Quality of Accounting System and Internal Control: How is the Implementation at PT. Nusantara Jaya Sentosa

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Abstract:
This study aims to determine the quality of accounting information systems and internal controls at PT Nusantara Jaya Sentosa. The method used is descriptive qualitative. The data used are primary data and secondary data. Data analysis techniques are data reduction, data presentation and data verification. The results showed that the quality of PT Nusantara Jaya Sentosa's administrative system has changed from a manual system to a computerized system that produces useful output for each user of the information. This is evidenced by all the components needed to support a valid system are owned by PT Nusantara Jaya Sentosa, and there is an element of internal control. The leadership of PT Nusantara Jaya Sentosa gave instructions that it was better to implement structured internal controls and develop access controls that were restricted by the use of a User and Password so that only specific units could perform internal access.

Keywords:
accounting information systems; internal control; PT Nusantara Jaya Sentosa

I. Introduction

The development of information technology has many advantages for all groups, especially for service providers, automotive and others. Economically, information technology has a significant impact on the acceleration of sales of goods from all companies. Information system technology indirectly makes competition more open so that all companies need accurate, systemized and correct accounting records.

Accounting today is an integral part of everyday human activities. And in practice, both individuals and business institutions or companies always need financial information so that an entity can describe its financial position very clearly so that planning can be carried out appropriately. And detailed financial information can be obtained through the final process of accounting. In general, financial reports are used by large and small-scale companies to determine the development and continuity of the company's business going forward. The financial information is the final result of recording, merging, summarizing all transactions carried out by the company with all parties related to its business activities and important events that occur within the company (Baramuli, 2015).

Accounting provides information to be used by managers in carrying out company operations. Accounting also provides data for other interested parties in assessing the company's performance and economic conditions (Romney, 2016). The development of information needs has encouraged accounting as an information system; this change is closely related to the application of data processing technology that is more efficient and can process more information. Information becomes very important in an organization, a system that is lacking in obtaining information will cause the system to collapse, shrink and eventually stop. Therefore, the system must still get sufficient and useful information (Juwita, 2013).

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Accounting is the process of recording, classifying, summarizing, and presenting in specific ways regarding companies or other business entities' financial transactions and the interpretation of the results of their activities (Maknunah, 2015). According to (Rama, 2008), accounting is the process of identifying, recognizing, measuring, and reporting financial information to enable precise and assertive judgments and decision-making for those who use the information (Komara, 2013). It can be concluded that accounting is a process of recording, classifying, summarizing, and reporting its transaction activities. Accounting produces information and is a series of efforts and procedures to make information in the form of reports that will be used by external parties and internal parties in the company.

Accounting information is an essential resource for the company; accounting information is an initial step for its decision-making. To obtain accurate accounting information, a system that can process accounting information is needed and can provide valuable and accountable accounting information to the company to minimize errors in the application of accounting information by companies (Fibriyanti, 2017).

The development of computer technology has greatly influenced changes in how accounting works in processing transactions into information. Information systems based on computers are known as Accounting Information Systems. In a trading company, inventory consists of only one group, namely merchandise inventory which is goods purchased for resale purposes. A trading company's income activity involves buying to sell, selling and distributing goods to customers and receiving cash from customers (Warda, 2018).

The development of information needs has encouraged the development of accounting as an information system; this development has resulted in changes in several terms and techniques used. If previously, accounting data processing was called an accounting system, it is now relevant to the term accounting information system (Ratifah, 2014). An accounting information system collects resources, such as people and equipment designed to convert financial and other data into information. Meanwhile, according to (Mahatmyo, 2014) defines accounting as an information system. The Accounting Education Change Commission recommends that the accounting curriculum emphasize that accounting is a process of identifying, developing, measuring, and communicating information (Gustiyan, 2014).

The accounting information system has a method approach that can be used in calculating the value of the ending inventory, (Hery, 2014), namely: first, the FIFO method (First - In, First - Out), second, the LIFO method (Last - in, First - Out) and finally the Average Cost Method. The approach above is needed for the Nusantara Jaya Sentosa company to see the availability of goods and internal control.

