; and communicating the results to interested users."

2.1.1 Types of Audit

Based on Leung et al., (2004:35-38), there are six types of audit activities, which are audit of financial statements, compliance audit, performance audit, comprehensive auditing, environmental and internal audit. The description of audit activities are as follows:

1. Financial statements audit

The objective of financial statement audit is to enable auditors to present an opinion as to whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework. The financial statement audit involves obtaining and evaluating evidence about the company's financial affairs so as to establish the degree of correspondence between the management's assertions and established criteria, such as legal requirements and accounting standards.

2. Compliance Audit

A compliance audit involves obtaining and evaluating audit evidence to determine whether certain financial and operational activities of a company meet the terms with specified conditions, rules or regulations. The outputs of

this type of audit are reported to management as the primary group concerned with the extent of compliance with certain prescribed procedures and regulations.

3. Performance audit

A performance audit involves obtaining and evaluating evidence about the efficiency, economy, and effectiveness of an entity's operating activities in relation to specified objectives. This type of audit activity may also be referred to as a value-for-money (VFM), operational or management audit.

4. Comprehensive auditing

Comprehensive auditing occurs when an auditor undertakes a range of audit and related services for client. Additionally, this type of audit consists of the elements of a financial statement audit, a compliance audit and performance audit.

5. Environmental Audit

An environmental audit is an audit that responds to the growing concern of business to control their environmental performance more effectively and to comply with a range of environmental regulation.

6. Internal Audit

An internal audit is an independent appraisal function established within an organization to examine and evaluate the activities of an entity as a service to the entity. Furthermore, internal audit is also one of the management tools to enhance internal control.

2.2 Management Audit

2.2.1 Definition of Management Audit

A simplified definition of management audits is the examination of an organization in all aspects of management activities aimed at viewing, identifying improvement opportunities, or developing recommendations for improvement and preparation of audit reports on the effectiveness and efficiency of its business activities. Management audits very different from compliance audits and financial audits, because management audits only evaluate the performance of the company's management. The management audit according to academic experts are:

According to Rai (2008:41) Management Audit is a systematic process to obtain and evaluate evidence objectively about the performance of an organization, program, function, or activity. evaluation is done in terms of economy and efficiency of operations, effectiveness in achieving the desired results, and compliance with policies, laws, and regulations that are relevant, in order to ensure the level of correspondence between the performance and the criteria set and communicate results to interested parties. users. management audit function provides independent reviews of performance against the management of third parties and the extent to which the audited entity's performance expectations that have been set previously.

According to Agoes (2004:175), management audit is an examination of a company's operating activities, including accounting policies and operational

policies that made by management to determine whether the operations have been done effectively, efficiently, and economically.

Based on American Institute of Certified Public Accountant (AICPA) in IBK. Bayangkara (2008) stated that "Management audit is a systematic review of an organization's activities or of a stipulated segment of them, in relation to specified objectives for the purpose of:

- assesing performance
- identifying opportunities for improvement
- developing recommendations for improvement or further action"

Based on the statement above, it can be concluded that audit management is an audit that aims to provide an assessment of the company's performance, efficiency and effectiveness, and provide recommendations related to the weakness of the company's operations.

2.2.2 The Purpose of Management Audit

The goal of the management audit is to identify all of the activities program that need improvement in order to provide the right recommendations so that they can improvevarious program in the company. The following is the purpose of the management audit according to some experts:

1. Akmal (2009:34) formulated some management audit purposes which are:
 - a. Assessing the adequacy and effectiveness of management control
 - b. Assessingthe effectiveness, efficiency, and economics

- c. Assessing the reliable information
 - d. Assessing the compliance with applicable laws and regulations
2. Based on American Institute of Certified Public Accountant (AICPA) in IBK as stated in Bayangkara (2008:3) that the purpose of management audit is to examine and assess the company's operations as well as its implementation procedures and concerning the provision of information to management on the operating issues necessary to make corrections in improvement, productivity and economics.

Based on the explanations above, it can be concluded the purpose of management audit is very broad and comprehensive. The purpose of management audit is measuring the company performances through examination of all company activities.

2.2.3 Characteristics of Management Audit

The characteristics of Management Audit according to Tunggal (1992:2) are:

1. Systematic Process

As in the audit of financial statements, management audits include a series of steps and procedures, which are logically structured and organized. These aspects include good planning, obtaining and objectively assessing evidence related to the activity being examined.

2. Assessing Organization's Operations

Assessment of operations should be based on several criteria established and approved. In a management audit, the criteria are usually expressed in the

performance standards set by the management. The management audit measures the level of correspondence between actual performance and criteria.

3. Effectiveness, Efficiency, and Economics Operations

The main purpose of management audits is to assist management and organizations being examined, improving the effectiveness, efficiency, and economization of the operations of the company. This means that management audits are more focused on the future.

4. Reporting to the Appropriate Party

The recipient of the management audit report is the management or individual requesting the audit. Often the board of directors or committee receives a copy of the management audit report.

5. Recommendations for Improvement

This is different from the financial audit report which ends with a report on the findings, the management audit develops recommendations for improvement.

2.2.4 Stages of Conducting Management Audit

The stages in the management audit are necessary to know to encourage the successful implementation of management audits. According to Bhayangkara (2008:64) the stages of management audit are:

1. Preliminary Audit

Preliminary audit is conducted to obtain general information and background of the company in a relatively short time in all aspects of the organization,

activities, programs or systems that are considered to be audited to acquire knowledge or an adequate picture of the object to be audited. According to James F. Broder (2005:55) the basic purpose of the preliminary audit is familiarization, based on more than a mere observation of the tasks to be reviewed.

2. Reviewing and Testing the Management Control System

At this stage the auditor reviews and conducts tests on audit object management control, with the aim to assess the effectiveness of management controls in support of achieving company goals. Based on the test results, the auditor can understand the controls better to easily know the weaknesses in potentials at various activities undertaken. If it is linked to the interim audit objectives that have been made in the preliminary audit, the results of this management control test may support the objective of the interim audit to be the actual audit objective, or there may be some interim audit objectives falling due to insufficient (difficult) supporting the audit objectives.

3. Detailed Audit

At this stage, auditors collect sufficient and competent evidence to support the predetermined objectives. The purpose of detailed testing phase is to identify areas that will ensure the attention of management. The auditor develops audit findings that are related to the other findings to be presented in the audit work papers to be considered in supporting the conclusions and recommendations to be made.

4. Reporting

This stage is to communicate the results of the audit and recommendations to various parties concerned. It is important to convince the management of the legitimacy of the audit results and encourage the authorities to make improvements to the various weaknesses found. Reports are presented in a comprehensive form (presenting important findings of audit results to support audit conclusions and recommendations). Recommendations should be presented in easily understandable language as well as operational and deserves to be followed up.

2.2.5 Audit Object of Management Audit

Assessment of effectiveness level in management audit within a company can be done using audit objective covering three elements (Bhayangkara 2008:4):

1. Criteria

Criteria is the norm, standard, or a set of standards that guide individuals in their activities as the implementation of the authority and responsibility given. The standard is used to assess the activities of individual or group. In the development of these criteria, auditors refer to several sources, like the applicable regulations, the policies set out in the audit object, and experience of auditors from the audit assignment.

2. Cause

Cause is an action that has been done by individuals / groups within the company. The cause can be positive, program / activity run by the level of

efficiency and effectiveness of higher, or otherwise negative program / activity goes to the level of efficiency and effectiveness that is lower than a predetermined standard.

3. Effect

The result is a comparison between the cause and the criterion associated with the cause. The negative effect will show the program / activity running with lower level of achievement than the criteria specified, whereas if positive results show programs / activities have been well organized with a higher level of achievement than the criteria set.

2.3 Human Resource Management

2.3.1 Definition of Human Resource Management

According to Dessler (2014:4), Human Resource Management refers to the policies and practices involved in recruiting, screening, training, rewarding, and appraising.

Handoko (2008:4) said that Human Resource Management activities include the planning function (determination of what will be done), the organization (planning and assignment of working groups), personnel preparation (recruitment, selection, development, compensation, performance assessment), approval and supervision. Meanwhile, according to Flippo in Handoko (2008:11), human resource management covers "planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human

resources to the end that individual, organizational and social objectives are achieved.”

Human resource management is a strategic approach to managing employment relation which emphasizes that leveraging people capabilities is critical to gain sustainable competitive advantage achieved via a distinctive set of integrated employment policies, programs and practices (Ivancevich and Hoon, 2002:4).

From the definitions above, it can be concluded that one of the determinants of the company's success is human. Therefore, human resources must be fostered, coordinated and directed in accordance with the goals of the company and promote the satisfaction of its employees to achieve success in its business.

2.3.2 Human Resource Management Functions

Human resource management function in organization according to Flippo in Hasibuan (2013:11) are divided management function and operational function.

a) Management Function

The function of management in human resource function according to flippocovers 4 functions, namely:

- Planning
- Organizing
- Briefing
- Supervision

b) Operational Function

Operational functions are more directed to technical activities in the implementation of human resource management functions such as:

- Provision
- Development
- rewards
- Integration
- Maintenance
- Work termination

Hasibuan (2013:21) classified human resource management functions into 11 functions. A brief explanation of 11 human resource management functions are as follow:

a) Planning

Planning the employee effectively and efficiently to fit the needs of the company in realizing the goals.

b) Organizing

Organizing an organization by designing the structure and relationship between the tasks that must be done by the employee prepared.

c) Directing

The activity directs all employees to cooperate and work effectively and efficiently in assisting the achievement of corporate, employee and community goals.

d) Controlling

Activities control all employees to comply with company regulations and work according to plan.

e) Procurement

The process of withdrawal, selection, placement, orientation, and induction to get employees that fit the needs of the company.

f) Development

The process of enhancing the technical, theoretical, conceptual, and moral skills of employees through education and training.

g) Compensation

Giving remuneration directly and indirectly, money or goods to employees in exchange for services rendered to the company.

h) Integration

Activities to unite the interests of the company and the needs of employees, in order to create a harmonious and mutually beneficial cooperation.

i) Maintenance

Activities to maintain or improve the physical condition, mental, and employee loyalty so they will cooperate until retirement. Good maintenance is done with a welfare program that is based on most of the needs of its employees.

j) Discipline

Desire and awareness to comply with company rules and social norms.

k) Separation

The termination of a person's employment relationship from a company. The termination of this employment may be caused by the employee's wishes, the wishes of the company, the employment contract expires, the pension and other causes.

2.3.3 The Process of Human Resource Management

To achieve success in a competitive conditions, the company changed its vision, mission, structure, strategy, and corporate culture. all these changes have significant implications for the required behavior and competencies of the human resources within the company. To encourage and support the required behavior within the company, many human resource policies and practices must be changed. Human resource planning for equalization and change helps the company's strategy to achieve its goals and place itself (Jackson, Werner, & Schuler 2009:94).

Steps in the process of preparing human resources include (Handoko, 2008:6):

1. Human resource planning, designed to ensure the stability and fulfillment of human resource needs within the organization.

The focus of attention in human resource planning is the specific steps taken by management to ensure that the organization has the right manpower to occupy various positions, and the right job at the right time, all in order to achieve the goals and objectives set. Human resource planning shows how human resources are derived based on the analysis of work that has been made, then are adjusted to the conditions in the labor market. (Bangun, 2012: 112). Through manpower

planning, it is expected to provide several benefits for both the company and the employees which include (Rivai 2004: 48):

- a. Companies can better utilize human resources in the company. Human resource planning also needs to be preceded by inventory activities on human resources of the company. The inventory includes Number of existing employees, various qualifications, period of work of each employee, knowledge and skills possessed, both formal education and training programs ever followed, talents that still need to be developed, interests, especially those related to activities outside the job.
- b. Through human resource planning, work effectiveness can also be improved if the available human resources are in accordance with the needs of the company. Standard Operating Procedure (SOP) as a work guidance that has been owned which include: conducive working atmosphere, work tools in accordance with the duties of each human resources have been available, the existence of safety assurance, all systems have been running well, organization and placement of human resources have been calculated based on needs and workload.
- c. Productivity can be further enhanced if the company has data on knowledge, work, training that has been followed by human resources. Including employees in education and training will encourage employees to increase their work productivity. Through education and training can improve the skills and skills of human resources followed by improvement

of work discipline that will produce something more professional in dealing with work directly related to the interests of the company.

- d. Human resource planning is concerned with determining future employee needs, both in terms of numbers and qualifications to fill various positions and organizing new activities in the future.

2. Recruitment, it is related to the procurement of prospective employees in accordance with the human resources plan.

Recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The results are a pool of applicants from which new employees are selected (Werther & Davis, 1996:182). If the company does not get the right manpower, in terms of quality and quantity so that the company will be less effective and efficient. These circumstances can cause losses, even failures for the company.

According to Siagian (2005: 102), Recruitment is the process of searching, finding and attracting capable applicants to be employed in and Oleg an organization. This means, it can be said that the step immediately following the process of recruitment, that is selection, is no longer part of the recruitment. If the recruitment process is properly and appropriately, the result is a group of applicants who are then selected to ensure that only the most meet all the requirements received as workers in organizations that need them.

