

# Analysis of Accounting Information Systems in the Cash Flow Expenditure Cycle at UD

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**Abstract.** At this time there have been many companies that are growing rapidly. Every company that develops and competes cannot be separated from the role of technological development. One example of the role of technological advances in the company is the use of information systems. Accounting information system is an information system that is needed by the company. Every company is required to have an accounting information system. The accounting information system is useful as a process of structuring procedures so that the processes carried out are more orderly and obtain consistent results. Cash flow activities are very important and also vital for the company because all transaction processing activities carried out by the company are related to the purchase and payment processes. In accordance with its designation, cash flow has a liquid nature that is very easy to change hands. So it is necessary to do security by utilizing an accounting information system. The proposed accounting information system in the company is expected to assist the company in completing the effectiveness of the work obtained, especially in the field of cash flow. Errors and omissions in the process that have been carried out so far can be resolved by using an accounting information system. The research is based on descriptive research conducted by conducting a literature review of the studies that have been carried out. The proposed accounting information system in the company is expected to be able to assist the company in completing the effectiveness of the work obtained, especially in the cash flow field. Errors and omissions in the processes carried out so far can be resolved by using an accounting information system.

**Keywords:** Accounting Information System; Cash Flow; Expenditure Cycle; UD

## 1 Introduction

Currently, many companies are growing rapidly. Both in the trading business, service business and manufacturing business. Many companies an compete with companies that have been around for a long time and there are also companies that have been developing for a long time that can still survive today. Every company that develops and competes cannot be separated from the role of technological development. Almost the average company that is able to compete and survive to this day takes advantage of the role of technological advances

for the processes carried out in the company. Technological progress itself is large companies, the use of technological advances is also used by companies in the lower middle class, one example is UD (Business Trade). Trading Business (UD) is a type of business carried out by buying and selling an item or product with the aim of making a profit. Now, UD can be done by anyone. Because, UD is a business that has a smaller scale than the company. The advancement of technology is due to assist in the process carried out in order to get convenience for every activity carried out. In UD itself, the ease is also felt for each component in the UD. UD utilizes the role of technology to simplify the process of completing work so that it becomes faster and the results obtained are of high quality. One example of the role of technological advances in the company is the use of information systems. Accounting information system is an information system that is needed by companies[1],[2].

The Accounting Information System functions to collect, record, store, maintain, and process data in the process of routine accounting transactions so as to produce accounting and financial information. The accounting information system itself is always related to the activities of the transaction process flow carried out. The accounting information system itself is an information system that converts business transaction data into financial information that can be processed and used for its users. Accounting information systems have many important roles for UD, such as improving quality and reducing costs in producing goods and services, supporting decision making and creating competitive advantages. The accounting information system itself consists of several subsystems, namely the Transaction Processing System, the Ledger Reporting System and the Management Reporting System. From the current system process, cash disbursement is an important system in a company[3],[4]. Cash flow activities are very important and also vital for UD because all transaction processing activities carried out by the company are related to purchasing and payment processes. In addition, because almost all transactions in UD have an influence on cash, both in cash receipts, such as receipts from services, and in cash disbursements, which can be in the form of operational financing.

In accordance with its designation, cash flows have a liquid nature that is very easy to change hands. Activities involving cash receipts or cash inflows and cash disbursements and cash outflows will continue as long as UD is still operating. Therefore, UD is required to be able to carry out the process of recording transactions in its business processes in the form of bookkeeping or other forms. Where is it as evidence or documents. The document is intended to facilitate the tracing back process or work effectiveness and efficiency, so as to minimize errors in recording cash estimates which will ultimately affect other estimates. Therefore, cash as a liquid payment instrument must be managed properly so that fraud does not occur [5], [6]. The occurrence of fraud and fraud in cash flow processing by irresponsible parties is caused by employee inaccuracies, fraud and the absence of an internal auditor, causing inaccurate information to have a detrimental impact on UD itself. Appropriate steps were taken to make it easier to cope with huge losses and to ensure the security of assets at UD, check the accuracy and reliability of accounting data and to improve work efficiency, efforts that were deemed effective to be carried out. which is done by implementing an accounting information system that regulates the technique of separation of responsibilities for various stages of transactions within a company.

The process in the cash flow activity cycle can be described by a flow chart commonly called a flowchart. Flowcharts can be used as a tool to describe manual activities and computer processing activities or both. Internal controls need to be created and designed by UD. Internal control that is carried out properly by UD will be able to minimize the possibility of fraud or fraud committed by employees. Internal control is not only intended to eliminate all errors that occur, but the internal control system is used to prevent errors, fraud, and fraud

so that if an error occurs in cash or other assets it can be detected early by the company [9]. In this study, research will be conducted to identify cash flow activities at UD. In a UD, most of the business processes run because of cash flow activities, so cash flow activities are very important to do research so that fraud does not occur again in its implementation. If the accounting information system at UD is not implemented in accordance with the criteria, then this will trigger the company's losses and even lead to bankruptcy.