PT Nusantara Jaya Sentosa is a company engaged in the sale of cars under the Suzuki brand. The company was founded in 1979 and has developed into a well-known company in the automotive sector. This company is fully integrated from all its information systems. Automotive sales are not in doubt, but due to competition business and the covid-19 pandemic, all economic developments in the automotive sector have decreased, requiring proper information system analysis to optimize company vacancies.

These weaknesses are in parts of the inventory that the company has not properly executed. There is no adequate accounting information system procedure for the receipt and expenditure of raw materials, which raises problems in the future (Bachtiar, 2012). An adequate accounting information system for companies can make it easier to provide accurate, detailed, relevant and timely information and improve the company's quality. In addition, companies must also control their employees to fulfill the company's accounting information (Prasetyati, 2016).
The purpose of the accounting system is related to the management of financial and non-financial transaction data into information that can meet its users’ needs. Based on the definition of an accounting information system, the accounting information system's objectives and benefits are transaction processing and information processing. This study aimed to determine the quality of the accounting information system and internal control at PT Suzuki Nusantara Jaya Sentosa and to provide comparisons as an evaluation material for the company.

II. Research Methods

This study uses a qualitative approach with field research data collection methods. This technique is a direct research to the company to obtain data premiere about the quality of accounting information systems and internal control. Premiere data collection was carried out by means of in-depth interviews, observations and literature studies. While the data analysis technique is explained by explaining the FIFO method in recording inventories and procedures at PT Nusantara Jaya Sentosa. Second, analyzing the quality of the accounting system and internal control at PT Nusantara Jaya Sentosa.

III. Results and Discussion

The results showed that The quality of the accounting information system implemented by PT Nusantara Jaya Sentosa Bandung still has problems, the problem faced is that the demand for goods is always the same but the employees have decreased, therefore a quality accounting system and internal control are needed for the progress of Nusantara Jaya Sentosa company.

3.1 Quality of Accounting System of PT Nusantara Jaya Sentosa

Inventory of goods during the Covid pandemic at Nusantara Jaya Sentosa Company can be seen day to day by means of an activity diagram. The goods needed and the goods to be sent can be calculated with more certainty. The basis for the valuation used by PT Nusantara Jaya Sentosa in assessing the inventory of goods is historical cost, where the price has been determined in advance from the head office. Every car sale and demand for goods that come out of the company have been sold to consumers, the ownership of the car has changed at the time of delivery, in the Company Regulations that the delivery from the warehouse to the dealer is borne by the company, so that the cost of inventory only includes the purchase cost, at Suzuki Nusantara Jaya Sentosa, inventory costs include purchase costs and transportation costs. Inventory of goods is one of the company's activities, which is very important for the development of the company.

The problem that this company often faces is that there are frequent errors in recording transaction data for orders and sales of goods, resulting in difficulties in controlling inventory. With the increasing number of goods, several problems arise, namely the inventory information cannot be presented quickly, precisely and accurately. The cause of this problem's emergence is the processing of transaction data, which requires several stages and frequent errors in recording invoices, forms and reports are made. In addition, processing transaction data into inventory information is often delayed by staff in the inventory section.
According to Susanto (2004), the accounting information system can be defined as a collection of subsystems interconnected with each other and work together harmoniously to process financial data into financial information needed by decision-makers in the decision-making process. According to Krisania (2010: 4) the accounting information system is a system that processes data and transactions in order to produce useful information for planning, controlling and operating a business.

Accounting Information Systems are designed and implemented on the basis of providing information needed for decision making in achieving company goals (Purba, 2018). In managing the stock of existing Suzuki cars, the company must process and use existing data into output, resulting in an information system that is useful for management to make decisions in buying and selling car unit inventory to support its business continuity. The use of the FIFO method is to assess the cost of goods sold at the final stock of the Suzuki car unit which the dealer will sell as the purchase price by consumers, the first incoming goods will be issued first so that the remaining inventory in the warehouse as the final stock is the inventory that goes in later.

According to (Tamodia, 2013) Inventory is one of the company's assets. In this case, the role of internal control is very important in improving the security of inventory as company assets because there are quite a lot of types of products and the entry and exit of goods so that it is feared that there will be loss or theft of stock. In stock, goods are most prone to fraud. Therefore it is necessary to have an adequate internal control system to prevent fraud by handling the inventory.