3. Selection of Candidates Among Employees.

Selection is an advanced process of recruitment to select the most appropriate employee and in the right amount of applicant candidates obtained from recruitment. To get the right employees, the right selection method is needed. Every company should be able to carry out the selection effectively and efficiently. Effective means the company can choose or determine the most appropriate employees. Efficient means the sacrifice of money, effort, and time must be worth the results achieved.

According to Siagian (2005: 136), the selection process combines two things, namely: (a) directly related to the work to be done if one is accepted application, and (b) other factors indirectly related to the work later, but gives a more accurate picture of the applicant's self.

4. The introduction and orientation, are designed to help individuals who elect to adjust well in the organization.

Basically it can be said that the success of an introduction program depends greatly on the attitude of the old employee in his interaction with the new employee during the introductory period (Siagian, 2005: 156 - 157). The positive attitude of the old employees to the organization, to the tasks and other employees is far more important than the ability to provide technical explanation of the various activities that take place within the organization. The vital point of of reckoning program is the view that the new employees basically want to be accepted as the "new members" of a big family. This means that they want to

understand the true aspects of organizational life in order to act, and behave in accordance with the expectations of the organization..

5. Training and development, aimed at enhancing the ability of individuals and groups to encourage organizational effectiveness.

an activity that intends to improve and develop the attitudes, behavior, skills and knowledge of its employees in accordance with the wishes of the company.

Any company that wants its employees to work more effectively and efficiently should not underestimate the problem of this training. Training is also intended to adapt to new needs for attitudes, behaviors, skills and knowledge. There are several goals to be achieved by training:

- a. Work is expected to be faster and better.
 - b. The use of materials can be saved.
 - c. The use of machinery and equipment is expected to be more durable.
 - d. Accident numbers are expected to be smaller
 - e. The expected responsibility is greater
 - f. Production costs are expected to be lower
 - g. Company continuity is expected to be more secure
6. Performance appraisal, conducted by comparing the implementation of individual work and standards or goals are developed for these positions.

There are two interests of a rational and objectively appraised performance appraisal (Siagian, 2005: 223 - 224), namely:

- a. The employee's interests, that is, the assessment serves as feedback on things such as ability, fatigue, deprivation and potential which in turn are useful for determining the goals, paths, plans and career development.
 - b. The importance of the organization, that is, the result of the appraisal of employee performance is very important in its meaning and role in making decisions about various issues such as the identification of education and training program needs, recruitment, selection, recognition program, placement, promotion, reward system and various aspects of the whole process of resource management human power effectively.
7. The provision of remuneration and rewards, provided to employees as compensation for execution of work and as a motivation for future better performance.

Compensation is the remuneration given by the company to its employees, which can be valued with money and tends to be given on a regular basis. Compensation can also be innatura benefits, housing facilities, vehicle facilities and others. The issue of compensation is not only important to employees because it is an employee's primary impulse, but also a huge influence on the passion and enthusiasm of work. Therefore, companies should establish the most appropriate compensation so as to sustain the achievement of corporate objectives more effectively and efficiently. For some considerations in compensation to be considered by the company, namely: rules and ethics, minimum requirement requirements, able to bind employees, can ensure the



spirit and excitement of work. fair, appropriate composition, dynamic and in accordance with the ability of the company.

8. Career planning and development, including transfer (promotion, demotion, or lateral), mutation, reassignment, dismissal or retirement.

According to Siagian (2005: 206), a worker needs to understand three things in order to know the career pattern that is open to him, that is, the career goal he wants to achieve in terms of what level of position or position he might achieve if he is able to work productively, loyal to the organization, demonstrate functional behavior and be able to grow and growing. Second, career planning in the sense of one's involvement in the selection of his path and career goals; and thirdly, the willingness to take the necessary steps in the framework of career development while working.

9. Maintenance of health and safety, to provide working conditions safer and healthier for the protection of labor.

Employee health and safety / security programs can be done in various forms, ie:

- a. Make working conditions safe.
- b. Conducting accident prevention activities by controlling unsafe human practices.
- c. Creating a healthy working environment to maintain employee health from visual, hearing, fatigue and other impairments.
- d. The company can provide health care by providing physicians and health clinics organization.



10. Employee termination, is the end of the working relationship between employees and organizations. Termination occurs because of the willingness of the employees, the willingness of the organization, the termination of employment contracts, pensions or other causes. Implementation of this management function in a good way in managing employees will facilitate in realizing the vision and success of an organization.

Law no. 13 of 2003 Article 158-167 stipulates in regards to what the company may engage in termination of employees, namely:

1. The employee commits a serious offense (fraud, theft, divulge company secrets and others), after a mistake can be proven.
2. The employee commits a criminal act and is found guilty by the court.
3. The employee commits a breach of the Joint Working Agreement (after getting warning letter three times in a row).
4. Labor voluntarily resigned.
5. Changes in the company's status, merging, consolidation or change of ownership status of the company and the new company are unwilling to accept the employee to continue its employment relationship.
6. The company is closed due to continuous losses for 2 years or a coercive situation
7. The company is closed for improving efficiency.
8. Company is bankrupt.
9. Employee retire.

2.4 Human Resource Management Audit

2.4.1 Definition of Human Resource Management Audit

Human Resource Management Audit, according to Bayangkara (2008:60), is the emphasis of human resource audit assesment that occur in the company to ascertain whether the activity has been running economically, efficiently and effectively in achieving its objectives. it provides recommendations for improvements to various deficiencies that still occur to improve the performance of the program or activity.

According to Siagian (2001:68) human resources management audit is to seek, find and evaluate the facts extent to which management was successfully held a variety of functions that will help improve the efficiency, effectiveness, and productivity of the company as a whole.

While according to Sherman and Bohlander (1992:670) in Tunggal (2001:189), human resource management audit is a method of ensuring that the human resources potential of the organization is being fullfilled.

Based the definitions mentioned above, it can be concluded that an audit of human resource management provides an opportunity for:

1. Assessing the effectiveness of human resource functions, and improving the effectiveness, efficiency, and productivity of the company as a whole if the implementation of human resource management successfully done
2. Ensuring the company compliance on laws, policies, rules and procedures.
3. Setting guidelines and standards

4. Improving the quality of human resources staff
5. Enhancing the image of the human resource function
6. Improving change and creativity
7. Assessing the advantages and disadvantages of various human resource functions
8. Focusing on human resource staff critical issues

According to Bayangkara (2008:61), There are several objectives to be achieved through human resource auditing, ie. assessing the effectiveness of human resource functions, assessing whether human resource programs or activities are economically, effectively and efficiently, ensuring compliance with human resource programs or activities into legal provisions, regulations and policies prevailing in the company, identifying various things that can be improved on human resource activities in support of its contribution to the company, formulating appropriate remedial measures to improve the economy, efficiency and effectiveness of various human resource programs or activities.

2.4.2 The Purpose and Benefits of Human Resource Management Audit

Human resource management audit aims to ensure that operations management has followed policies and maintained an effective employee (Tunggal, 2001:85). in addition, according to Siagian (2005:28-29), the achievement of functional objectives in the field of human resources is the overall steps and procedures that must be taken by the work unit that manages the human resources in the organization in such a way that the human resources contained in the organization

is able to contribute maximally. The various steps and procedures usually consist of employment planning, recruitment, selection, placement, remuneration and remuneration, career coaching, education and training, maintenance of employment until dismissal, in the form of termination of employment and retirement.

Benefits audit human resource management functions (Tunggal, 2008:81) are:

1. To identify the contribution of human resources to the organization
2. To improve the professional image of the human resources department
3. To encourage greater responsibility and professionalism among members of the human resources department
4. To clarify human resource obligations and responsibilities
5. To create a diversity of personnel policies and practices
6. To be used to find critical personnel issues.
7. To ensure that there is timeliness in compliance with legal requirements.
8. To reduce the cost of human resources through more effective personnel procedures
9. To create increased acceptance of needed changes in the personnel section.

2.4.3 The Scope of Human Resources Management Audit

Bayangkara (2008: 114) stated that the scope of HR audit can be classified into three groups. The first is an audit of the acquisition of HR or recruitment, starting from the beginning of the planning process to the needs of human resources selection and placement process. The second is that management (empowerment) human resources, human resources management includes all activities in the company after

the start of training and development through employee performance appraisal. The third is termination of employment (FLE) for resignations or dismissals due to violation of company rules.

2.4.4 Steps of Human Resources Audit

In performing HR audits, Bayangkara (2008: 64) reveals several steps to be done, namely:

1. Preliminary Audit.

The auditor emphasizes audit in search of background information and a general description of the human resources program/activity being audited. The information obtained at this stage will lead to the formulation of objectives. The purpose of the audit is a hypothesis that requires evidence to answer the question (suspicion) of the auditors. Auditors in the audit of human resources should formulate the hypothesis first and it requires a preliminary survey to understand the conditions related to the program or activity being audited and require improvement to support the success of the company in the future.

2. Reviewing and Testing Management Control Over Human Resources Programs.

The system of management control of the company should be the guidelines used by managers and supervisors to control the processes running.

3. Advanced Audit

The findings obtained is summarized and grouped in based on criteria, causes, consequences. Various groups of findings are then analyzed to understand whether the problem occurs independent or interrelated with other problems.

4. Reporting

The report should be presented in easily understood language. The audit report shall contain information about the background and audit conclusion accompanied with the audit findings as supporting evidence. In a report, recommendation suggested by auditors should be presented on the proposed revisions as an alternative improvement towards irregularities that still occur.

5. Follow-Up

Implementation of the recommendations proposed by auditors. Management and auditors should agree and be together in implementing the follow-up improvement. Basically, the decision to follow up is entirely on the management's, but in the actual execution, the auditor will accompany so that the follow-up runs in accordance with the recommendations made and to achieve their aims.

2.5 Concept of Effectiveness

2.5.1 Definition of Effectiveness

According to kamus besar Bahasa Indonesia (2005:284), effectiveness derived from the word effective which means having effective value, influence or effect, can be interpreted as an activity that can give satisfactory results, it can be said also that the effectiveness is a link between the stated objectives with the results achieved.

Effectiveness emphasizes the results achieved, while the efficiency is more on how to achieve the results achieved by comparing the input and output (Siagian, 2001: 24)

It can be concluded that effectiveness is a measure that states how far the target (quantity, quality and time) that has been achieved by management. This is in accordance with Gibson, Inancevich, and Donnelly (2000: 27) that effectiveness is a judgment made in relation to the achievements of individuals, groups and organizations. The closer they are to achieving the expected performance, the more effectively we judge them.

2.5.2 Measurement of Effectiveness

Measuring organizational effectiveness is not a very simple thing, because effectiveness can be assessed from different perspectives and depends on who judges and interprets it. Viewed from the point of view of productivity, effectiveness means the quality and quantity (output) of goods and services. The following is the criteria or measure of the achievement of the effective objectives or not, as stated by Siagian (2001: 77), namely:

- a) Clarity of objectives to be achieved, it is intended that employees in the implementation of tasks to achieve targeted goals and organizational goals can be achieved.
- b) Clarity of goal achievement strategy, it is known that the strategy is "on the road" that is followed in making various efforts in achieving the goals set so

that the implementers do not get lost in the achievement of organizational goals.

- c) The process analysis and formulation of a stable policy is related to the objectives to be achieved and strategies defined that the policy must be able to bridge the goals with the operational activities.
- d) Mature planning, in essence means deciding now what the organization is doing in the future.
- e) The proper programming of a good plan still needs to be spelled out in the right implementation programs because the agent will lack the guidelines for action and work.
- f) The availability of facilities and infrastructure, one of the indicators of organizational effectiveness is the ability to work productively. With facilities and infrastructure available and provided by the organization.
- g) Effective and efficient implementation, however if a program is not implemented effectively and efficiently then the organization will not achieve its target, because with the implementation of the organization closer to the goal.
- h) Supervisory and control system is educative considering the imperfect human nature then the effectiveness of the organization demands the existence of a system of supervision and control.

2.5.3 Human Resource on Organizational Effectiveness

The existence of human resources make a considerable contribution to the achievement of organizational effectiveness. As Ellig (1997: 91) in Ahmed (1999) argues "To be optimally effective, the human resource function must be both an employee advocate and a business partner". Rayadi (2012) added that "human resources contribute directly to increased productivity through the discovery of more efficient and effective ways to achieve goals."

As per Alagaraja et al. (2015) in Sahoo (2016), there are five important approaches for examining the linkage of human resource and organizational performance and effectiveness as follows:

1. best-fit model (strategy based);
2. best-fit approach (characteristics of organization based);
3. best-practice model (adoption by other firms based);
4. combination of best-fit approach and best-practice model;
5. stake holders perception based.

An important aspect of an organization's business focus and direction towards achieving high levels of competency and competitiveness will depend very much upon their human resource management practices to contribute effectively to profitability, quality, and other goals in line with the mission and vision of the company. Human resource management system comprising practices that ensure selectivity in staffing, performance-based pay, and enhanced employee opportunity

through participation in decision-making result in higher levels of organizational effectiveness (Delery and Gupta, 2016).

