

# EVALUATION OF THE IMPLEMENTATION OF AN ACCOUNTING INFORMATION SYSTEM FOR SALES, CASH RECEIVING, AND PAYROLL ON AN INTERNAL CONTROL SYSTEM

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## Abstract

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Accounting information systems include processes that collect data from business processes and systems that store data in appropriate records (Turner et al., 2017). The purpose of this research is to find out whether the application of the sales accounting information system, cash receipts and payroll is related to the internal control system. This research uses descriptive research. The type of data used in this research is qualitative data. This research uses secondary data and data collection techniques in the form of interviews, documentation and observation. The research results showed that the internal control system was running quite well because the company upholds the ethical values and behavior of the entity, which are used as components of the code of ethics, management is also disciplined during working hours. The conclusion of this research is the internal control system is very influential in the running of a company in order to achieve company goals. This research uses a company operating in the restaurant sector from Minang as a research subject that evaluates the implementation of the sales accounting information system, cash receipts and payroll on the internal control system.

**Keywords:** Accounting Information System, Sales, Cash Receipt, Payroll, Internal Control System

**Authors' individual contribution:** Conceptualization — W.Y. and M.; Investigation — R. and A.P.; Writing — Original Draft — M. and S.F.P.; Writing — Review & Editing — J.S.; Resources — R.S. and F.I.

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## 1. INTRODUCTION

The development of the world economy also affects the development of information technology which is increasing rapidly and makes changes in the business

environment increasingly unpredictable. The demands of the increasingly rapid development of the era require accurate, timely, and relevant information to be an obligation for every company. According to Hutahaean (2018), an information system is

a system within an organization that brings together the needs of daily transaction management, supports operations, is managerial, and strategic activities of an organization, and provides certain outside parties with the required report (Hutahaean, 2018). The accounting information system (AIS) is very important for the company because the AIS together with other information systems provide the necessary information to management as a basis for decision-making. Accounting information systems can provide what is needed starting from the function of data processing or data processing, data collection, data control, and data security, and, of course, the function of information delivery.

The role of accounting information systems in the progress of the company is no longer in doubt. With the support of a good information system, a company can have a competitive advantage so that it can compete with its competitors. The rapid advancement of accounting information system technology to date, by applying information and communication technology, is expected to assist management in collecting data, and data produces information that can increase the effectiveness and efficiency of management actions in making decisions based on the information generated. The sales and cash receipts accounting information system is part of the accounting information that explains the procedures that must be followed in the sales process and cash receipts from sales to avoid manipulation of sales and cash receipts. A good remuneration and payroll process should be carried out effectively. Therefore, relevant information is needed as a means of communication that can be used for decision-making for interested parties. Information is the main requirement of management in carrying out its functions. Management requires a lot of information in order to work effectively and efficiently. For that, we need a system that can support the needs of management in managing the company, namely an accounting information system.

Internal control is a system and procedure implemented by the company to achieve the desired goals and objectives, namely to produce accurate financial reports and encourage compliance with policies and procedures, and established regulations. In practice, management must be able to carry out internal control checks to correct possible misstatements and misuses and be able to take corrective actions if there are deviations that indicate weaknesses in the internal control system. For some companies, the implementation of internal control is very important. Internal control over cash receipts and disbursements is very important because cash is the most liquid asset (quickly converted into cash and can be used to pay the company's liabilities indefinitely). Cash has characteristics that are not owned by other current assets, namely cash is not easily identified by the owner, can be cashed, is easy to carry around, and is easy to move in a short period of time. Given its characteristics, cash is an asset that is most easily abused. The cash receipts and disbursements section in a company must be used as well as possible to prevent misuse and irregularities of cash.

Companies need to have internal controls and procedures for effective accounting information systems to ensure that the sales and cash receipt

functions have been carried out properly so as to prevent things that can harm the company and also increase the level of transparency to prevent fraud committed by employees. Effective internal control is also needed to ensure the achievement of company goals. Rae and Subramaniam (2008) argue that internal control systems have the potential to prevent errors and fraud committed through monitoring and improving organizational and financial reporting processes and ensuring compliance with relevant laws and regulations. In this context, it is very clear that the internal control system is a step in preventing employee fraud, especially in the sales cycle and cash receipts in the company.

An AIS is an information system that has methods and procedures in a business (Bratamangala & Wijayanti, 2018). An element of the main accounting information system is a form of records consisting of journals, ledgers, subsidiary ledgers, and reports in the form of information presentation. An accounting information system takes the form of (Simanjuntak & Budianto, 2020):

- 1) a series of printed forms;
- 2) a series of books in physical form or format;
- 3) a series of reports or statements (statements);
- 4) a series of activities including electronic data processing operations;
- 5) use of equipment, especially computers.

