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Compliance Audit of Work Instructions on Polaris Welding at Manufacturing Industries

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ABSTRACT

This study discusses compliance audits of work instructions on the Welding Polaris process at Manufacturing Industries. This study aims to determine the level of operator compliance with work instructions in the Polaris Welding process. This study uses descriptive methods and data collection through interviews, documentation, observation, and document inspection. The results of this study found discrepancies between work instructions and work practices in the field, namely when loading material was not carried out one by one, and not checking consistently whether the filter cap and baseplate were aligned. In addition, the lack of supervision and strict sanctions by the authorities prevent operators from following work instructions properly. However, overall operator compliance was stated to be very effective with an ICQ tabulation percentage of 86.7%.

INTRODUCTION

Along with the development of the world economy and intense business competition, companies are required to increase efficiency and effectiveness in their operational activities, which causes companies to be oriented towards the quality of the products they produce and achieve customer satisfaction. To regulate the company's operational activities, every company must use an internal control system, where internal control is a rule made by certain people in the company to be implemented and obeyed by employees in achieving company goals.

Within the scope of the company, work instructions play an important role in managing and controlling every employee's task from start to finish. Work instructions are documents that explain in detail the sequence of work so that mistakes do not occur in order to produce quality products and reduce the number of rejected products. However, from the results of observations in the field, the authors found that there was a discrepancy between the work practices of the employees and the work instructions that had been set, namely when loading material to be inserted into the bottom electrode using a tweezer which should be

done one by one, but the operator took two even more so at the same time that it violates work instructions so that there is friction between the filter cap and the bottom electrode which causes feedback from Backline regarding scratch filters. Then, before putting the material into the box, some operators did not first check whether the nose material was aligned or not. Which will have an impact on reducing product quality, not achieving customer satisfaction, causing losses for the company. In addition, the lack of oversight and strict sanctions by the authorities has caused operators to work not following procedures.

Therefore, it is necessary to carry out a compliance audit which aims to prevent work practices that violate work instructions to produce quality products to increase customer satisfaction. The compliance audit conducted is intended to be an evaluation for the company whether employees have followed and implemented work instructions set by the company and also aims to improve employee performance.

According to Mulyadi (2014), auditing is a systematic process of obtaining and objectively assessing evidence for statements about economic activities and events. The aim is to determine the degree of conformity using certain criteria and to communicate the results to interested parties. Audit according to Arens et al. (2015) is the collection and evaluation of books about information to determine and report the suitability between the data and the criteria that have been set.

Based on the definition of audit that has been put forward by experts, it can be concluded that an audit is an inspection activity that is carried out critically and systematically whose purpose is to determine the suitability of information with established criteria.

According to Halim (2015) Compliance audit includes collecting and evaluating evidence to determine whether certain financial activities or operations of the company comply with the established rules, regulations and regulations. The criteria specified can come from different sources, such as management, creditors or government agencies.

Compliance audit is an examination that aims to determine whether the entity being audited has complied with certain conditions or regulations. The results of compliance audits are usually reported to those who have the authority to set these criteria.

According to Arens, Elder, & Beasley (2015), a compliance audit aims to determine whether the party being examined has complied with the procedures, policies, and regulations set by a higher body/authority. The results of a compliance audit are usually in the form of a statement of findings or level of compliance and are reported to certain parties within the organizational unit being audited.

Compliance audit is useful to find out and determine whether the activities carried out or carried out in an organization have been going well and in accordance with the procedures set by the company.

According to Hery (2011), Internal Control Questionnaires (ICQ) generally contain a series of questions to find weaknesses in the company's internal controls. The ICQ usually contains questions about recorded transactions that actually occurred, the completeness and accuracy of transactions, posted, summarized and

classified in the financial statements correctly, and the determination of the appropriate accounting period. The use of ICQ can assist companies in improving and increasing the effectiveness of their internal control systems. In ICQ, the auditee is only asked to answer Yes (Y) and No (N) to the questions prepared by the auditor.

According to Wakhyudi (2018) internal control is a process that is influenced by the board of commissioners, management, and other personnel from the organization to provide adequate confidence in achieving goals.

According to Mulyadi (2016), the internal control system includes an organizational structure, methods, and measures that are coordinated to maintain organizational assets, check the accuracy and reliability of accounting data, encourage efficiency, and encourage compliance with management policies. The company's internal control does not only cover accounting and financial operations, but also covers all aspects of the company's operations. Internal control is a method or system and rules made by certain people in the company to be implemented and obeyed by employees in achieving company goals.

According to Tathagati (2013) Work Instructions (WI) are documents that regulate in detail and clearly the sequence of work, and in it describe more detailed or technical steps of a series of activities. Work Instructions (WI) are a series of steps that a person takes to complete work safely from start to finish. This work instruction is made to accompany Standard Operating Procedures (SOP), explains in detail the instructional steps in an SOP activity, and only involves 1 (one) work unit. Work instructions aim to make it easier for employees to complete their tasks from start to finish so that they are more controlled, and to reduce the number of rejected items so as to achieve customer satisfaction.