2.6 Previous Study

Sumule (2012) conducted a research with the title of research *Pengaruh Audit Manajemen Sumber Daya Manusia Terhadap Efektivitas Organisasi Pada PT. (Persero) Surveyor Indonesia Area Surabaya*. He found that human resource audit has a strong and positive relationship with the organizational effectiveness.

Elisa Septianingrum(2017) studied "*Pengaruh Audit Manajemen Terhadap Kinerja Karyawan Pada Pt Bank Panin Tbk Cabang Kendari*" and found that implementation management audit can determine whether there is a weakness in every unit, so it can be given recommendations to improve the performance of employees.

Saleem and Akbar (2015) in their research "Evaluation the Role of Human Resource Audit in Organization Effectiveness: (Evidence from Banking Sector in Karachi-Pakistan)" stated that human resource audit can be performed through the measurement of the effectiveness of the human resource functions of an organization.

CHAPTER III

RESEARCH METHOD

3.1 Type of Research

This research uses qualitative approach. According to Creswell in Sugiyono (2015:16),

"Qualitative research is a mean for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. The process of research involves formulating questions and procedures, collecting data in the participants' setting, analyzing the data inductively, building from particulars to general themes, and making interpretations of the meaning of data. The final written report has a flexible writing structure."

Qualitative research is a type of social science research that collects and works with non-numerical data and that seeks to interpret meaning from these data that help us understand social life through the study of targeted populations or places. The data collected is not a number, but the data comes from interviews, field notes, personal documents, memos, and other official documents. So that the purpose of this qualitative research is to describe the empirical reality behind the phenomenon in depth, detailed and thorough. Therefore, the use of qualitative approach in this research is for matching between empirical reality with valid theory using descriptive method.

This study is included in the descriptive qualitative research. Descriptive method is finding fact with the right interpretation. According to Sekaran (2009: 105), "descriptive research is a research conducted to ascertain and describe the characteristics of interest variables of interest in a situation".

This research is conducted focusing on human resource functions. It aims to determine the effectiveness of human resources in achieving the goals and objectives of the company.

3.2 Object of Study

This research of the human resource function management audit was held on PT. Janti Sarana Material Beton Malang located at Jl. Sunandar Priyo Sudarmo No.46, Blimbing, Kota Malang, Jawa Timur.

3.3 Scope of Study

Research focuses on human resource management audit hence the scope of this research is focused on human resource management function which includes:

- Human Resource Planning,
- Human Resource Recruitment
- Human Resource Selection, Orientation, and Placement of human resources
- Human Resource Training and development
- Human Resource Performance Appraisal
- Human Resource Career Planning
- Employee's Compensation
- Employee's Health Care and Protection
- Employee's Termination.

3.4 Data Type and Source

Type of data used in this research is qualitative data, which is not in a form of number. The data source used in this research are:

1. Primary data

Primary data is the data obtained directly from the source of research (not through intermediaries), it is observed and recorded for the first time (Sekaran, 2006:77). In this research, primary data needed are the interview record with the manager and the employee from Human Resources division and the questionnaire given to human resource department of the company.

2. Secondary Data

Based on Sekaran (2006:77), secondary data is the data obtained and noted by another party indirectly. The data is collected by documentation such as:

- a. History of the company
- b. The vision and mission of the company
- c. Organizational Structure of the Company
- d. Job Descriptions
- e. Business Activity
- f. The number of employee in the company
- g. Government regulation of human resource

This document obtained by observing and getting files from Human Resources division given by the staff of human resource division.

3.5 Data Collection Method

The collection of data is a procedure to obtain all the information associated with the object of research. The data collection method in this study is a field study which is divided into three types:

1. Interview

Interview is a question and answer process done to the parties related to the management of human resources. The result of the interview is a raw data which will be managed and analyzed to produce a more accurate data.

2. Documentation

Documentation is a data collection method to obtain data from the human resource department. The data include vision, mission, goals and company's motto, the organizational structure and the job description, performance assessment sheet, the collective labor agreement and company regulations.

3. Questionnaire

Questionnaire is done by giving a number of written questions related to the problem observed to the head of personnel division and some employees. The questioner respondents are all human resource department employees and some employees from general section.

3.6 Data Analysis Method

This study uses descriptive qualitative data analysis method, the analysis by collecting and describing non-numeric data, associated with the event or activity in human resource functions. The analysis conducted in this study is explanation without using statistical figures. The analysis was performed using audit management stages, namely:

1. Preliminary Audit

Developing audit procedures is to obtain data as the results of the audit, namely:

- a. Obtaining and analyzing the background and general information of PT Janti Sarana Material Beton Malang.
- b. Reviewing the company's regulations and collecting labor agreement, government regulations regarding human resources activities.

2. Reviewing and Evaluating Management Control

The achievement of objectives of corporate's human resource functions. The results of these tests are used by researchers to gain a better understanding of corporate controls that allow companies to identify potential weaknesses. Through this analysis, the researcher can establish audit objectives as a basis for further implementation of the audit process.

3. Detailed Audit

The researcher collected sufficient and competent evidence to support the audit objectives based on the results of the review and testing the control of the management. The steps are:

- 1) Activity analysis using some data, such as company's objective, company's vision and mission, operational procedure of human resource planning function, government regulation regarding human resource function, company's policy, labor agreement documents, and questionnaire result.
- 2) Conducting interviews with the head of human resource department
- 3) Grouping making criteria, conditions cause and effect.

a. Criteria

The standard or norm that should be obeyed by every part of a company. Criteria are used as comparison or benchmark. Using the criteria, the researcher is able to decide whether a condition is deviate or not. The criteria that made the standard in the research are:

- 1) Laws and Government Regulations
- 2) Policy and Regulation of Human Resource
- 3) Company's Purpose

b. Causes

The implementation of human resources programs within the company leads to the occurrence of existing human resource conditions, including actions that should be done to meet the criteria but not performed by management.

c. Effect

The measurement and comparison result between criteria and causes that results in effects for the company. If the criteria that have been decided can be reached or done in an actual activity, the function can be declared effective, but if there is a significant weakness in an actual activity that makes the purposes or the policies in the company cannot be reached, then the function is not effective.

Through these elements it can be known how far the success of management in managing human resources.

4. Recommendation

The researcher makes recommendations in the form of corrective action on the significant weaknesses found as well as potential weaknesses that exist in the human resource function so it is expected to increase the activity of human resource functions to be effective.



CHAPTER IV

DISCUSSION

4.1 General Description of the Object

This chapter describes the company's overview. The information covers general matters in the company including the history of the company, the company's business processes, vision, mission, motto, etc.

4.1.1 General Information of PT. Janti Sarana Material Beton

PT. Janti Sarana Material Beton is a distributor company of PT. Semen Indonesia serving distribution and sale of cement in Java, Bali and Sumatera. This company has 310 special hi-blow trucks with a capacity ranging from 8 tons to 60 tons and 400- 1600 tons bulk cement silos, which are prepared to serve large-scale or small-scale projects with high difficulty. In addition to serving a nationwide government project, PT. Janti Sarana Material Beton also serves factories for paving and board production.

To be the best distributor agent, PT. Janti Sarana Material Beton is supported by the qualified workforce required such as power engineering, construction, maintenance, marketing, financial administration, administrative offices and workshops and supported by a professional workshop program.

PT. Janti Sarana Material Beton is committed to always provide the best service with the most competitive cost for the satisfaction of partners and customers. Products and Services owned by PT. Janti Sarana Material Beton is an integral part of the cement industry and infrastructure project development. The

company continuously produce innovation with the aim of providing total solutions for customers.

PT. Janti Sarana Material Beton believes that trust and customer satisfaction is the company's greatest asset to be the best in the business, and will continue to maintain and improve the performance.

4.1.2 Vision and Mission

Vision

To become the leading company and the best in logistics, distribution and cement sale in Indonesia and to become the best national cement distributor with the broadest area.

Mission

- a. Providing total solutions to sales service, distribution and logistics service for customer satisfaction using environmentally friendly technology.
- b. Realizing international standard management by upholding business ethics, spirit of togetherness, innovation and creativity.
- c. Improving service excellence by referring to the efficiency, effectiveness, and productivity performance.
- d. Empowering and synergizing the company's resources to increase added value sustainably through planned training and coaching programs.
- e. Contributing to the improvement of stakeholders.



4.1.4 Organizational Jobs and Functions of PT. Janti Sarana Material Beton

1. President and Financial Director
 - a. Deciding and determining the highest corporate policies and regulations
 - b. Being responsible for leading and running the company
 - c. Being responsible for losses faced by the company including corporate profits
 - d. Planning and developing sources of income and corporate wealth expenditure
 - e. Acting as a representative of the company in conjunction with the world outside the company
 - f. Coordinating and supervising all activities in the company, ranging from administration, staffing to procurement
 - g. Coordinating the formulation of Long Term Strategy as the basis of formulation of Work Plan and Budget of company by cooperating with other Director
 - h. Enacting measures that can reduce and mitigate the various types of financial risks facing the company by coordinating with other Directors
 - i. Ensuring the availability of operational funds required by the company for daily operational activities, with close coordination with the leaders of business units
2. Operational Director
 - a. Planning, executing and overseeing all operational operations of the company



- b. Establishing company standards on all operational, production, project and production quality processes
 - c. Creating a strategy to achieve company's targets and steps to achieve these targets
 - d. Checking, monitoring and determining all the needs in the company's operational processes
 - e. Planning, determining, supervising, making decisions and coordinating about financial affairs for the company's operational needs
 - f. Being responsible for the development of product quality
 - g. Being responsible for operational, production, project and production quality
 - h. Making activities a report for the president director
3. Human Resource Director
- a. Planning, developing and implementing strategies in human resource management and development
 - b. Establishing and maintaining appropriate systems to measure important aspects of human resource development
 - c. Monitoring, measuring and reporting on issues, opportunities, development plans related to Human Resources and achievements in an agreed time scale and form
 - d. Contributing to the evaluation and development of human resource management strategies and performance in implementing strategies, in collaboration with the executive team
4. Human Resource Manager

- a. Developing human resources management strategies and policies in the company based on the long-term and short-term strategies established in accordance with applicable government regulations in order to obtain human resources with performance, capabilities and competencies in accordance with the desired company
- b. Making work plan and budgeting in accordance with strategy, policy and human resources system set to ensure the achievement of targets human resources department
- c. Coordinating and controlling the implementation of human resource functions throughout the enterprise to ensure that all are in compliance with the strategies, policies, systems and work plans that have been prepared
- d. Coordinating and controlling the budget of human resources to be used effectively and efficiently in accordance with the work plan
- e. Coordinating and controlling the preparation and implementation of training and development programs, including identification of training needs and training evaluations to ensure achievement of competency targeted
- f. Planning the needs of the workforce in accordance with the development of the organization, as well as coordinating and controlling the implementation of recruitment and selection activities to ensure the availability of the required workforce in accordance with the rules of demand and qualifications desired within the agreed timeframe

g. Managing and controlling office administration, personnel, and human resources information systems to ensure optimal support for smooth operation of the company

5. Finance Manager

a. Managing the accounting functions in processing data and financial information to produce the financial statements required by the company accurately and on time

b. Coordinating and controlling the planning, reporting and payment of corporate tax liability efficiently, accurate, timely, and in accordance with applicable government regulations

c. Planning, coordinating and controlling the company's cash flows, especially the management of accounts receivable and debts, thus ensuring the availability of funds for the company's operations and the health of the financial condition

d. Planning and coordinating corporate budgeting, and controlling the use of the budget to ensure effective and efficient use of funds to support the company's operational activities

e. Planning and coordinating the development of financial and accounting systems and procedures, and controlling its implementation to ensure that all financial processes and transactions proceed orderly to reduce financial risk

f. Coordinating and conducting financial planning and analysis to provide financial inputs for corporate leaders in business decisions, whether for investment, expansion, operational or other financial conditions



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6. Accounting Staff
 - a. Creating and printing invoices to ensure the bills are delivered to customers properly and on time
 - b. Receiving, checking bills from vendors and creating a recap to ensure payment is delivered on time
 - c. Creating, checking and archiving invoices, supplier notes, AP/AR reports to ensure debt / receivable status
 - d. Receiving payment receipt from customers, and payment to the supplier in a timely and accurately
 - e. Archiving all transaction documents to maintain administrative order and facilitate tracking of documents
 7. Manager Purchasing
 - a. Evaluating suppliers based on price, quality, and delivery speed
 - b. Analyzing price proposals, financial reports, and other information to determine reasonable prices
 - c. Negotiating contracts on behalf of their organization
 - d. Meeting with staff and vendors to discuss defective or unacceptable goods or services and determine corrective action
 - e. Evaluating and monitoring contracts to make sure that vendors and supplies comply with the terms and conditions of the contract and to determine need for changes
 - f. Maintaining and reviewing records of items bought, costs, deliveries, product performance, and inventories
 8. Distribution and Logistic Manager

- a. organizing the safe and efficient storage and distribution of goods
 - b. Reviewing invoices, work orders, consumption reports, and making forecasts to estimate peak delivery periods and to issue work assignments
 - c. Issuing shipping instructions and providing routing information to ensure that delivery times and locations are coordinated
 - d. Arranging the purchasing and supply of equipment
 - e. Overseeing the ordering process
 - f. Conferring with department heads to coordinate warehouse activities, such as production, sales, records control, and purchasing
9. Area Sales Manager
- a. Developing an overall business plan, including sales strategies and profit goals
 - b. Visiting potential and current clients in order to provide product information
 - c. Meeting regional sales financial objectives by forecasting requirements; preparing an annual budget; scheduling expenditures; analyzing variances; initiating corrective actions
 - d. Maintaining and expanding customer base by counseling district sales representatives; building and maintaining rapport with key customers; identifying new customer opportunities
 - e. Implementing trade promotions by publishing, tracking, and evaluating trade spending

- f. Runningsales and organization mission by completing related results as needed

4.2 The Implementation of Human Resource Management Audit

4.2.1 Preliminary Audit

The researcher collects the information related to background and general overview of the human resource activity program that is going to be audited. The researcher also examines the company's vision and mission, operating and procedure standards, rules and laws regarding to manpower and employee database.