Cash receipts are the last step of the sales cycle. Among the objectives of accounting information systems are: to provide information for the management of financial activities, to improve the information generated by the existing system, both regarding quality, accuracy of presentation and information structure, and to improve the level of constraints (Kharisma & Juliarsa, 2017).

Cash receipts are the process of receiving a sum of money and processing payments from customers for sales (Romney & Steinbart, 2014).

The phenomenon that occurs at PT Simpang Raya Boga Utama is that it still uses a manual accounting information system to support the company's business processes. This is, of course, not effective and efficient because it is not in accordance with the standardization of accounting information systems. Insufficient financial data and information were produced. So, there still has to be a verification process. The time required is longer than it should be. Therefore, companies need accounting software and computer equipment that can support security activities and one hundred percent confidentiality of financial data.

The next phenomenon that occurred at PT Simpang Raya Boga Utama was the presence of human resources who were not ready to implement a new financial system and standardization. So it takes longer for training and implementation. Then, there are still multiple jobs that create risks that can occur. This triggers fraud and creates losses for the company.

Previous research conducted by Hasanah (2015) suggests that a company needs a good system so that sales activities and cash receipts can run smoothly. Internal control in a company is a very important part, therefore, we need a system that can control the practice of daily activities in its implementation. Control is needed to determine whether or not there are deviations from the plans

or policies set by the company. A business can take place efficiently and remain under control in accordance with the policies set by the company if internal controls within the company can be implemented effectively.

Companies need to have internal controls and effective accounting information system procedures to ensure that the sales and cash receipts functions are carried out properly so as to prevent things that can harm the company and also increase the level of transparency to prevent fraud committed by employees. Effective internal control is also needed to ensure the achievement of company goals. Rae and Subramaniam (2008) argue that internal control systems have the potential to prevent errors and fraud committed through monitoring and improving organizational and financial reporting processes and ensuring compliance with relevant laws and regulations. In this context, it is very clear that the internal control system is a step in preventing employee fraud, especially in the sales and cash receipts cycle in the company.

The aims of this research are:

1) to determine the effectiveness of the internal control system for sales, cash receipts, and payroll implemented by PT Simpang Raya Boga Utama in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control components;

2) to identify the strengths and weaknesses of the internal control system for sales, cash receipts, and payroll at PT Simpang Raya Boga Utama;

3) to provide recommendations for improvements needed by PT Simpang Raya Boga Utama to improve and maximize sales processes, cash receipts, and payroll.

The contribution of this research is expected to provide:

1) *Benefits for the author*: Increase knowledge and understanding of the importance of internal control in a company, so that they can compare the theory obtained during lectures with the reality of companies.

2) *Benefits for the company*: This research is expected to provide information to the company and provide suggestions for evaluation consideration to the management in taking policies to maximize internal control based on the COSO framework in the sales process and cash receipts and payroll that will be implemented in the future at PT Simpang Raya Boga Utama.

3) *Benefits for the public*: As a reference for readers regarding internal control over sales, cash receipts and payroll in order to add information about internal control activities, and can be used as a basis for comparison for previous research.

Based on the background of the problems found above, the research questions for this study can be identified as follows:

*RQ1: What is the internal control system for sales procedures and cash receipts that has been implemented at PT Simpang Raya Boga Utama?*

*RQ2: How is the payroll accounting information system implemented at PT Simpang Raya Boga Utama?*

*RQ3: What are the weaknesses in the internal control system for sales and cash receipts implemented by PT Simpang Raya Boga Utama?*

*RQ4: What recommendations will be given to correct weaknesses in the internal control system for sales procedures and cash receipts at PT Simpang Raya Boga Utama?*

The remainder of this paper is structured as follows. Section 2 reviews the relevant literature. Section 3 analyses the methodology that has been used to conduct empirical research. Section 4 presents the results and analysis of the originating data, as well as discusses the hypotheses testing. Section 5 presents conclusions and suggestions from the research results.

## 2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Turner et al. (2017) state that accounting information systems include processes that collect data from business processes and systems that store data in appropriate records. The system then processes the data thoroughly by classifying, combining, and consolidating then reporting it to internal and external users. Chaudhari and Patel (2015) state that an accounting information system is an information subsystem in an organization whose activities are collecting information from various organizational subsystems and sending it to the information system. Information systems focus on gathering, gathering, and analyzing information, as well as communicating with investors, creditors, bankers, tax agents, and other parties internally such as management and owners. Business processes are interconnected actions that can be completed sequentially or concurrently by systems or individuals inside or outside the firm in order to achieve the desired goals (Asmoro et al., 2020). This is so that businesses can prevent poor workflows and errors when performing jobs. Naturally, the correctness of business process design can also increase productivity, save time, improve quality, boost customer happiness, and save costs. Any organization will require business procedures to help it fulfill its vision and mission, according to Ismanto et al. (2020). If organizational objectives can be accomplished successfully, business processes can be deemed successful.