METHOD

In this study, the authors used primary data and secondary data. Primary data was obtained through direct questions and answers (interviews) to Leader Production, and secondary data was obtained through work instruction documents on the Polaris Welding process. While in data collection, the method used by the author is as follows:

a. Interview, conducted based on a list of questions that have been made or Internal Control Questionnaires (ICQ) which are based on work instructions in the Welding Polaris section
b. Documentation, the authors collect and analyze documents related to work instructions on the Polaris Welding process.
c. Observation, carried out through direct observation of employee work practices based on predetermined work instructions.
d. Document inspection, carried out by a detailed physical examination of the documents used in the Polaris Welding process.

In data analysis, the writer uses descriptive method by focusing attention on the problems being studied and the results of this analysis describe the conditions of the problems that occur.

RESULTS AND DISCUSSION

Internal Control Questionnaires (ICQ)

The author has created Internal Control Questionnaires (ICQ) based on work instructions on Welding Polaris which are used to check operator compliance with work instructions. ICQ filling is carried outby Leader Production in the Polaris Welding process. The following are Internal Control Questionnaires (ICQ) created by the author:

Table 1 Internal Control Questionnaires

No	Question	Answer	
		Yes	No
1	Has the box containing the preweld material for welding been prepared?	✓	
2	Does the operator use gloves to load and remove materials in the oven?	✓	
3	Has the operator pressedthe "start" button to startthe vacuum heat cycle in the oven?	✓	
4	Has the operator transferred material that has been in the oven for 2 hours from the oven to the welding chamberarea?	✓	
5	Does the operator take the jig/tray part to be welded from the bottom up to the slanted jig on the right?	✓	
6	Does the operator load material into the bottom one by one using a tweezer?		✓
7	Does the operator reset the counter top and bottom electrodes before starting the welding process?	✓	
8	Does the operator check that the nose cap and baseplate are aligned?		✓
9	Does the operator press the "standby" button when the control box display shows off condition?	✓	
10	Does the operator check every parameter on the control box display?	✓	
11	Does the operator press the review button when the parameter values are correct?	✓	
12	Has the operator made sure the machine is in weld mode?	✓	
13	Does the operator press the pedal to start the welding cycle?	✓	
14	Did the operator put the rejected part into the reject bin?	✓	
15	Does the operator remove the part that has been welded and the box and jig/tray out when the welding process is complete?	✓	

Source: Data processed by researcher

Table 2 Tabulation Results of *InternalControl Questionnaires* (ICQ)

Irformation	Qustion	Answer	
		Yes	No
Total	15	13	2
Percentage		**86,7%**	**13,3%**

Source: Data processed by researcher

Based on the results of the ICQ tabulation above, the percentage of operator compliance with work instructions was 86.7%. However, for a percentage of 13.3%it can be concluded that there were discrepancies in points 6 and 8 which werenot carried out properly by several operators, namely:

1. When loading material into the bottom isnot done one by one.
2. Not checking whether the position of thenose and baseplate material is aligned.

Table 3 Effectiveness Assessment Criteria

SCORE	EFFECTIVENESS CRITERIA
0% - 25%	No Effective
25% - 50%	Less effective
50% - 75%	Effective
75% - 100%	Very effective

Source: (Champion, 2009)

Based on the Champion method, the percentage of ICQ tabulation results of 86.7% is included in the very effective criteria. So, it can be concluded that the operators in the Polaris Welding process have complied with the work instructions set by the company.

Control Test Inspection

This inspection is carried out as a guideline for the auditor to test all Yes answers contained in the ICQ results.

Table 4 Control Test on the Polaris Welding process

No	Control Procedure
1	Ask for a work instruction document for the Polaris Welding process
2	Pay attention to whether the operator has prepared a box containing preweldedmaterial for welding
3	See if the operator uses gloves to load and remove materials in the oven
4	Note whether the operator has pressed the "start" button to start the vacuum heat cyclein the oven
5	Observe whether the operator has transferred the material that has been in theoven for 2 hours from the oven to the welding chamber area
6	See if the operator takes the jig/tray part to be welded from the bottom up to the slantedjig on the right
7	Pay attention to whether the operator resetsthe counter top and bottom electrode before starting the welding process
8	Pay attention to whether the operator presses the "standby" button when the control box display shows the off condition
9	See if the operator checks every parameter on the control box display
10	See if the operator presses the review buttonwhen the parameter values are appropriate
11	Pay attention to whether the operator has confirmed the machine is in weld mode
12	Watch to see if the operator steps on the pedal to start the welding cycle
13	See if the operator puts the reject part into the reject bin

No	Control Procedure
14	Pay attention to whether the operator removes the part that has been welded andthe box and jig/tray out when the welding process is complete