- a. Procuring the background and general information of PT. Janti Sarana Material Beton including:
 1. Company's profile
 2. Company's vision & mission
 3. Purpose of the human resources department
 4. Organizational structure and job description for each positions
- b. Procuring and reviewing government regulations regarding human resources activities, such as:
 1. Law No. 13 of 2003 on Labor chapter III related to human resource recruitment
 2. Law No. 13 of 2003 on Labor chapter III related to human resource selection
 3. Law No. 13 of 2003 on Labor chapter VI related to human resources placement and orientation

4. Law No. 13 of 2003 on Labor chapter V related to human resources training and development implementation
5. Law No. 13 of 2003 on Labor chapter X related to the employee's compensation
6. Regulation of the Governor of East Java number 121 year 2016 related to employee's salary
7. Law No. 13 of 2003 chapter X on employment related to the employee's health care and protection
8. Law No. 13 of 2003 on employment chapter XII related to the employee's termination

Due to the availability of company data for conducting human resource audit, the researcher found that the tentative audit objective is to assess the effectiveness of human resource functions and search for the human resource function potential weakness that can be improved. This is in accordance with the company's goal to improve the quality of human resources in order to give the best service to customers.

4.2.2 Reviewing and Analyzing Management Control

PT. Janti Sarana Material Beton has a management control system that serves to control the activity of human resource functions. Through these tests, the researcher was able to establish audit objectives as a basis for further implementation of the audit process. The management control system review is done by:

- a. Examining the data and documentation related to human resources, such as:
 - Company's regulation

- Labor agreement
 - Job Description for each position
 - Government regulation regarding manpower
- b. Distributing questionnaires to each chief or manager and one of the staff of each department.
- c. Interviewing, Mrs. Dina, the assistant manager of human resource department.
- d. Analyzing the condition of the company while conducting the stage of reviewing and testing management control, such as :
- 1) Human Resource Planning
 - Human resources planning depends on the needs of the company by involving other managers and owner who need human resources with a specified qualification in each of the department.
 - The human resources department's plans have been well documented
 - 2) Recruitment
 - Human resources manager and owner of the company are involved in the process of employees recruitment.
 - The company uses Law No. 13 of 2003 about labor that all applicants who apply and meet the requirements are given the same opportunity
 - 3) Human Resource Selection, Orientation, and Placement

- There are several selection tests conducted in PT. Janti Sarana Material Beton, namely administration selection, written test, and interview.
- 4) Human Resource training and development
- PT. Janti Sarana Material Beton conducted training and development for new employees before working.
 - PT. Janti Sara Material Beton provides training and development in the middle of period if the company implements a new system or develops an existing system in the company.
- 5) Human resource performance appraisal
- PT. Janti Sarana Material Beton performs Human resource performance appraisal at the end of year.
 - The manager of each department conducts assessment on their employees
 - the Human Resource department sets the standards for the appraisal of each division
- 6) Human resource career planning
- Employment agreement made in accordance with Law no. 13 year 2003 article 59 clause 4 stating that: A certain time employment contract based on a certain period of time may be held for a maximum of 2 (two) years and may only be extended 1 (one) time for a maximum period of 1 (one) year. Then the employee will be promoted to a permanent employee.

- There is 3 months trial period to the employee who has been promoted.
- 7) Employee's compensation
- The provision of salary and wages are adjusted to the regulation of East Java governor no. 121 of 2016 and Law no. 13 of 2013 Chapter 10 of section 2.
 - Bonus wages adjusted on performance assessment that has been done and is given at the end of the year.
- 8) Employee's health care and protection
- The Company registers all the employees to BPJS program for the health care.
 - Labor protection is carried out in accordance with the Law No. 13 Year 2003 on Labor Paragraph 5.
- 9) Employee's termination
- The termination of employees is done if there are employees who are considered no longer productive

Due to the availability of data and the possibility to do the audit, the researcher makes the tentative audit objective as the audit objective, which is to assess the effectiveness of human resource functions and search for the human resource functions potential weakness that can be improved. In general, the control function on human resources has been effective in supporting the achievement of corporate objectives and in line with the applicable regulations, which will be proved in the next audit.

4.2.3 Detailed Audit

Audit findings in the detailed audit grouped into four groups, namely the criteria, conditions, causes, effects, the group further analyzed and given recommendations aimed at improving the effectiveness of the company's operations which are based on existing human resource functions at PT. Janti Sarana Material Beton.

1. Human Resource Planning

Audit Procedures:

- a. Data analysis, such as:
 - 1) Law No.13 of 2003 on Employment Chapter IV of workforce planning.
 - 2) Company's vision and mission
 - 3) Questionnaire result
 - 4) Employee Turnover Rate
- b. Interview, with Mrs. Dina, the assistant manager of human resource department.

Audit Results are:

1. Condition
 - a. Human resource planning is based on the needs of the company by involving other managers and owner who need human resources with a specified qualification in each of the department.
 - b. The human resources department's plans have been well documented. These documents contain the entire future plan of the

company including employees' career plan to support of the achievement of corporate objectives.

- c. Employee turnover rates that occur in PT. Janti Sarana Material Beton can be classified as low. This can be seen through employee data entry and exit in 2017.
- d. The absence of any evaluation carried out at the end of the period as one of the considerations in preparing the future human resource planning.

2. Criteria

- a. Human resource planning needs to meet the qualifications of human resources required in accordance with the required position. It can be conducted through involving other managers to ensure the accuracy of the planning. This is done to obtain accurate information about the needs of each area or department and also for planning accuracy in filling the various positions of employees in the company.
- b. Human resource planning must be well documented, known to, and approved by the department managers and the executive part of the company.
- c. Companies that have low turnover rates will have a good impact in supporting the company's performance.
- d. Periodic evaluation will help the planning process get better because the planning is done for the improvement of mistakes in the past.

3. Cause

- a. Human resource planning involves manager from other department that requires qualified human resources. Every need and recommendation will be evaluated further by the human resources section in accordance with the qualification of human resources required. Plans also are made and arranged based on the Law No. 13 of 2003 on Labor.
- b. PT. Janti Sarana Material Beton human resources plan has been recorded clearly and neatly for the future planning of human resources to achieve company goals. The program contains the development of human resources planning development in the future.
- c. The results of audit tests conducted through employee data calculations and direct observations made by the authors show that the company has built a good relationship with existing employees.
- d. Human resource planning is only based on the goals or targets to be achieved in the future. The company only evaluates the targets that have not been achieved in the past.

4. Effect

- a. Human resources planning is made based on the evaluation of other department, and decided jointly with managers and owner based on the applicable laws. In addition, the company will get the right human resources qualification. Thus, the plan made by the company will promote mutual interests between employees and company to further increase the quality of human resources.

- b. The well documented human resources programs will give a good influence over the operations of the company and company's goals can be achieved optimally. This gives a positive effect on the company that carried out human resources planning.
- c. This can prove that the company has a good relationship with existing employees and can bring Employees tend to be more loyal to the company and more willing to devote their energy to the job. Low turnover rate will allow the company to focus its time and energy on the existing business rather than adjusting to the new staff.
- d. Planning resources will remain formed. however, the plan will be even better if it involves the evaluation of each program in the past. By not involving the evaluation, errors that occurred in the past will have a great chance to happen again in the future.

Recommendation

1. Human resource planning needs to do the evaluation and review on the planning that has been established, it is important to ensure that the existing planning is always in line with the strategy, support in goal achievement and in accordance with government regulations.

2. Human Resource Recruitment

Audit Procedures:

1. Data Analysis , such as:
 - a. Law No.13 of 2003 on Labor Chapter III.
 - b. Company's vision and mission.
 - c. Questionnaire result.

2. Interviewing, Mrs. Dina, the assistant manager of human resource department.

Audit Result:

1. Condition

- a. Associated manager is involved in employee recruitment, i.e. in terms of determining the number of employees required. Prospective employees are eligible to register the proposed company for a particular position.
- b. PT. Janti Sarana Material Beton uses external methods to recruit employees, the mass media and social media.
- c. All applicants who apply and meet the requirements are given the same opportunity to become employees of PT. Janti Sarana Material Beton.

2. Criteria

- a. Recruitment process involve managers to meet the needs of the company. Prospective employees must meet the requirements of the company.
- b. The company uses the most appropriate recruitment method to assess the employee qualifications
- c. Each of applicant has an equal opportunity to obtain employment without discrimination. (Law No.13 of 2003 on Employment Section 5).

3. Cause

- a. The company determines the number of employees needed before involving some concerned managers. In addition, the company has clearly informed about the qualifications required.
 - b. External method used is advertisement on mass media to attract the prospective employees
 - c. PT. Janti Sarana Material Beton employee recruitment program is implemented in accordance with Law No. 13 of 2003 on Labor Article 5.
4. Effect
- a. The implementation of employee recruitment function organized by PT. Janti Sarana Material Beton in accordance with the needs of the company. Requirements that have clearly explained will have an impact on the accuracy of the company in obtaining candidates as the position required.
 - b. The company uses external method for providing career opportunities for the company's partners
 - c. The implementation of the recruitment program is run in accordance with applicable regulations, i.e. without labor discrimination, so that the company is open to anyone with the provisions of the applicable requirements.

Recommendation

1. Managing employees using employee rotation systems can provide budget efficiency and time for companies in recruitment. This policy

can support the development of multi-skilled human resources employed by the company to employees

2. The company should make the recruitment publication using internet website service and collaborate with some university in order to do the recruitment.
3. PT. Janti Sarana Material Beton needs to periodically evaluate the program so that the recruitment program can be controlled and can be repaired at any time.

3. Human Resource Selection, Placement and Orientation

Audit Procedures:

1. Data analysis , such as:
 - a. Company's vision and mission.
 - b. Law No.13 of 2003 on Labor Chapter III
 - c. Questionnaire result.
2. Interviewing, Mrs. Dina, the assistant manager of human resource department.

Audit Result:

1. Condition
 - a. PT. Janti Sarana Material Beton human resource department uses internal methods in employee selection. The company also combines with several external methods considered effective in selecting employee quality.
 - b. Committee selection test is not from the division needing the new worker.

- c. The placement of new employees is adjusted to the ability of employees and the needs of the departments concerned.
- d. New employees get direction on the task directly from the appropriate supervisor of the designated department. The implementation of the new employee should not encounter an error due to misguidance from a supervisor.

2. Criteria

- a. Selection technique used is in accordance with the requirements of human resource qualifications and provides equal opportunities for applicants.
- b. Employee selection process established by the selection committee must involve the manager concerned. Therefore, the selection team has better understanding on the job requirements and the system of selection.
- c. Employee placement decisions are in accordance with the job description and in accordance with the ability and initial qualifications.
- d. Employees in the orientation receive direct guidance from the supervisor or manager.

3. Cause

- a. The human resource department has a policy on selection procedures for new human resources. The method used is on the basis of research done.

- b. Human resource department does not involve concerned managers who need new employees to be partners in the team selection.
 - c. The placement of human resources must have qualified job description and each written in the applicant's personal data documents.
 - d. During orientation, new employees receive direct guidance from senior employees or managers who are given responsibility for guiding. This provides a positive impact for employees in the orientation, because interference from superiors is very positive support for the performance of employees
4. Effect
- a. The company has made the selection process in accordance with established procedures, so the selection process went well. Human resource selection process aims to get prospective employees or human resources in accordance with the qualifications and needs of the company.
 - b. The capabilities tested on the candidates who take the selection test only include the basic skills and personality of the prospective employee. This is because the human resources department does not master the technical qualifications and details related to departments that require employees.
 - c. Employee placement system in the company has been running well. With the placement in accordance with the ability and job

descriptions, then employees will really understand the work and help companies in achieving its goals.