An accounting information system is a set of interrelated subsystems. The collection of subsystems processes existing data into useful information. From this definition, it can be concluded that an accounting information system is an interaction of components consisting of humans, procedures, software, and information technology in charge of converting data into accounting information through the stages of collecting data from internal and external data sources, processing data and reporting information. This accounting information can be useful in making decisions for internal and external parties of the company.

Romney and Steinbart (2018) say that accounting information systems have three important business functions to meet company needs. First, to collect and store data regarding the activities carried out by the organization, resources, and personnel of the organization. Organizations have a number of business processes, such as selling and purchasing raw materials with processes that are often repeated. Second, turning data into information so that management can plan,

implement, control, and evaluate the organization's activities, resources, and personnel. The latter provides adequate controls to protect the assets and data of the organization (Romney & Steinbart, 2018).

According to Romney and Steinbart (2018), there are six components of AIS, namely: people who use the system, procedures and instructions used to collect, process, and store data, data about the organization and its business activities, the software used to process the data, information technology infrastructure, including computers, peripheral devices, and communication network devices used in the AIS, internal control and security measures and security that store AIS data (Romney & Steinbart, 2018). The AIS subsystem is divided into two subsystems, namely the operational subsystem and the notification subsystem. The internal control structure includes various policies and procedures established to provide a clear and correct direction for the achievement of future organizational goals (Al-Ateeq et al., 2022; Alqaraleh et al., 2022; Farida et al., 2022; Rodakos et al., 2021; Kostyuk, 2003).

An *active subsystem* is a subsystem that begins with the emergence of transaction activities, both conventional and electronic, which consists of the following four operational subsystems. Revenue subsystem, including the activity of selling goods or services as a company business. Expenditure subsystem, activities to purchase raw materials, merchandise, and other input costs. Production subsystem, processing raw materials, semi-finished products, and finished products. The operational finance subsystem manages all transactions caused by activities, revenues, expenditures, and the production of goods/services.

*Reporting subsystem:* Reports in the accounting information system are prepared based on information received from the company's business operations subsystem, reports in the AIS are very important as a tool for planning and decision-making, and only the company's external divisions can be used as a measure of operating results for the accounting period. According to Abdullah (2017), sales are complementary activities or supplements to purchases, to allow transactions to occur. So, the buying and selling activities are an integral part of the transfer of rights and transactions. According to accounting, sales are grouped into two, namely regular sales (ordinary sales) and installment sales. Regular sales consist of cash sales and credit sales. Cash sales are sales whose payments are not received at once (not paid off immediately). Payments are usually received in two or more stages. Meanwhile, installment sales are sales whose payments are not received at once (payments are received in more than two stages). According to Mulyadi (2014), the sales information system itself can also be called an accounting information system for cash receipts from sales which is divided into 2, namely the cash receipt system from cash sales and the cash receipt system from credit sales.

In cash sales transactions, new goods or services are delivered by the company to the buyer if the company has received cash from the buyer. According to Weygandt et al. (2013), cash sales are sales revenues, as well as service revenues, recorded when they are generated. Sales revenue is generated when goods are transferred from the seller to the buyer (Weygandt et al., 2013). According to

Sujarweni (2015), the cash receipt system is a record procedure that is made to carry out the activities of receiving money from various sources, namely cash sales, sales of fixed assets, loans, and new capital deposits. According to Mulyadi (2016), the company's cash receipts come from two main sources, namely cash receipts from cash sales and cash receipts from debt collection. Cash receipts from cash sales consist of cash receipts from over-the-counter, cash-on-delivery, and from credit cards, while cash receipts from receivables through corporate collectors, post offices, and lockbox collection plans.