Source: Data processed by researcher

Sample Test

Table 5 Sample Test Work Instructions Point 1

Work Instructions on Welding Polaris		
Testing compliance with work instructions in point 1 has been carried out by direct observationby researchers. Where the operator has prepared a box containing preweld material for welding.		
Research Place	**Made by**	**Checked by**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 6 Sample Test Work Instructions Point 2

Work Instructions on Welding Polaris		
Testing for compliance with work instructions in point 2 has been carried out by direct observationby researchers. Where operators use gloves to enter and remove material in the oven.		
ResearchPlace	**Made by**	**Checked by**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance test of work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 7 Sample Test Work Instructions Point 3

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 3 has been carried out by direct observation by researchers. Where the operator has pressed the "start" button to start the vacuum heat cycle inthe oven.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 8 Sample Test Work Instructions Point 4

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 4 has been carried out by direct observationby researchers. Where the operator has moved thematerial that has been in the oven for 2 hours from the oven to the welding chamber area.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 9 Sample Test Work Instructions Point 5

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 5 has been carried out by direct observationby researchers. Where the operator takes the jig/tray part to be welded from the bottom up to the slanted jig on the right.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 10 Sample Test Work Instructions Point 7

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 7 has been carried out by direct observationby researchers. Where the operator resets the counter top and bottom electrode before carryingout the welding process.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 11 Sample Test Work Instructions Point 9

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 9 has been carried out by direct observationby researchers. Where the operator presses the "standby" button when the control box display shows the off condition.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance test of work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 12 Sample Test Work Instructions Point 10

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 10 has been carried out by direct observation by researchers. Where the operator checks each parameter on the control box display.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance test of work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 13 Sample Test Work Instructions Point 11

Work Instructions on Welding Polaris		
Testing compliance with work instructions inpoint 11 has been carried out by direct observation by researchers. Where the operator presses the review button when the parameter values are appropriate.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 14 Sample Test Work Instructions Point 12

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 12 has been carried out by direct observation by researchers. Where the operator has ensured the machine is in a condition of weldmode.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 15 Sample Test Work Instructions Point 13

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 13 has been carried out by direct observation by researchers. Where the operator steps on the pedal to start the welding cycle.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 4.3.12 Sample Test Work Instructions Point 14

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 14 has been carried out by direct observation by researchers. Where the operator puts the reject part into the reject bin.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Table 4.3.13 Sample Test Work Instructions Point 15

Work Instructions on Welding Polaris		
Testing for compliance with work instructions inpoint 15 has been carried out by direct observation by researchers. Where the operator moves the part that has been welded and the box and jig/tray come out when the welding process is complete.		
Research Place	**Made by**	**Checkedby**
Manufacturing Industries	Researcher	Researcher
Schedule	**Date**	**Date**
Compliance testof work instruction on Welding Polaris	27/03/2023	21/03/2023

Source: Data processed by researcher

Interview result

Based on interviews that have been conducted with Halim as Leader Production at Welding Polaris, it can be concluded that:

1. Several operators did not carry out the work instructions correctly, especially in points 6 and 8, namely when the material was not loaded one by one and the nose andbaseplate were not checked for alignment.
2. Before starting work, all operators have undergone a full month's training and are under senior supervision.
3. Each machine is run by one operator so that each operator is fully responsible for the product produced.
4. Lack of supervision and strict sanctions for operators who work not following procedures.

Causes of Problems

Based on the results of the interviews that have been conducted, the authors found thecauses of the problems, namely:

1. Some operators do not follow the work instructions that have been set with the reason to speed up the production process
2. At point 6, some operators do not load materials one by one, which causes friction between the filter cap and the bottom electrode, resulting in direct feedback from the Engineering Backline and decreased product quality.
3. At point 8, several operators did not consistently check that the nose and baseplate were aligned, so that the material became scrap and could not be reworked.
4. Lack of supervision and strict sanctions for operators who work not following procedures.

Problem Solution

Based on the problems described above, theauthors provide suggestions as a solution tothe problem, namely:

1. Provide direction and affirmation to operators that paying attention to product quality is very necessary in work, in addition to paying attention to output. That

product quality and output must go hand inhand so as not to harm the company.
2. It is necessary to carry out periodic monitoring regarding the working procedures of operators by authorizedparties, as well as to provide strict sanctionsif operators are found to be working not following established procedures.

CONCLUSION

Conclusion

Based on the results of research and testing of the problems previously described, it was concluded that problems in the implementation of work instructions in the Polaris Welding process were caused by operators not following predetermined work instructions, which could lead to a decrease in product quality and losses for the company. In addition, the lack of oversight and strict sanctions by the authorities causes operators to neglect their responsibilities. But overall, the work instructions have been carried out well with the results of the ICQ tabulation percentage of 86.7%.

Recommendation

Based on the conclusions above, the authors would like to provide advice to companies to carry out periodic compliance audits and supervision by the authorities related to the way operators work to improve work quality and as directions for operators to work according to procedures. Strict sanctions are needed so that operators do not violate work instructions that have been set.

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