- d. Orientation programs run well because employees at orientation are accompanied by a supervisor who has a positive impact on employee performance in order to adjust their work quickly.

Recommendation

1. In the selection stage, especially the interview, the company must involve the manager of the department concerned. This is necessary because the manager is more aware of the required employee qualifications from the academic side relating to the place where the employee will be employed.
2. PT. Janti Sarana Material Beton must conduct evaluation periodically of the selection program conducted. The evaluation on team selection is also required to ensure that the company has a qualified team.

4. Human Resource Training and Development

Audit Procedures:

1. Data analysis includes:
 - a. Company's vision and mission
 - b. Law No.13 of 2003 on Labor Chapter V about Employee's Training
 - c. Questionnaire result
2. Interviewing, Mrs. Dina, the assistant manager of human resource department.

Audit Result:

1. Condition
 - a. PT. Janti Sarana Material Beton has various training and development to develop human resource performance . Training and development has been proven to improve the ability and motivate employees in carrying out their duties
 - b. Evaluation is done by monitoring the performance of employees and training programs after the implementation of training and development.
 - c. Implementation of training and development activities carried out in accordance with Law 13 of 2003 on Manpower which is in chapter V which regulates the job training.
 - d. There is no budget plan for training and employee development PT. Janti Sarana Material Beton. The budget is done only when the training will be conducted.
2. Criteria
 - a. The training program is determined based on the identification of training needs
 - b. The Company evaluates performance improvement and training programs after the training is done
 - c. Training of employees based on the Law No. 13 Year 2003 about Manpower
3. Cause
 - a. The implementation of the company's training and development program identifies the needs of employees before training. The

- purpose of the training and development program is to improve the skills and personality so that employees are better prepared to run the task
- b. This training aims to determine the progress of each employee after completing the training and development program, by assessing how employees can apply the knowledge gained after the training program.
 - c. This training program is organized by the company based on Law Number 13 Year 2003 regarding Manpower available in Chapter V which regulates job training so that the program can be implemented in accordance with the applicable regulations.
 - d. Human resources departments do not plan training program budget every year. Training and development planning only mentions technical matters, regardless of budget.
4. Effect
- a. Training and development programs are in accordance with the needs identified for the company, because by following this training, can provide benefits to employees and help companies to achieve goals that have been made
 - b. Programs that have been done by the company can be used as an evaluation, so that the advantages and disadvantages of each employee can be known
 - c. Implementation of the program can be executed properly in accordance applicable regulations

- d. The absence of an annual budget plan for training and development will have a negative impact on budget for employee training and development programs.

Recommendation

1. The human resources department should create a structured program for employee training and development along with the budget needed for training and human resource development activities.

5. Human Resource Performance Assessment

Audit Procedures:

1. Data analysis, includes:
 - a. Company's vision and mission
 - b. Questionnaire result
2. Interviewing, Mrs. Dina, the assistant manager of human resource department.

Audit Result:

1. Condition
 - a. The company conducts periodic performance appraisal, once a year.
 - b. The performance assessment conducted by the company is based on the skills of employees' performance and discipline in carrying out the work.
 - c. Human resource development decides employees' career planning on the basis of the results of the evaluation and the Collective Labor Agreement, which contains the rights, obligations and the evaluation of the appraisal.

d. The results of the employee performance appraisal are only known to the related division managers and the human resources department.

2. Criteria

a. The company has a program on a periodic basis for each employee's performance appraisal and performance assessment reports conducted in a year.

b. Assessment methods use performance appraisal form that contains job performance and job personality established companies.

c. The results of performance appraisal are used as a basis for decision making in human resource development.

3. Cause

a. Performance assessment program of human resource is conducted once a year, so at this time, the skills of employees and employees performance improvement are evaluated.

b. The method to measure the job performance and job personality uses the assessment sheet, direct observation of task completion, and accuracy in work discipline conducted by manager.

c. The implementation of the assessment is carried out by manager of each department to assess the performance of subordinates. Then the results are given to human resource development to be reviewed and evaluated for decision making. The results of this assessment is based on the collective labor agreement.

d. Assessment made by the relevant division managers will be processed by the human resources department and the results of the performance assessment is only distributed to the manager of each division.

4. Effect

- a. Program assessment conducted periodically by the company provides motivation for employees to perform the best service. Because by the presence of such assessment, the employee feels that their performance is appreciated. Therefore, the program can support the optimization of the performance of employees and accelerate the achievement of company objectives.
- b. Assessment methods used by the company is running well. Through the assessment carried out directly by the Manager shows the assessment done be accurate.
- c. The results of these assessment will be used for decision making. This decision-making is in the form of reward for employees, who excel and implementation of evaluation for employees who have less skill.
- d. Employees who have passed the performance appraisal are unaware of the performance progress made during their employment. This will have an impact on employee motivation. When employees know that their performance progress is decreasing, they will have the motivation to correct the deficiencies.

Recommendation

1. The company should share to the employees related to the result of the performance assessment. It will bring a big impact to the employees to know their performance and provide more motivation for the employees.
2. Human resources assessment program need to be evaluated periodically in order to control and repair the existing deficiencies.

6. Career Planning

Audit Procedures:

1. Data analysis includes:
 - a. Company's vision and mission
 - b. Law No.13 of 2003 on Labor Chapter V about Employee's Training
 - c. Questionnaire result
2. Interviewing, Mrs. Dina, the assistant manager of human resource department.

Audit Result:

1. Condition
 - a. Planning and developing a human resource career involves managers and human resource departments according to the criteria set by the company
 - b. Career planning and development is documented well
 - c. Career planning and career development of human resources is conducted in accordance with the needs and performance appraisals that conducted periodically.
2. Criteria

- a. Planning and developing human resources involve managers and stakeholders
 - b. The company creates the career planning and development programs documented for all employees
 - c. Program planning and career development are based on the needs of the position and periodic performance assessments
3. Cause
- a. Implementation of human resource functions involves the human resource manager and the party concerned, so that the shortcomings and skills possessed by employees can be identified, and provide the right decision for managers.
 - b. Program planning and development is well implemented, because the company has a work plan that has been created to provide rewards to employees who excel. So the goal can be achieved because the company is able to produce employees who have good potential
 - c. The company has a career planning and career development program for all employees based on their job requirements. Career planning and development programs refer to the results of periodic performance appraisals. Qualified employees are eligible to be promoted. The company will promote career development for all employees according to company needs.
4. Effect

- a. Engagement between managers and employees in program planning and employee development is going well, because the communication between the two sides has been completed.
- b. This program can be implemented in accordance with the company's plans to improve employee career
- c. Career planning and career development has been effective. The company provides an opportunity to develop careers for all employees and provide recommendations as promotions, so that employees are more motivated to improve their performance. This program is effective for companies that provide career opportunities based on employee evaluation.

Recommendation

1. The company has implemented an effective career planning but the company needs to conduct an evaluation of the competence of employees, so that the quality of the employee can be improved.
2. The criteria set by the company can be developed periodically related to the business development to get the quality of employees who are also appropriate so that the company can become more advanced.

7. Employees Compensation

Audit Procedures:

1. Data analysis includes:
 - a. Company's vision and mission
 - b. Company's policy and collective labor agreement

- c. Law No. 13 of 2003 on Labor Chapter X
 - d. Ministerial Decree No. 49 of 2004 on structure and scale of wages
 - e. Regulation of The Governor Of East Java Number 121 Year 2016
 - f. Questionnaire result
2. Interviewing, Mrs. Dina, the assistant manager of human resource department.

Audit Result:

1. Condition
 - a. The amount of the salary earned by the employees is in accordance with the UMK Malang
 - b. The determination of the wage scale is in accordance with the Law No. 13 Year 2003 on Employment Chapter X of the standard wage, KEPMENAKERTANS Decree No. 49 Year 2004 on Wage Structure and Scale provisions, and the guidelines applicable with the employee rights
 - c. Compensation is provided to employees in the form of financial compensation. The compensation is performed in accordance with employee performance and company policy for the welfare of employees
2. Criteria
 - a. The amount of the salary of an employee shall not be less than the applicable minimum wage provisions of Malang (UMK Malang)

- b. Determination of wage scale based on KEPMENAKERTRANS 49 Year 2004 regarding the provision of structure and wage scale and Law no. 13 of 2003 on Manpower
 - c. Compensation is given to employees of PT X in the form of financial compensation
3. Cause
 - a. Achievement of salary received by employees of PT. Janti Sarana Material Beton is in accordance with the UMK Malang, so the rights of employees is provided. This will affect employee performance because the employees' work is appreciated.
 - b. Determining the scale of wages, the company is based on the Ministerial Decree 49 of 2004 on the Provision and Structure of the Wages Scale and Law Number 13 of 2003 on Employment of Remuneration Chapter X a.
 - c. Compensation is based on the rights that must be earned by the employee to provide welfare and motivation to improve its performance and to enforce policies and government regulations.
4. Effect
 - a. The salary received by employees of PT. Janti Sarana Material Beton is in accordance with the provisions of applicable UMK Malang, so that employees get the reward according to his work.
 - b. Guidelines used by PT. Janti Sarana Material Beton in compensating is in accordance with applicable regulations. Thus the rights of employees are protected.

c. PT. Janti Sarana Material Beton has a clear policy of obtaining compensation for all employees, as well as the provision of compensation based on the assessment and work performance that has been done by the employee. Through this case, the company can improve motivation and provide welfare for employees, while avoiding degradation of quality of employee of the company. The compensation policy applied by PT. Janti Sarana Material Beton can be said to be effective considering the amount of compensation given by the company to employees. This proves that PT. Janti Sarana Material Beton cares and concerns the employee's welfare and convenience

Recommendation

1. Salaries and compensation needs periodic evaluations related to the cost of living adjustment for employees which are constantly changing and UMK policy areas changes.
2. This compensation must be done continuously because it meets the criteria set by the company in providing welfare for employees.

8. Employees Healthcare and Protection

Audit Procedures:

1. Data analysis includes:
 - a. Company's vision and mission
 - b. Review of Law No.13 of 2003 on Labor Chapter X of protection, wage and safety.
 - c. Questionnaire result

2. Interviewing, Mrs. Dina, the assistant manager of human resource department.

Audit Result:

1. Condition
 - a. Facilities that support employee health and safety are only available in the field but not at the office. One of the problems is that there is no security guard in front of the office.
 - b. Companies register all employees to BPJS programs for healthcare. Thus, the health rights of PT. Janti Sarana Material Beton employees are guaranteed.
 - c. Labor protection is carried out in accordance with the Law No. 13 Year 2003 on Labor Chapter X of the safety and health the employees of PT. Janti Sarana Material Beton, so that employees will not worry about their safety and health.
2. Criteria
 - a. The company provides a safe and healthy workplace for all employees and facilities that support the health and safety of company employees.
 - b. The company registers all of its' employees in BPJS program
 - c. Labor protection is based on the Law No. 13 Year 2003 about labor.
3. Cause
 - a. There is no policy of the company regarding the provision of health and safety facilities for employees equally.

- b. This labor protection program can be used by the employees of PT. Janti Sarana Material Beton in order to provide protection for the employee.
 - c. The protection of the health and safety of employees has been done based on the regulations, Law No. 13 of 2003 on Labor.
4. Effect
- a. The security guarantee for employees in the office is very minimal. This results in employees in the office becoming less secure to work in PT. Janti Sarana Material Beton and may affect employee performance and company goals.
 - b. This program can provide motivation for employees to complete the task properly.
 - c. The applicable regulations run by the company reflect the company's responsibility for the safety and health of PT. Janti Sarana Material Beton employees, so that the existence of this rule may protect the existing employees of PT. Janti Sarana Material Beton

Recommendation

1. The company needs to provide security and health facilities in areas where employees work equally. This has an effect on employee motivation in work. With a safe and healthy working environment may promote employees' motivation because employees feel safe and get right to a comfortable working environment.
2. The company's policy regarding the health and safety of employees remains to be implemented. Because the company already has a

program in accordance with Law no. 13 of 2003 on Employment
Chapter X of Section 3

9. Employees Termination

Audit Procedures:

1. Dataanalysis includes:
 - a. Company's vision and mission
 - b. Company's policy and collective labor agreement
 - c. Review of Law No.13 of 2003 on Labor Chapter XII of the work termination.
 - d. Questionnaire result
2. Interviewing, Mrs. Dina, the assistant manager of human resource department.

Audit Result:

1. Condition
 - a. The company implements policies regarding termination of employment stated in the collective labor agreement Section 10 on termination of employment, so that disciplinary action can solved effectively.
 - b. Termination of work carried out so far is related to retirement age, death, resignation or due to the wishes of the employee himself, the employment contract expiration, and a disciplinary offense. Regarding the termination of work undertaken for business economic problems has not occurred.

- c. Employees who have been affected by discharges, the company will provide compensation in accordance with the policy made by the company

2. Criteria

- a. The company policy regarding termination of employment is stated in the Collective Labor Agreement Article 10 of the Termination of Employment
- b. Termination of employment is done for the following reasons:
 - i. Maximum retirement age
 - ii. Passed away
 - iii. Resignation because of employees own desire
 - iv. Employment contract expired
 - v. Breach of discipline
- c. Providing compensation payment and cash awards for the period of employment.