Cash is the most active component of assets and greatly affects every transaction that occurs. Indeed, every transaction requires a measurement basis, namely cash. Although the cash estimate is not directly involved in the transaction, the transaction value is always measured in cash. According to the Institute of Indonesia Chartered Accountants (*Ikatan Akuntan Indonesia* — IAI), as in the Financial Accounting Standards (2015, Article 2)<sup>1</sup>, cash consists of cash on hand and checking accounts. Cash equivalents are investments that are liquid, short-term, and can quickly be converted into cash in a certain amount without facing the risk of significant changes in value. According to Mulyadi (2016), the payroll system is a series of businesses and operations that aim to complete all payment transactions and service delivery by employees who have manager positions. The payroll accounting system in a manufacturing company involves staffing functions, finance functions, and accounting functions that are interrelated with one another. Meanwhile, according to Satyawan et al. (2013), the payroll system plays an important role because this system will determine how much salary employees should receive. A set of business operations and associated data processing operations that are related to the efficient administration of a company's personnel is known as a human resource management system or payroll system (Yulisfan et al., 2021). The following significant processes are part of the human resource management system:

- 1) choosing potential candidates for employment and appointing new workers;
- 2) education for new hires;
- 3) the assignment or placement of new workers;
- 4) payroll or compensation determination, together with other incentives;
- 5) performance evaluation of employees;
- 6) employee termination.

However, a well-designed human resources management system is also crucial for the business because employees' skills and expertise are valuable assets that need to be carefully managed, developed, and maintained (Muda et al., 2017). The payroll system has connections with different organizational internal and external subsystems.

So, it can be concluded that the understanding of payroll and wage accounting information systems is an activity in an effort to present financial information to interested parties by using tools, records, and networks of procedures used by management in regulating the delivery of services to employees, both employees who tiered and implementation employees. According to Considine et al. (2012), internal control is an activity carried

<sup>1</sup> <https://www.iasplus.com/en/jurisdictions/asia/indonesia>

out by an organization or company to help achieve operational goals, with reliable reporting and complying with applicable laws. Boyton and Johns (2002), as cited in Manurung & Apriliani, (2012) explained that the COSO in its report explained that control is a process led by the board, management, and other personnel of an entity to provide reasonable assurance regarding the achievement of its objectives in relation to the reliability of financial statements, compliance with applicable laws and regulations, and the effectiveness and efficiency of operations.

According to Considine et al. (2012), there are five components of internal control, namely the control environment, risk assessment, control activities, information and communication, and monitoring. The internal control structure includes various policies and procedures established to provide a clear and correct direction for the achievement of future organizational goals. Based on the use of a system that provides clear and correct directions, it causes the parties involved to have difficulty designing and creating the system. The reason that becomes an obstacle is that the costs are not cheap and there is an imbalance between the costs incurred and the benefits obtained. According to Mulyadi (2017), the internal control system includes organizational structure, methods, and coordinated measures to maintain organizational assets, check the accuracy and reliability of accounting data, encourage efficiency, and encourage compliance with management policies. The accounting information system must contain elements of good and effective cash internal control. According to Sutabri (2012), the system is essentially a group of interrelated elements that are closely related to one another and work together to achieve certain goals.

According to Al Haryono (2014), internal control includes policies and procedures designed by management with sufficient confidence that the entity will achieve its goals and objectives. These policies and procedures are often referred to as controls and collectively form the entity's internal control. Based on the above definition, it can be understood that the internal control system is an inseparable part of the accounting information system. Without the support of adequate information systems, internal control, especially cash will, not function effectively and, therefore, will not produce reliable information for decision-making. The internal control system applied to the accounting information system is very useful for preventing unwanted things. Internal control systems can also be used to check for errors so they can be corrected.

Internal control over the sales cycle and cash receipts is very important for the company because the success of sales activities is a benchmark for the success of the company. So, in order to achieve maximum results, internal control is needed to control it. According to Arens et al. (2017), there are six main control activities in the sales and cash receipts cycle, namely adequate separation of duties, proper authorization, adequate documents and records, prenumbered documents, monthly statements, and internal verification procedures.

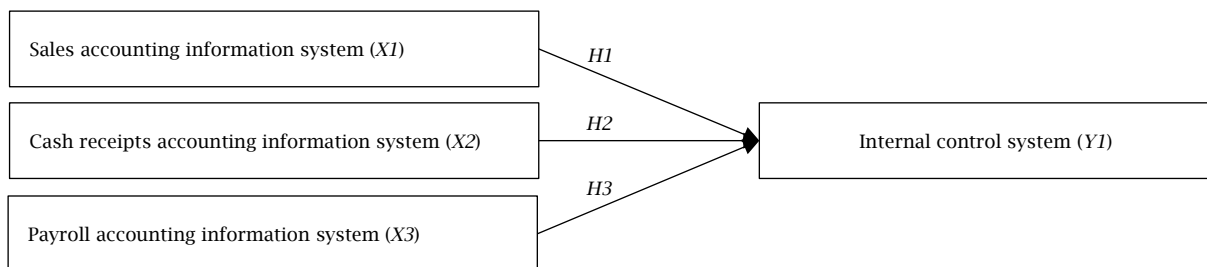
Based on this explanation, the following hypotheses were developed:

*H1: The application of a sales accounting information system influences the internal control system.*