In transforming a manual system into an information system, it must also fulfil internal control elements, such as an organizational structure that separates functional responsibilities. Nusantara Jaya Sentosa company already has an organizational structure formed by the dealers themselves to carry out all stages of a transaction, making it easier for the owner to assign responsibility to each unit. However, there are weaknesses in the separation of responsibilities at the dealer based on the owner's authority, namely the warehouse unit, this section is not responsible for ordering cars, the warehouse unit only looks at the number and type of Suzuki cars to be ordered, makes purchase orders and reports to the owner. And this order is made internally by the owner at the primary dealer as well as the payroll system which the owner dealer himself carries out. The separation of the two tasks makes the organizational structure ineffective in carrying out its duties and responsibilities. A system of authority and record-keeping procedures that provide adequate protection against wealth, debt, income and expenses. The division governing control within the dealer is also not effective enough. Healthy practices in carrying out the duties and functions of each organizational unit. The division's governing authority within the dealer is also not effective enough—healthy practices in carrying out each organisational unit's duties and functions. The division governing authority within the dealer is also not effective enough—healthy practices in carrying out the duties and functions of each organizational unit.
Figure 1. Activity Diagram of Goods Request Procedure

It can be seen from the activity diagram above that the analysis of the accounting information system has not been running optimally, so an appropriate accounting information system model is needed, according to the Waterfall model there are several steps in determining this model. First, explained the need for the software so as to make it easier for consumers, companies and employees to see the available goods.

The second is The system improvement proposal for this problem is to arrange the system for entry and exit of goods in order by date of receipt, drafting proof of entry and exit documents of goods, and designing an inventory program for PT Nusantara Jaya Sentosa's inventory control which integrates the warehouse part with the administration section so that data can be obtained—updated every day.

3.2 Internal Control in the accounting system of PT Nusantara Jaya Sentosa

The inventory recording method used by PT Nusantara Jaya Sentosa uses perpetual inventory recording in which each unit of incoming and outgoing car purchases will be recorded on a ledger and computerized input. In computerized use, groupings have also been carried out based on the type and color of the care unit. The trading company perpetual inventory system also provides effective control over the motorbike inventory where the inventory information for the number and type of car units is always updated. The update system also provides a good level of control because the information about inventory indicates the current state of inventory to facilitate dealer record management in assessing profit and loss which will have an impact on dealer management decisions going forward for business continuity and as part of control to see unit availability. The inventory valuation method used by Nusantara Jaya Sentosa Company is the FIFO method, which is the cost of the first car purchased which will be used as the cost of sales of the care unit. The use of the FIFO method is to assess the cost of goods sold at the final stock of the motorbike unit that the dealer will sell as the purchase price by consumers. And this is also in accordance with the Statement of Financial Accounting Standards that the first incoming goods will be issued first so that the remaining inventory in the warehouse as final inventory is the inventory that goes in later. The application of accounting for Nusantara Jaya Sentosa's inventory is in accordance with the Accounting Standard Statement No. 14 regarding supplies. The inventory valuation method used is the FIFO method.

So far, the Nusantara Company Jaya Sentosa has ordered goods from third parties just by guessing when the number of goods in the warehouse is running low. When the demand for goods from the company soars, the company often cannot meet this demand. At other times the company also experienced an excess in the number of orders for goods, this resulted
in a large number of inventory items that had to be stored in the warehouse, resulting in an increase in inventory costs.

This report is an accounting information system used by management and other interested parties in the context of general decision making. The inventory report produced by the dealer is capable of producing accurate information for management. As information regarding the availability of the car unit can be known at any time by all parts that need this information, this is the output of a system that is formed.

The results showed that the Nusantara Jaya Sentosa company during the pandemic was overwhelmed by the ordering of the kosunmen so that Nusantara Jaya Sentosa company changed the accounting information system that had turned into a computerized system and was supported by several internal control activities that had been implemented by Nusantara Jaya Sentosa.

V. Conclusion

This study concludes that the quality of the accounting information system at PT Nusantara Kaya Sentosa was originally manual to computerized and needed support from all parties, human resources were the main factor that could explain the computerized system at Suzuki Nusantara Jaya Sentosa Company and the output received from a system. which is the objective of an appropriate accounting information system, namely changing existing information so that it becomes effective and efficient for all information users, as well as up-to-date resulting data to assist all parties in presenting inventory information and other required information to make a decision.

References