3. Cause

- a. Termination of employment policies established by the PT. Janti Sarana Material Beton is listed in the collective labor agreement Section 10 of the termination of employment, resulting in the implementation of the company guidelines and obligations that must be adhered to by all employees.
- b. The Company applies the termination of employment in accordance with the applicable regulations and policies of the company.

c. The company implements policies and regulations governing severance for employees affected by dismissals

4. Effect

a. Policy termination and disciplinary sanctions for violations listed in the collective labor agreement Section 6-9 on termination of employment is stated clearly and unequivocally in accordance with the weight and the level of labor violations. Human Resource Development performs procedures consistently and in accordance with the collective labor agreement on the rules of termination of employment. In conclusions, regarding the termination of employment the employees of PT. Janti Sarana Material Beton so far is effective

b. The implementation of the termination of employment done by PT. Janti Sarana Material Beton is performed effectively in accordance with the applicable policies in the company.

c. PT. Janti Sarana Material Beton implements a policy regarding the provision of compensation payment to employees is in accordance with the applicable government regulations, thus the function is operating well.

Recommendation

1. PT. Janti Sarana Material Beton is expected to continue to implement the termination policy in accordance with the collective labor agreement. but it is necessary to review periodically the rules and policies.
2. Evaluation of termination policy should be done regularly in accordance with government regulations changes over time.



CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusion

Research conducted in PT. Janti Sarana Material Beton, is conducted to evaluate the effectiveness of human resources in PT. Janti Sarana Material Beton using management audit. Based on the results of research and analysis conducted on the implementation of the human resources function at PT. Janti Sarana Material Beton, by comparing the criteria, condition, cause and effect, it can be concluded that the human resource functions implemented are some effective and some non-effective.

From 9 functions analyzed, five of which are effective in accordance with the policies and objectives of the company. The 5 functions include human resource planning, human resource recruitment, career planning, employee compensation, and termination of employee. The other functions that are still less effective are recruitment, selection, orientation and placement, training and development, performance appraisal, labor protection (occupational safety and health).

Based on audit findings that the conclusions formulated are as follow:

1. Human resource planning has been running effectively because it has determined the qualifications of human resources to support the company's performance in achieving goals.
2. Human resource recruitment has been running effectively because it involves the related managers.
3. Human resource selection, Placement, and Orientation is not running effectively because the manager from the department who need employee is not involved in the selection test. It could make the purpose of the selection cannot be achieved maximally.
4. Human resource training and development program is running effectively because it helps to develop the human resources potential to support the performance of the company in order to achieve goals. But due to the unstructured budget system, it will have an impact on the company's annual budget.
5. Human resource performance appraisal program is running effectively because it supports in evaluating the level of competence of employees who can support the achievement of corporate objectives.
6. The employee career planning program is running effectively because it is based on the results of assessment and evaluation by managers and owners. This will have an impact on employee motivation and performance improvement that will assist the company in achieving its goals.

7. The employee compensation has been running effectively. Because the system is structured. This has an impact on the motivation of employees in carrying out their obligations and assist the company's performance in achieving goals.
8. The employee healthcare and protection has not been running effectively because the security equipment is only provide in the field but not in the office. This will have an impact on employees who feel insecure and disrupt the motivation and performance of employees in helping the company achieve its goals.
9. Termination of employment is effective because the rules have been implemented properly based on procedures madeto support the achievement of corporate objectives.

5.2 Suggestion

Based on the constraints and weaknesses found during the audit, the researcher suggests the following improvements:

1. **Human Resources Recruitment**

The company should make recruitment publication using website service and conduct collaboration with some university in the recruitment process.

2. **Human Resource Selection, Placement and Orientation**

In the selection stage, especially the interview, the company must involve the concerned department manager. This is necessary because the manager

is more aware of the required employee qualifications from the academic side related to the place where the employee will be employed.

3. Human Resource Training and Development

The human resources department should create a structured program for employee training and development along with the budget needed for training and human resource development activities.

4. Human Resource Performance Assessment

The company should share to the employees related to the result of the performance assessment. It will bring a big impact to the employees to know their performance and build more motivation the employees.

5. Employee Career Planning

Company needs to conduct an evaluation of the competence of employees, so that the quality of the employee can be improved.

6. Employee Healthcare and Protection

The company needs to provide security and health facilities in areas where employees work equally. This has an effect on employee motivation in work. With a safe working environment and healthy may affect employees' motivation at work because employees feel safe and get a comfortable working environment.

5.3 Research Limitation

1. Due to the limited time, and energy, the human resources functions levels studied resulted in the possibility of important information cannot be studied in more detail.

2. The researcher has not studied all human resource functions that are generally carried out in the company due to time constraints.
3. The researcher has limited data due to the limitations of data obtained and the difficult time given by the company.
4. Company regulations and procedures cannot be analyzed because some corporate interests and researchers should maintain the privacy of the company concerned.



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APPENDIX 1

INTERVIEW

Human Resource Planning

Peneliti: Apakah dapat anda jelaskan mengenai perencanaan SDM yang ada di tempat ini seperti apa?

Informan: untuk perencanaan SDM, kita bergantung pada owner perusahaan. misal owner minta untuk staff tertentu, selanjutnya akan kita konfirmasikan dulu ke owner mengenai kualifikasi pegawai yang dibutuhkan seperti apa. Setelah itu, baru kita lakukan rekrutmen karyawan sesuai dengan apa yang diminta oleh owner kita.

Peneliti: Berarti untuk penyelenggaraan SDM-nya tidak dilakukan secara berkala?

Informan: Iya. Sebenarnya masing-masing posisi yang ada di tempat ini sudah ada yang menempati. Jadi misalkan kita akan cari SDM kalau seandainya ada misalkan kita mau pembukaan perluasan kantor baru. Misalkan kita membuka cabang di luar kota yang sebelumnya tidak ada. otomatis kan disitu kita harus mengisi posisinya. Nah, posisi yang dibutuhkan disitu nanti akan ada apa saja. kalau untuk kantor yang sudah berjalan kan kita cuma akan menggantikan SDM itu apabila ada yang mengajukan pengunduran diri.

Peneliti: Dalam melaksanakan perencanaan SDM sampai tahap seleksi, apakah manajer departemen yang terkait ikut dilibatkan?

Informan: Selama ini untuk manajer hanya berkoordinasi dengan owner terkait kebutuhan karyawan. namun dari tahap rekrutmen sampai penerimaan karyawan, manajer tidak kita libatkan. Kita akan libatkan kembali pada saat calon karyawan telah diterima, baru pada tahap training dengan manajer departemen terkait.

Peneliti: Apakah pada proses perencanaan SDM sampai pada tahap seleksi telah terdokumentasi dengan baik?

Informan: Sudah. Dari tahap perencanaan sampai tahap akhir telah kita rekap dengan baik.

Peneliti: Bagaimana penentuan jumlah karyawan yang akan masuk dalam setiap departemen? apakah ditentukan owner, SDM, atau manajer departemen yang terkait?

Informan: Dari owner langsung. jadi misal owner meminta 3 orang, kita akan mencari karyawan sebanyak 3 karyawan.

Peneliti: Apakah evaluasi dilibatkan pada perencanaan setiap program kerja yang ada?

Informan: Kita sangat jarang mengadakan evaluasi tahunan. selama semua program yang terlaksana berjalan baik, kita tidak lakukan evaluasi. Sehingga pada perencanaan, kita tidak melibatkan evaluasi sama sekali.

Recruitment

Peneliti: Tolong jelaskan untuk proses rekrutmen yang dilaksanakan oleh perusahaan ini seperti apa?

Informan: Pertama yang jelas kita mendapat tugas dari pihak owner untuk merekrut karyawan untuk kebutuhan departemen tertentu. Lalu kita melakukan koordinasi

dengan manajer dan owner terkait dengan kualifikasi karyawan yang dibutuhkan. Lalu kita buat publikasi perekrutan dan memilah lamaran yang masuk ke kita. selanjutnya kita masuk tahapan seleksi yaitu psikotest, kemudian interview dengan manajer HRD, kemudian interview dengan direktur utama atau komisaris atau ownernya.

Peneliti: Dalam melakukan rekrutmen, media apa saja yang digunakan oleh perusahaan dalam publikasi perekrutan?

Informan: Biasanya kita melalui media sosial dan koran.

Peneliti: Apakah proses rekrutmen yang dilaksanakan telah didokumentasikan?

Informan: Sudah. Proses rekrutmen yang dilaksanakan selama ini telah kami dokumentasikan sebagai bentuk bukti bahwa proses rekrutmen telah sesuai prosedur.

Peneliti: Dokumentasi yang anda maksud seperti apa?

Informan: dokumentasi rekrutmen lamaran kerja yang masuk akan kita input di dalam HR (Human Resources) aplikasi, yang akan disampaikan ke head office setelah disampaikan akan ada proses rekrutmen. Jadi ketika sampai pada tahap penerimaan, data semua calon karyawan yang sudah melamar masih kita simpan.

Peneliti: Apakah proses rekrutmen telah berjalan secara ekonomis, efisien, dan efektif untuk mendapatkan SDM yang sesuai dengan kualifikasi yang dibutuhkan oleh perusahaan?

Informan: Menurut saya sudah berjalan baik. Ketika kita mengadakan seleksi atau tes, kita buat program tersebut selama satu hari. Jadi dalam satu hari tersebut tahap-tahap tes sampai wawancara akhir kita adakan selama satu hari. Sehingga calon karyawan tidak perlu bolak-balik untuk tahap tesnya.

Selection, Orientation and Placement

Peneliti: Bagaimana proses seleksi di perusahaan ini? dan bagaimana tahapan-tahapan pelaksanaan seleksi?

Informan: Pada seleksi karyawan tahapannya adalah yang pertama menerima surat lamaran yang masuk, kemudian mengumpulkan dan menyeleksi surat lamaran yang masuk, lalu melaksanakan tahapan tes seleksi, dan selanjutnya melakukan rekap dan pengambilan keputusan

Peneliti: Apakah Terdapat peraturan tertulis mengenai prosedur seleksi penerimaan karyawan baru?

Informan: Ada.

Peneliti: Apakah ada calon karyawan yang tidak perlu menjalani program seleksi?

Informan: tidak ada. Setiap pelamar harus menjalani proses seleksi

Peneliti: Apakah tes yang dilaksanakan memiliki hubungan dengan pekerjaan yang akan ditempati?

Informan: Ya. Tes yang diberikan kami sesuaikan dengan pekerjaan bagian yang dibutuhkan oleh perusahaan. Untuk mengetahui kemampuan SDM pelamar dalam bidang yang dibutuhkan oleh perusahaan.

Peneliti: Apakah perusahaan melaksanakan program orientasi terhadap karyawan baru?

Informan: Iya. Dalam hal ini Manajer dan karyawan tertentu diberi tanggung jawab untuk melakukan orientasi sekaligus training untuk karyawan baru.

Peneliti: Bagaimana sistem penempatan kerja? Apakah penempatan karyawan pada posisinya benar-benar sesuai dengan kemampuan yang dimiliki?

Informan: Ya. penempatan karyawan sudah sesuai dengan kemampuan yang dimiliki dengan bidang yang ditempatkan.

Peneliti: Metode apa yang digunakan dalam melakukan proses seleksi? apakah dari internal perusahaan atau dari eksternal?

Informan: Kita ada tersendiri. Namun ada metode yang kita gunakan sebenarnya sudah digunakan oleh beberapa perusahaan lain. Karena metode dipandang cukup baik untuk menilai karakter dan kemampuan seseorang.

Human Resource Training and Development

Peneliti: Apakah terdapat program pelatihan dan pengembangan tenaga kerja di perusahaan?

Informan: Setiap Karyawan yang akan kita tempatkan, biasanya akan kita training terlebih dahulu. misalkan kita butuh karyawan untuk accounting, otomatis mereka setelah diterima sebagai accounting, mereka akan ditraining dulu.

Peneliti: Apakah terdapat program pelatihan tersendiri di tengah tahun yang bertujuan untuk meningkatkan kemampuan karyawan?

Informan: Sejauh ini tidak ada. Karena dari owner tidak ada instruksi untuk melakukan program tersebut. Kita juga menilai pekerjaan karyawan berkala sama terus. Jadi untuk program pelatihan mungkin akan kita lakukan jika ada perubahan sistem.

Peneliti: Apakah pernah terjadi penurunan kinerja karyawan yang menyebabkan operasi perusahaan menjadi terganggu sehingga perusahaan harus mengevaluasi kinerja atau kemampuan karyawan dan mengadakan pelatihan ulang untuk karyawan tertentu?

Informan: Belum pernah.

Employee Assesment

Peneliti: Apakah terdapat program penilaian kinerja karyawan pada perusahaan ini?

Informan: Ada.

Peneliti: Apakah program penilaian tersebut dilakukan secara berkala?