*H2: The application of the cash receipts accounting information system influences the internal control system.*

*H3: The application of the payroll accounting information system influences the internal control system.*

**Figure 1.** Hypotheses development



### 3. RESEARCH METHODOLOGY

The research method used is a causal associative research method (cause and effect). According to Suryana (2010), causal research is research conducted by someone who aims to find out or analyze possible causes and effects for the occurrence of a phenomenon, and aims to find out how much the independent variable influences the dependent variable. The quantitative approach was also used in the study. According to Suryana (2010), quantitative research is research conducted by someone to test the hypotheses that have been previously formulated by researchers and then make a calculation analysis based on data

obtained from various sources or existing literature then describe or process it factually, systematically, and accurately regarding the results of the data processing. Information was collected using a questionnaire. By using this research method, a significant relationship between the variables studied will be known. The purpose of this associative research is to see whether there is influence and how much influence it has from causation or from the independent and dependent variables of the research. According to Sugiyono (2012), associative research is useful for looking at the relationship of variables to the object being studied and is more causal in nature.

### 3.1. Research method

This research plan was conducted to evaluate the application of the sales accounting information system and cash receipts to the internal control system at PT Simpang Raya Boga Utama. The system applied to PT Simpang Raya Boga Utama is still manual or using Microsoft Excel, this system supports sales and cash receipts activities carried out by the company. The evaluation begins by outlining one by one the components of the internal control system in accordance with the activities of the merchandise sales process and the cash receipts process including policies and procedures, organizational structure, recording procedures, and documents used in each sales activity and cash receipts. In evaluating and knowing the suitability of the application of the accounting information system running in the company with the components contained in the COSO framework evaluation activities are more focused and evidence collection is maximized, so that the identification activities run become objective and produce recommendations that are most appropriate to the company.

The initial stage of the evaluation is carried out by planning, namely by determining the scope and objectives of the research. This is done to ensure the direction of the research is in accordance with the purpose of the research. The data collection process carried out included observational surveys consisting of observations, documentation, and interviews. Then, an evaluation of the internal control system is carried out to assess whether the implementation of internal control is good enough for the company and the weaknesses that exist in the internal control system carried out by the company. The last one is the development of survey results by processing related evidence and compiling recommendations needed by the company as a consideration for the company for the good of the company in the future.

### 3.2. Sample size

According to Sugiyono (2019), the sample is part of the number and characteristics possessed by the population. The sampling procedure used in this study was non-probability sampling with purposive sampling techniques.

The sample used in this study is a typical Minang restaurant which has more than 40 branches with more than 800 employees throughout Indonesia. PT Simpang Raya Boga Utama itself started its business in 1981, its first restaurant located in Jalan Cipanas, West Java.

In 1993, the Ministry of Justice of the Republic of Indonesia (now the Ministry of Law and Human Rights) opened the possibility of registering a mark that had never been opened before, then the head of the Simpang Raya Restaurant, Mr. H. Noersal Zainnudin Bagindo, registered the Simpang Raya trademark by submitting a trademark certificate to the Ministry of Justice of the Republic of Indonesia; and, at the same time, registering the copyright of the Simpang Raya Logo and the Pop Chicken Palace on the picture of the Gadang House.

In 1993, the request was granted by the Ministry of Justice, first for a Trademark Copyright Certificate with registration number: IDM000335797, and then for the Simpang Raya Logo Copyright with registration number: 325730 and the copyright has been renewed twice.

### 3.3. Data collection method

This research uses primary data and secondary data, primary data consists of interviews, observations, and documentation, while secondary data is the source of data obtained by researchers indirectly through intermediary media. Secondary data is generally in the form of evidence, historical records, or reports that have been compiled in archives (organizational structure, sales reports, etc.).

Interviews were conducted to collect data through direct questions and answers to stakeholders related to the problem under study. The authors conducted interviews with stakeholders related to PT Simpang Raya Boga Utama, especially the financial, operational, and so on divisions. Interviews were conducted by the authors with the finance department, which has worked for more than 10 years to obtain information about sales and cash receipts and payroll. Then, the authors conducted interviews with the operational department assisted by the store manager and cashier who had worked for more than 5 years to obtain information about cash deposits to the company. Observation, namely data collection by recording the necessary data and observing the situations and conditions faced by the company was implemented at the time of research related to the problem under study. Documentation, which analyzes the documents involved in the company's current system, was applied. These documents are in the form of flowcharts, company organizational structure, financial reports, and job descriptions. Document checking is very useful when researchers are looking for what needs to be met.