Informan: Ya. Biasanya kita adakan setiap akhir tahun.

Peneliti: Siapa yang menilai kinerja karyawan tersebut?

Informan: Manajer setiap divisi

Peneliti: Apakah hasil dari penilaian diberitahukan kepada karyawan yang bersangkutan?

Informan: Tidak. Namun jika ada peningkatan ataupun penurunan kinerja karyawan yang signifikan maka akan ada pemberitahuan dari manajer.

Peneliti: Bagaimana dengan standard penilaiannya? Apakah ditentukan oleh manajer setiap divisi?

Informan: Untuk Standardnya kita yang menentukan. Jadi Manajer yang menentukan nilai dari 0-100 dari standard yang kita tentukan.

Career Development

Peneliti: Tolong jelaskan mengenai bagaimana bentuk program pengembangan karir pada perusahaan ini?

Informan: disini memiliki kontrak minimal 3 tahun sesuai dengan peraturan Depnaker yang mana 2 kali kontrak ditambah satu kali masa perpanjangan setelah itu kita angkat sebagai karyawan tetap jika dia kita nilai layak. Untuk jenjang karir juga demikian.

Peneliti: Apakah terdapat masa percobaan ketika seorang karyawan mendapatkan kenaikan jenjang karir?

Informan: Ada. kita lakukan masa percobaan selama 3 bulan.

Peneliti : Siapakah yang menentukan seorang karyawan layak untuk naik jabatan? (jika owner, apakah dep. SDM atau manajer departemen yang terkait ikut terkait dalam pengambilan keputusan si owner?

Informan: Keputusan akhir ada di tangan si owner. Namun, hasil penilaian dari manajer itu memiliki pengaruh besar dalam menentukan keputusan si owner. Jadi ketika seseorang direncanakan untuk naik jabatan, maka pihak manajer departemen yang terkait dan owner akan berkoordinasi lebih dalam dan keputusan akhir akan diambil oleh si owner tersebut.

Peneliti: Apakah program perencanaan karir yang sudah berjalan telah terdokumentasi dengan baik?

Informan: Sudah. Kita dalam bentuk surat keterangan percobaan dan sampai pada surat keterangan tetap.

Compensation

Peneliti: Apakah terdapat reward dan punishment terhadap karyawan dalam perusahaan?

Informan: Ada. Kita setiap awal tahun ada bonus untuk karyawan.

Peneliti: Apa yang menjadi tolok ukur dalam menilai seorang karyawan layak untuk mendapatkan bonus?

Informan: Salah satu pertimbangannya adalah dari penilaian yang sudah dilakukan. Yang menentukan adalah owner perusahaan.

Peneliti: Siapa yang menentukan standard gaji karyawan?

Informan: Yang menentukan itu adalah ownernya.

Peneliti: Apakah standar gaji karyawan yang ada sudah sesuai dengan peraturan pemerintah?

Informan: Iya. Kita standar minimal di UMK.

Peneliti: Apakah gaji karyawan tetap dan karyawan kontrak memiliki jumlah yang berbeda?

Informan: Berbeda.

Protection of Employee

Peneliti: Apakah ada perlindungan untuk tenaga kerja di perusahaan?

Informan: Ada. BPJS tenaga kerja, BPJS kesehatan.

Peneliti: Apakah lingkungan kerja yang ada telah memiliki fasilitas kesehatan dan keamanan bagi karyawan?

Informan: Untuk Fasilitas keamanan dan kesehatan, kita lebih prioritaskan ke lapangan. Karena resiko yang ada di lapangan lebih besar. Jadi kalau untuk di kanto kita belum sediakan. Ini juga karena belum ada persetujuan dari pihak atas untuk penyediaan fasilitas keamanan dan kesehatan di kantor.

Working Termination

Peneliti: Apakah terdapat peraturan tertulis yang terkait dengan pemutusan tenaga kerja?

Informan: Peraturan tertulis tidak ada. Tetapi ketika kita melihat bahwa kinerja seorang karyawan tidak baik, Sesuai dengan kontrak kerja sudah ada yang tertulis bahwa salah satu pihak bisa memutus kontraknya. Jadi jika perusahaan menilai seorang karyawan sudah tidak produktif perusahaan dapat memberhentikan sesuai dengan perjanjian yang ada di kontrak kerja yang telah disepakati.

Peneliti: Apakah diberikan upah pada karyawan yang terkena PHK?

Informan: Kalau upah iya. Kita akan memberikan upah di bulan terakhir karyawan terkait bekerja.

APPENDIX 2

EMPLOYEE TURNOVER

Period	Amount of Employee			Turnover Rate
	In	Out	Total	
January	3	1	80	1.27%
February	5	0	85	0.00%
March	8	3	90	3.43%
April	2	1	91	1.10%
May	8	2	97	2.13%
June	6	1	102	1.01%
July	9	1	110	0.94%
August	3	3	110	2.73%
September	2	1	111	0.90%
October	15	3	123	2.56%
November	2	0	125	0.00%
December	10	5	130	3.92%
	73	21		1.67%

Annual Turnover Rate 2017 = 1.67%

APPENDIX 3

QUESTIONNAIRE

Nama Perusahaan:	Periode Audit
Program yang diaudit: Perencanaan SDM	

No	Kuisisioner dan Langkah Kerja	Jawaban		Komentar
		Ya	Tidak	
1	Apakah Perusahaan memiliki rencana SDM yang terdokumentasikan dengan jelas?	X		
2	Apakah rencana SDM mendukung dan terintegrasi dengan strategi pencapaian tujuan perusahaan?	X		
3	Apakah rencana SDM memuat secara jelas mengenai kualifikasi SDM yang dibutuhkan untuk menyelesaikan pekerjaan yang tersedia di perusahaan?	X		
4	Apakah penentuan kualifikasi tersebut dibuat berdasarkan uraian dan spesifikasi pekerjaan, sesuai dengan strategi perusahaan?	X		
5	Apakah Program SDM seperti: - Rekrutmen - seleksi dan penempatan - pelatihan dan pengembangan - rencana pengembangan karir - kompensasi - keselamatan dan kesehatan kerja - pemutusan hubungan kerja telah sesuai dengan kebutuhan strategi pencapaian tujuan perusahaan?	X		

Nama Perusahaan:	Periode Audit
Program yang diaudit: Rekrutmen SDM	

No	Kuisisioner dan Langkah Kerja	Jawaban		Komentar
		Ya	Tidak	
1	Apakah kebijakan rekrutmen didokumentasikan dengan baik?	X		



2	Apakah rekrutmen secara tegas menginformasikan persyaratan yang harus dipenuhi oleh calon tenaga kerja sesuai dengan kebutuhan perusahaan?	X		
3	Apakah proses rekrutmen telah berjalan secara ekonomis, efisien, dan efektif untuk mendapatkan SDM yang sesuai dengan kualifikasi yang dibutuhkan perusahaan?	X		

Nama Perusahaan:	Periode Audit
Program yang diaudit: Seleksi SDM	

No	Kuisisioner dan Langkah Kerja	Jawaban		Komentar
		Ya	Tidak	
1	Apakah teknik yang digunakan valid?	X		
2	Apakah seleksi telah memberikan kesempatan yang sama kepada para pelamar?	X		
3	Apakah tes yang diberikan berhubungan dengan pekerjaan?	X		
4	Apakah proses seleksi secara maksimal mendapatkan informasi latar belakang dari calon karyawan?	X		

Nama Perusahaan:	Periode Audit
Program yang diaudit: Pelatihan dan Pengembangan SDM	

No	Kuisisioner dan Langkah Kerja	Jawaban		Komentar
		Ya	Tidak	
1	Apakah program pelatihan ditetapkan berdasarkan hasil identifikasi kebutuhan pelatihan karyawan?	X		
2	Apakah program pelatihan menggunakan metode yang tepat?	X		
3	Apakah pelatihan karyawan diikuti oleh karyawan yang memang membutuhkan pelatihan?	X		
4	Apakah program pelatihan yang dilaksanakan berhasil melakukan transfer keahlian, ilmu pengetahuan, dan meningkatkan kemampuan bekerja karyawan?	X		

Nama Perusahaan:	Periode Audit
Program yang diaudit: Perencanaan Karir	

No	Kuisisioner dan Langkah Kerja	Jawaban		Komentar
		Ya	Tidak	
1	Apakah perusahaan memiliki program perencanaan dan pengembangan karir yang jelas untuk seluruh karyawannya?	X		
2	Apakah program tersebut berlaku sama untuk seluruh karyawannya?	X		
3	Apakah program ini dievaluasi secara periodik?		X	

Nama Perusahaan:	Periode Audit
Program yang diaudit: Penilaian Kinerja SDM	

No	Kuisisioner dan Langkah Kerja	Jawaban		Komentar
		Ya	Tidak	
1	Apakah perusahaan memiliki program penilaian kinerja untuk setiap karyawannya?	X		
2	Apakah tujuan penilaian kinerja terdokumentasi dan disosialisasikan secara memadai?		X	
3	Apakah penilaian kinerja menggunakan instrumen penilaian yang tepat?	X		
4	Apakah standar penilaian telah ditetapkan terlebih dahulu?	X		
5	Apakah metode penilaian menekankan pada kinerja daripada sifat individu?	X		
6	Apakah hasil penilaian didokumentasikan dan disampaikan kepada karyawan yang dinilai sebagai umpan balik?		X	

Nama Perusahaan:	Periode Audit
Program yang diaudit: Kompensasi	

No	Kuisisioner dan Langkah Kerja	Jawaban		Komentar
		Ya	Tidak	
1	Apakah kompensasi menarik dan memotivasi karyawan untuk mencapai tujuan perusahaan?	X		
2	Apakah kompensasi ditetapkan perusahaan berdasarkan: a. Hasil evaluasi setiap pekerjaan? b. Hasil survey upah dan gaji? c. Hasil penilaian setiap pekerjaan?	X		

3	Apakah struktur dan kebijakan kompensasi sesuai dengan peraturan pemerintahan?	X		
4	Apakah kompensasi memberikan kepuasan bagi karyawan?	X		

Nama Perusahaan:	Periode Audit
Program yang diaudit: Keselamatan dan kesehatan kerja	

No	Kuisisioner dan Langkah Kerja	Jawaban		Komentar
		Ya	Tidak	
1	Apakah program keselamatan dan kesehatan kerja tertulis?		X	
2	Apakah kebijakan dan ketetapan pelatihan keselamatan dan kesehatan kerja didokumentasikan?		X	
3	Apakah karyawan mendapatkan pelatihan Pertolongan Pertama pada Kecelakaan (P3K) yang memadai?		X	

Nama Perusahaan:	Periode Audit
Program yang diaudit: Pemutusan Hubungan Kerja	

No	Kuisisioner dan Langkah Kerja	Jawaban		Komentar
		Ya	Tidak	
1	Apakah terdapat kebijakan yang seragam dan konsisten mengenai sanksi atas penyelewengan yang mengarah pada tindakan PHK?	X		
2	Apakah perusahaan memberikan uang penghargaan, pesangon, maupun ganti kerugian kepada karyawan yang terkena PHK?	X		

APPENDIX 4

Preliminary Audit

Company's Name: PT. Janti Sarana Material Beton Malang	
Program being audited: Human Resources Planning	
Goals:	
1	Obtain general information about human resources planning in PT. Janti Sarana Material Beton Malang
2	Identify aspects of management and the various problems occur related to the function of human resources planning.
3	Review and test of management control system as the basis for the next phase of the audit work program.
Preliminary audit actions	
1	Obtain and study the general company information, such as company history, organization structure along with the job description, the vision and mission of the company, collective bargaining agreements, and regulations.
2	Obtain and consider the purpose of the function of human resource planning in company.
3	Obtain and study the main tasks of the function of human resources planning in PT. Janti Sarana Material Beton Malang.

Company's name: PT. Janti Sarana Material Beton Malang	
Program being audited: Human Resource Recruitment	
Goals:	
1.	Obtain general information about the human resources recruitment in the company.
2.	Identify aspects of management and the various problems occur related to the function of human resources recruitment.
3.	Review and test of management control system as the basis for the next phase of the audit work program.
Preliminary Audit Actions	

1.	Obtain and study the basic tasks of human resources functions of recruitment in PT. Janti Sarana Material Beton Malang.
2.	Obtain and consider the purpose of recruitment of human resources functions in PT. Janti Sarana Material Beton Malang.
3.	Study Law No.13 of 2003 on Labor chapter III related to human resource recruitment.
4.	Obtain and review the form of employee requisition in company.
5.	Obtain and review collective agreements and regulations regarding human resource recruitment in PT. Janti Sarana Material Beton Malang.

Company's Name: PT. Janti Sarana Material Beton Malang	
Program being Audited: Human Resource Selection, Placement and Orientation	
Goals:	
1	Obtain general information about human resources selection in the company.
2	Identify aspects of management and the various problems occur related to the function of human resources selection in the company.
3	Review and test of management control system as the basis for the next phase of the audit work program
4	Obtain general information about the placement and orientation of human resources in company
5	Identify aspects of management and the various problems occur related to the function of human resources placement and orientation
Preliminary audit actions	
1	Obtain and study the basic tasks of human resources selection in company
2	Obtain and consider the purpose of human resources selection in company
3	Study Law No. 13 of 2003 on Labor chapter III related to human resource selection.
4	Obtain and review the form of the interview test result in the company
5	Obtain and review collective agreements and regulations regarding human resource selection in company.
6	Study Law No. 13 of 2003 on Labor chapter VI related to human resources placement and orientation

Company's Name: PT. Janti Sarana Material Beton Malang	
Program being audited: Human Resource Training and Development	
Goals:	
1	Obtain general information about the training and development implementation of human resources
2	Identify aspects of management and the various problems occur related to the function of human resources training and development implementation
3	Review and test management control system as the basis for the next phase of the audit work program
Preliminary Audit Actions	
1	Study Law No. 13 of 2003 on Labor chapter V related to human resources training and development implementation.
2	Obtain and review the main tasks of the function of training and development implementation of human resources

Company's Name: PT. Janti Sarana Material Beton Malang	
Program being audited: Human Resource Performance Appraisal	
Goals:	
1	Obtain general information about human resources performance appraisal
2	Identify aspects of management and the various problems occur related to the function of human resources performance appraisal
3	Review and test of management control system as the basis for the next phase of the audit work program.
Preliminary Audit Actions	
1	Obtain and review the basic tasks of human resources functions of the performance appraisal
2	Obtain and review the form of standard performance appraisal
3	Obtain and consider the purpose of the human resources function performance appraisal

Company's Name: PT. Janti Sarana Material Beton Malang	
Program being audited: Human Resource Career Planning Program	
Goals:	
1	Obtain general information about human resources career planning
2	Identify aspects of management and the various problems that occur related to the function of human resources career planning
3	Review and test of management control system as the basis for the next phase of the audit work program.
Preliminary Audit Actions	
1	Obtain and review the basic tasks of human resources functions of the career planning and development
2	Obtain and review collective agreements and regulations regarding human resource company career planning and development

Company's Name: PT. Janti Sarana Material Beton Malang	
Program being audited: Employee's Compensation	
Goals:	
1	Obtain and consider the purpose of the function of the employee's compensation.
2	Review the Law No. 13 Year 2003 on Labor related to the employee's compensation
3	Review the Ministerial Decree 49 of 2004 concerning the provision and Scale Structure of Wages
Preliminary Audit Actions	
1	Obtain and review the fundamental duty of the employee's compensation function
2	Review the Law No. 13 Year 2003 on Labor chapter X related to the employee's compensation
3	Review the Ministerial Decree 49 of 2004 concerning the provision and



Scale Structure of Wages

Company's Name: PT. Janti Sarana Material Beton Malang	
Program being audited: Employee's Health Care and Protection	
Goals:	
1	Obtain general information about employee's health care function and protection
2	Identify aspects of management and the various problems that occur related to the employee's health care function and protection
3	Review and test of management control system as the basis for the next phase of the audit work program
Preliminary Audit Actions	
1	Review the Law No. 13 Year 2003 chapter X on Employment related to the employee's health care and protection
2	Obtain and review the fundamental duty of the employee's health care function and protection

Company's Name: PT. Janti Sarana Material Beton Malang	
Program being audited: Employee's Termination	
Goals:	
1	Obtain general information about employee's termination
2	Identify aspects of management and the various problems occurring related to the function of termination
3	Review and test of management control system as the basis for the next phase of the audit work program.
Preliminary Audit Actions	
1	Obtain and review the fundamental duty of the employee's termination function
2	Review the Law No. 13 Year 2003 on Employment chapter XII related to the employee's termination
3	Obtain and review collective agreements and regulations regarding the employee's termination

Review and Testing Management Control

Company's Name: PT. Janti Sarana Material Beton Malang			
Program Being Audited: Human Resource Planning			
The Objective of Review and Testing Management Control: To assess and test the effectiveness of management control and to identify weaknesses or potential weaknesses in the system of management control			
Internal Control Questionnaire :		Answer	
		Yes	No
1	Does human resource department have plans that is clearly documented?	x	
2	Are the plans made by the management support the achievement of company's goals?	x	
3	Does the distribution of responsibilities and authority in the work have been well organized?	x	
4	Does human resource planning involve managers from other divisions?	x	
5	Does the human resource department use references such as articles, regulations and laws related to human resources?	x	
Work Actions :			
1	Review the company's plans to achieve corporate objectives.		
2	Review the company's policy on human resource planning		
3	Review of Law No.13 of 2003 on Labor Chapter IV of human resource planning.		
4	Distribute questionnaires to each chief or manager and one of the staff of the department of Human Resources		
5	Interview with Mrs. Dina as assistant manager of human resources department.		

Company's Name: PT. Janti Sarana Material Beton Malang			
Program Being Audited: Human Resource Recruitment			
The Objective of Review and Testing Management Control: to assess and test the effectiveness of management control and to identify weaknesses or potential weaknesses in the system of management control			
Internal Control Questionnaire :		Answer	
		Yes	No
1	Does the company have policies and procedures in the recruitment of employees?	x	



2	Are recruitment policies and procedures well documented?	x	
3	Does human resource department have the qualification standards in employee recruitment process?	x	
4	Are recruitment is always held every year?		x
5	Does the company cooperate with the agency or organization to get the new employee?		x
6	Are the employee recruitment methods implemented operating effectively in accordance with the company's required qualifications?	x	
Work Actions :			
1	Review the procedures in the recruitment of employees		
2	Review the form of requisition		
3	Review the Law No. 13 of 2003 on Labor regarding human resource recruitment		
4	Distribute questionnaires to each chief or manager and one of the staff of the department of Human Resources		
5	Interview with Mrs. Dina as assistant manager of human resources department.		

Company's Name: PT. Janti Sarana Material Beton Malang				
Program Being Audited: Human Resource Selection, Placement and Orientation				
The Objective of Review and Testing Management Control: to assess and test the effectiveness of management control and to identify weaknesses or potential weaknesses in the system of management control				
Internal Control Questionnaire :			Answer	
			Yes	No
1	Is the selection process standard of human resources well documented?	x		
2	Is the applicant completed the conducted test dealing with the field of work ?	x		
3	Does the selectors have good understanding about job requirements needed by the company?			x
4	Has the selection process given equal opportunity and fairness to prospective employees?	x		
5	Do the new employees get the guidance in carrying out their duties?	x		
6	Do the new employees have to perform first orientation within a certain period?	x		
7	Is there any written procedure guidelines for in every work performed?	x		



Work Actions :	
1	Review the rules regarding human resource selection
2	Review the Law No. 13 of 2003 on Labor regarding human resource selection.
3	Review procedures in human resource placement and orientation
4	Review Law No. 13 of 2003 on Labor Chapter VI regarding human resource placement and orientation
5	Distribute questionnaires to each chief or manager and one of the staff of the department of Human Resources
6	Interview with Mrs. Dina as assistant manager of human resources department.

Company's Name: PT. Janti Sarana Material Beton Malang			
Program Being Audited: Human Resource Training and Development			
The Objective of Review and Testing Management Control: to assess and test the effectiveness of management control and to identify weaknesses or potential weaknesses in the system of management control			
Internal Control Questionnaire :		Answer	
		Yes	No
1	Are there any training and development programs for employees?	x	
2	Are the employee training followed by employees who need training?	x	
3	Do the training and development use the right method?	x	
4	Are the training and development done to enhance the knowledge and skills of employees?	x	
5	Does the program include employee training and development of all divisions?	x	
6	Does the company use external instructors to implement employee training and development programs?		x
7	Does the company monitor the results of the training and development on a regular basis to assess its effectiveness?	x	
Work Actions :			
1	Review procedures in human resource training and development		
2	Review of Law No.13 of 2003 on Employment Chapter V regarding training and development		
3	Review collective labor agreement regarding human resource training and development		
4	Distribute questionnaires to each chief or manager and one of the staff of the department of Human Resources		



5	Interview with Mrs. Dina as assistant manager of human resources department.
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Company's Name: PT. Janti Sarana Material Beton Malang			
Program Being Audited: Human Resource Performance Appraisal			
The Objective of Review and Testing Management Control: to assess and test the effectiveness of management control and to identify weaknesses or potential weaknesses in the system of management control			
Internal Control Questionnaire :		Answer	
		Yes	No
1	Does the company have human resource performance assessment program that is well documented?	x	
2	Are the purposes of performance appraisal adequately documented and socialized?		x
3	Does the assessment standards have been set in advance?	x	
4	Does the performance assessment carry out with a specific purpose such as reward, promotion, etc?	x	
5	Does the method of performance appraisal carry out by the company effective and achieve the goal of performance appraisal?	x	
6	Are the performance appraisal performed periodically?	x	
7	Are the results documented and communicated to employees as a means of evaluating employee performance?		x
Work Actions :			
1	Review the rules regarding human resource the company performance appraisal		
2	Review collective labor agreement regarding human resource performance appraisal		
3	Review the form of an employee's performance appraisal		
4	Distribute questionnaires to each chief or manager and one of the staff of the department of Human Resources and Finance Department		
5	Interview with Mrs. Dina as assistant manager of human resources department.		

Company's Name: PT. Janti Sarana Material Beton Malang			
Program Being Audited: Human Resource Career Planning			
The Objective of Review and Testing Management Control: to assess and test the effectiveness of management control and to identify weaknesses or potential			

weaknesses in the system of management control			
Internal Control Questionnaire :		Answer	
		Yes	No
1	Is the company having a program planning the career development for employees well documented?	x	
2	Are the program evaluated periodically?		x
3	Is the planning and career development carried out based on the level of interest and potential of each employee?	x	
Work Actions :			
1	Review company regulations regarding human resource training and development implementation		
2	Review collective labor agreement regarding human resource career planning and development implementation career		
3	Distribute questionnaires to each chief or manager and one of the staff of the department of Human Resources and Finance Department		
4	Interview with Mrs. Dina as assistant manager of human resources department.		

Company's Name: PT. Janti Sarana Material Beton Malang			
Program Being Audited: Employee's Compensation			
The Objective of Review and Testing Management Control: to assess and test the effectiveness of management control and to identify weaknesses or potential weaknesses in the system of management control			
Internal Control Questionnaire :		Answer	
		Yes	No
1	Are the structure and compensation policies based on government regulations	x	
2	Does the compensation motivate employees to work to achieve company's goals?	x	
3	Is there any guideline in the form of scale salary / wages in ensuring the fairness distribution of salary / wages?	x	
4	Is there any incentive policy in accordance with the work accomplished?	x	
5	Is the decision to grant a salary or remuneration change approved by the authorities decree?	x	
Work Actions :			
1	Review company regulations regarding the employee's compensation		
2	Review of Law No.13 of 2003 on Employment Chapter X of protection, wage and safety.		
3	Review Ministerial Decree 49 of 2004 concerning the provision structure and Scale of Wages.		

4	Review collective labor agreement regarding the employee's compensation
5	Review Ministerial Decree 49 of 2004 concerning the provision structure and Scale of Wages.
6	Distribute questionnaires to each chief or manager and one of the staff of the department of Human Resources and Finance Department
7	Interview with Mrs. Dina as assistant manager of human resources department.

Company's Name: PT. Janti Sarana Material Beton Malang				
Program Being Audited: Employee's Health Care and Protection				
The Objective of Review and Testing Management Control: to assess and test the effectiveness of management control and to identify weaknesses or potential weaknesses in the system of management control				
Internal Control Questionnaire :			Answer	
			Yes	No
1	Does the new employees receive training on health and safety?			x
2	Does the company provide safe and healthy workplace for employees?			x
3	Does the company provide adequate protection for employees?			x
4	Is there any provided security equipment such as fire extinguishers, etc.?			x
Work Actions :				
1	Review company regulations regarding the employee's health care and protection			
2	Review of Law No.13 of 2003 on Labor Chapter X of protection, wage and safety. Review collective labor agreement regarding the employee's health care and protection			
3	Distribute questionnaires to each chief or manager and one of the staff of the department of Human Resources and Finance Department			
4	Interview with Mrs. Dina as assistant manager of human resources department.			

Company's Name: PT. Janti Sarana Material Beton Malang				
Program Being Audited: Employee's Termination				
The Objective of Review and Testing Management Control: to assess and test the effectiveness of management control and to identify weaknesses or potential weaknesses in the system of management control				
Internal Control Questionnaire :			Answer	
			Yes	No
1	Is there any written guidelines governing employee termination?	x		



2	Is the decision about employee termination under the authority of the human resource department?		x
3	Does the company provide cash rewards, severance or compensation to employees affected by termination?	x	
4	Does the company ever make termination for reasons of economy or business?		x
Work Actions :			
1	Review company regulations regarding the employee's termination		
2	Review of Law No.13 of 2003 on Labor Chapter XII of the termination employment.		
3	Distribute questionnaires to each chief or manager and one of the staff of the department of Human Resources and Finance Department		
4	Interview with Mrs. Dina as assistant manager of human resources department.		