### 3.4. Survey instruments' design

This study uses qualitative methods, namely research methods developed based on the results of work in the field, researchers directly conduct research on data sources/respondents. The results obtained in this qualitative method will be presented in the form of documents, individual studies, field notes, comments, and actions of respondents, etc. According to qualitative research theory, in order for researchers to be truly competent, the data collected must be complete, namely in the form of primary data and secondary data. Primary data is data that can be used directly and serves as a source of research and direct observations about the object of cash inspection or the company where the author conducts research. Field research methods are carried out through observations and interviews relating to the sales process and cash receipts with sales directors. Secondary data is indirect data collected and used as a source of information, where the secondary data can be obtained by authors from literature studies and data collection both from

libraries and data from companies, such as sales mechanisms, cash receipts flow, company overview, reports, sales, cash receipts reports, and payroll systems in the company.

### 3.5. Measurement of variables

In this study, there is more than one variable that will be sought for its influence on other variables. The first variable is the *Sales accounting information system*; the second variable is the *Accounting information system cash receipts*; the third variable is the *Payroll accounting information system*, and the fourth variable is the *Internal control system*.

Based on the connection between one variable and deeper variables, this research consists of:

1. Dependent variable (Y): In this study, the dependent variable is the *Internal control system*. The dependent variable (Y) can be seen as whether the variable can affect the independent variable (X).

2. Independent variable (X): In this study, it can be said that there are three independent variables, namely *Sales accounting information system (X1)*, *Cash receipts accounting information system (X2)*, and *Payroll accounting information system (X3)*. The independent variable can influence or find out if there is a variable (X) that occurs because of changes that occur in the dependent variable (Y).

Table 1. Measurement of variables

No.	Variable	Indicator	Source
<b>Dependent variable (Y)</b>			
1	<i>Internal control system</i>	<ul style="list-style-type: none"> <li>- Control environment</li> <li>- Risk assessment</li> <li>- Control activities</li> <li>- Information and communication</li> <li>- Monitoring</li> </ul>	Considine et al. (2012), COSO (2013)
<b>Independent variable (X)</b>			
1	<i>Accounting information system sales</i>	<ul style="list-style-type: none"> <li>- Over-the-counter sales</li> <li>- Cash on delivery sales</li> <li>- Credit card sales</li> </ul>	Mulyadi (2014)
2	<i>Accounting information system cash receipts</i>	<ul style="list-style-type: none"> <li>- Available, namely cash must always be available and owned and can be used daily as a means of payment for the benefit of the company</li> <li>- Free, each item can qualify as cash, if it is generally accepted as a means of payment at its face value</li> </ul>	Mulyadi (2016)
3	<i>Accounting information system payroll</i>	<ul style="list-style-type: none"> <li>- Time recording procedure</li> <li>- Payroll procedure</li> <li>- Salary allocation procedure</li> <li>- Cash-out receipt procedure</li> <li>- Payroll procedure</li> </ul>	Mulyadi (2017)

### 3.6. Analytical methods

According to Sugiyono (2019), qualitative data analysis is inductive in nature, namely an analysis based on the data obtained, then a certain relationship pattern is developed or becomes a hypothesis.

In carrying out the data analysis process, data accuracy is needed so that the information processed in research can be trusted. Data processing in this study consisted of data reduction, namely data obtained in the field written or typed in the form of detailed report descriptions. The reports compiled are then reduced, summarized, and focused on the main problem.

Data presentation: Namely, data are classified according to the subject matter and made in the form of a narrative description so as to make it easier for researchers to see the relationship of relevant data with other data.

Drawing conclusions and verification: Namely, the stage of drawing conclusions from all data that has been obtained from the results of reduction and presentation. This research can also be carried out using quantitative methods using primary data processed with SmartPLS.

## 4. RESULTS AND DISCUSSION

### 4.1. Statistical descriptive analysis

Qualitative descriptive statistics is a research method based on the philosophy of postpositivism used to examine the condition of natural objects

(as opposed to experiments) where the researcher is the key instrument of data collection techniques carried out by triangulation (combined), data analysis is inductive/qualitative, and qualitative research results emphasize meaning rather than generalization. Internal control in a business entity can affect the company's business operations. Internal controls that are implemented properly and effectively can keep business operations more accountable and transparent. This can happen because every business activity within the entity is clearly documented, following procedures that are in accordance with the components of internal control, preventing deviations. Companies that want to have a good and effective control system, according to the COSO, must have five components that are interrelated and support each other. These components consist of the control environment, risk assessment, control activities, information and communication, and monitoring. Based on the results of research on internal control applied to PT Simpang Raya Boga Utama, the researchers found several weaknesses and obstacles when making sales and cash receipts. From that, the weaknesses obtained during the analysis will be evaluated and given recommendations in accordance with the procedures so that they can be improved in the future in order to maintain that the internal control system continues to be good and effective and can achieve the objectives of the internal control system.

## 4.2. Information about the respondents

Researchers conducted interviews with stakeholders (direct questions and answers) related to the problems studied. The authors have conducted interviews with parties related to PT Simpang Raya Boga Utama, especially finance, operations, etc. Interviews were conducted with the workers of the finance department, who have worked for more than 10 years, to obtain information on sales and cash receipts and payroll. Then, the authors conducted interviews with the operations department assisted by store managers and cashiers who have worked for more than 5 years to obtain information about cash deposits to the company.

## 4.3. Research results

The results show that, at PT Simpang Raya Boga Utama, there are double jobs in the accounting function and the financial function which can pose a risk of fraud that can harm the company. Even though there has never been a fraud, there will always be risk.

An accounting information system that is still manual, can certainly pose a risk that is detrimental to the company. Errors in writing and recording inappropriate data can cause problems that are not good for the company.

Leaders are not sufficiently involved in daily operations, management gives full trust to managers in each restaurant and only evaluates employees once every 100 days. The supervision carried out at PT Simpang Raya Boga Utama has been carried out quite well, the financial directors periodically re-examine the financial statements once a month, and the supervision carried out by the owner is once a year to close the books and conducts evaluations. However, there are several things that need to be considered by the board of directors because the board of directors gives full trust to the restaurant manager and old people who are already in the company. This triggers fraud that can cause losses for the company.

Another form of supervision is the presence of closed-circuit television (CCTV) in every corner of the workspace and restaurant so that the superior can directly monitor the process of running business activities. The company also provides strict sanctions to employees who commit fatal fraud and can harm the company by directly expelling or dismissing work. But, if the employee makes a mistake that is not too big, he will be given a warning letter up to 3 times and then he will be dismissed.

Payroll activities at PT Simpang Raya Boga Utama have different salaries each period of salary decline. This is because the salaries of employees who depend on the company's turnover can be called profit sharing with the company. Profit is taken from 50% of each net profit per sales period. The turnover in the company also goes up and down each period depending on the conditions in the field.

Supervision of reports implemented at PT Simpang Raya Boga Utama went quite well. The accounting department must make a report once a month, as well as a cash receipts report that is made every certain period. The reports that have been made are then submitted to the financial

directors for analysis. The results of the analysis carried out are then submitted to the owner of the company. If there is fraud, the company will review it again and then tighten the supervision in that section.

The role of payroll accounting information systems is very important in supporting the effectiveness of payroll internal control, meaning that to achieve a good payroll internal control effect, PT Simpang Raya Boga Utama must pay salaries based on pre-determined conditions. From the research results obtained, PT Simpang Raya Boga Utama has implemented a system of operational procedures properly and in accordance with applicable regulations.

Payroll information systems have a very important role, accounting information systems have a role in providing sufficient and useful human resources, data, and information for internal control. PT Simpang Raya Boga Utama has accounting documents and records that support transaction activities, and accounting documents and records used in accordance with applicable regulations to facilitate recording, calculation, and payment. Transaction activities are also processed through a computer system using the payroll system.

Mulyadi (2017) states that an accounting information system is an arrangement of several documents, communication tools, executive staff, and various computer reports designed to transform financial data into information for users. This research is in line with Astarani and Siregar's (2016) research, which says that the sales accounting information system has a significant effect on the effectiveness of controlling receivables at PT Electric Wire Indonesia (Ewindo). This research is also in line with Nusa and Adi's (2013) research, which says that the sales accounting information system has a positive effect on the effectiveness of internal sales control. This research is also in line with Fitrawansyah and Elan's (2016) research, which says that the sales accounting information system has a significant and positive effect on the effectiveness of internal sales control. Our findings are contrary to Azmar's (2018) research, which says that the accounting information system has no effect on the effectiveness of controlling receivables and the collectability of bad debts.

Internal control of payroll has also been implemented with the segregation of duties and separation of functional responsibilities. However, the payroll authorization system should be carried out by personnel but it is authorized by the finance department because it has not been implemented in the company. To avoid any irregularities, the payroll should be given to the personnel department to be checked first on the names in the payroll document, then re-checked by the accounting department, the checking is carried out in stages, not assigned to a particular unit. The sales accounting information system is one of the sub-systems of accounting information that explains the procedure for carrying out sales activities from sales results so that manipulation of sales can be avoided. In order to realize the management of company activities effectively, efficiently, and economically, it is necessary to have internal controls that can provide accurate and reliable information. The management of the company is responsible for procuring good



internal control for the company, although it must be realized that the application of internal control cannot prevent waste and fraud as a whole.

The existence of multiple tasks in the payroll procedure, coupled with the existence of multiple tasks within the company, will open up gaps for fraud in this section. Therefore, the company must separate the duties into their respective functions, with one of the personnel divisions assigned to be the salary payment function carried out by the finance department. So that there is no double task performed by the finance department and the payroll system procedures can support the effectiveness of internal control. The recommendation that can be given by researchers is to use a website-based accounting information system called Jurnal.id, which already has sufficient standardization to assist the company's business processes. This system can prevent the occurrence of discrepancies or underpayments of cash receipts from restaurant sales, besides that the company should also monitor the business directly as often as possible to prevent things that are not in accordance with company rules.

## 5. CONCLUSION

There are quite a lot of accounting information systems that are still manual with a large number of branches so that has an impact on document errors and recording errors that result in a lack of information received. The use of a sales and revenue accounting information system in accordance with accounting standards in Indonesia is expected to be a solution to these problems and facilitate the flow of information for system users. The use of the system shortens the time in the business process of sales and cash receipts with a level of effectiveness and efficiency that is much better than the current process. Approval of cash disbursements in accordance with the nominal limit of each stakeholder will be easier by using the system so that users can find out the status of the documents submitted and stakeholders can do the approval easily.

Payroll made at PT Simpang Raya Boga Utama is in accordance with existing procedures. The company has important documents to carry out the payroll process, such as attendance lists, working hours cards, payroll registers, salary recaps, cash-out receipts, and employee income cards. Payrolls that occur at PT Simpang Raya Boga Utama are every 100 days, of which 100 days is a period of closing the book. This profit-sharing system will affect employee salaries because when turnover increases, the salary of the employee will also increase. Even though payroll is done once every 100 days, the company provides an employee debt list card. PT Simpang Raya Boga Utama still uses manual accounting information systems to support its business processes. This, of course, has risks that can harm the company. There is a dual function in the accounting function and the financial function that can pose a risk of fraud, there is also a dual function in the payroll process, namely personnel and finance.

The existing organizational structure at PT Simpang Raya Boga Utama already has a clear organizational structure and is regulated according

to management standards. The company has established the duties and authorities, rights and obligations of employees which are described in writing. The head of the board of directors has the duty to assist with each task in order to understand his/her work well. Each document is also archived and secured according to its section. A clear organizational structure will make it easier for employees to understand their position and the demands of their work in the company and help separate tasks so that unwanted things do not happen. The organizational structure at PT Simpang Raya Boga Utama is made according to the needs so that the company's business processes can run effectively and efficiently. The organizational structure is made to plan, implement, control, and monitor the company's activities. The organizational structure of the company can separate the duties and responsibilities of one employee to another. There is still double work done on the financial function and accounting function, namely the financial function is still doing the work of the accounting department such as providing information about company assets, and providing information for company operations. This is because the accounting and finance department at PT Simpang Raya Boga Utama is still one part.

There are some limitations of this study, namely PT Simpang Raya Boga Utama has confidentiality in some of the data it wants to take. Therefore, the limited information obtained by researchers is not optimal. Limitations to this research include the researchers' subjectivity. This research relies heavily on the researchers' interpretation of the meaning implied in the interview so that the tendency for bias still exists. To reduce bias, a triangulation process was carried out, namely triangulation of sources and methods. Source triangulation was carried out by cross-checking the data with facts from different informants and from other research results. Meanwhile, the triangulation method was carried out by using several methods in data collection, namely in-depth interviews and observation methods.

Based on the research results, the authors provide several suggestions to improve the following weaknesses:

1. Improving internal control over sales and cash receipts procedures by improving criteria that are not in accordance with COSO's internal control components.
2. Perform segregation of duties and functions in the personnel department to carry out the payroll process for employees. This is done to avoid fraud that can harm some parties.
3. Carry out routine supervision from management for business continuity in the company.
4. Companies need to socialize with employees about the importance of using technology to support the company's business development.
5. Companies need to conduct training on the use of the latest accounting information systems for employees to increase their understanding of the system that will be used in the future.
6. Companies need to pay attention to the problem of managing information technology because advances in information technology are very helpful for accounting information systems in

a company. The use of information technology must be properly and optimally managed so that the accounting information system used in the company must also be of high quality.

The accounting information system is the main system in the company because it plays a very important role in producing accounting information. So, special attention is needed in managing information technology so that the quality of accounting information systems can be maximized

and in the end, accounting information will be produced that is truly useful and can be used in decision-making.

Future researchers are advised to include business process and technology aspects. Future studies should include business process factors and use cutting-edge technology, with a particular emphasis on how to include blockchain, big data analysis, and artificial intelligence into accounting information systems.

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