## **2 Literature Review**

In this section, a discussion of theories related to information systems is carried out accounting and internal control related to this research.

### **2.1 Accounting Information System**

According to Romney and Steinbart accounting information system is a series of two or more interconnected components, which interact to achieve a goal. According to them, the accounting information system consists of five components, namely: the people who operate the system and carry out various functions; both manual and automated procedures involved in collecting, processing and storing data about the organization's activities; data about the organization's business processes; software used to process organizational data; and information technology infrastructure including computers, peripheral devices, and equipment for network communications [7]. Another opinion suggests another understanding of the accounting information system, namely according to Mulyadi that the accounting information system is the organization of forms, records, and reports that are coordinated in such a way as to provide financial information needed by management to facilitate the management of the company. So, from the above definition, it can be concluded that the accounting information system is a data processing process from a collection of various financial transactions that are directly used to make the company's financial statements. The process is usually done by humans by entering data into a computer so as to produce information needed by the company

### **2.2 Internal Control**

According to based on COSO (Committee of Sponsoring Organization), the components in the control system consist of five activities. Explanation regarding these components are as follows: (a) Control Environment, (b) Control Activities, (c) Risk assessment, (d) Information and Communication, (e) Performance Monitoring.

### **2.3 Internal Control Principles**

To achieve that control objectives of internal control optimally at an operation in the company, then the internal control system must meet the the conditions according to are as follows: (a) Separation of functions, (b) Procedure for granting authority, (c) Documentation procedure, (c) Accounting procedures and records, (d) Physical surveillance, (e) Free internal inspection.

### **2.4 Purpose of Accounting Information System**

Every company must adapt information systems to their needs its users. Therefore, the objectives of certain information systems may differ between companies. Some general goals in an information system according to: Romney and Steinbart (2011) are:

- a) Support in management decision making, a system aims to transform useful data and information for management to make and take decisions in planning, implementation, and monitoring activities.
- b) As a tool for planning and controlling activities, a system has the purpose of collecting and storing data about the activities carried out by the organization and its actors involved in various activities so that management, employees, and interested external parties can review (review) things that have happened.
- c) Implementation in internal control, the purpose of the information system in this case is to provide effective control adequate to safeguard company assets and ensure that data business activities are accurately recorded and processed.

### **3 Methodology**

This research uses a methodology that is adapted to the conditions and situations as well as the problems that occur. The research is based on descriptive research conducted by conducting a literature review of the studies that have been carried out. The object of research is Analysis of Accounting Information Systems in the Cash Flow Expenditure Cycle at UD.

## **4 Results and Discussion**

### **4.1 Overview of Accounting Information Systems on CASH Flow**

An accounting information system or AIS is an organizational component that collects, classifies, processes, analyzes, and communicates relevant financial information and decision-making for external parties and interested external parties. Accounting itself is actually a system of information. The characteristics of SIA that distinguish it from other CBSI (Computer Base Information System) subsystems are that SIA performs the required tasks, adheres to relatively standard manufacturers, handles detailed data, focuses historically, and provides minimal solutions. The important functions established by an accounting information system in an organization include collecting and storing data about activities and transactions, processing data into information that can be used in the decision-making process, and exercising proper control over organizational assets. The accounting information system subsystem processes various financial transactions and non-financial transactions that directly affect the processing of financial transactions.

The accounting information system consists of 3 subsystems, namely the transaction processing system, the general ledger/financial reporting system, and the internal management reporting system as special purpose financial reports and information needed for decision making. An accounting information system adds value by providing accurate and timely information so that it can carry out key activities in the value chain effectively and efficiently, improve quality and reduce costs of products and services produced, increase efficiency, improve decision-making capabilities, increase sharing. knowledge, and increase work efficiency in the finance department. The accounting information system has four objectives in its preparation, namely to provide information for the management of business activities, to

improve information generated by existing systems, to improve accounting controls and internal checks, and to reduce clerical costs in maintaining accounting records.

#### 4.2 Application of Accounting Information Systems in Cycle Cash Disbursement

Data integration means an effort to avoid the collection and storage of the same data item in more than one place within the company, thereby guaranteeing the validity of the data itself in one repository (repository). Unlike file-oriented systems, there are multiple separators and file disconnections will provide a centralized data store for use by various users and application programs. The benchmarking and merging of data that normally occurs in file-oriented processing can be reduced. This role is like inputting data that can be done only on one computer because it has been integrated effectively, in addition to processing transaction data that occurs every day can be obtained automatically so as to produce financial reports (output) needed by users of information. Security is something that must be considered so that the process from input to output or acquisition of accounting information is as planned. This security is related to disaster prevention, whether due to natural disasters, intentional acts, electricity or human error. Security is related to the level of the system's ability to anticipate unexpected bad events.

The Accounting Information System (AIS) seen from the data security indicators, its application is very in accordance with the prevailing regulations. The data stored is guaranteed safe because of the password system for each interested employee. In addition, there is a warning menu or an early warning if you press the wrong button on the keyboard. The security of data stored on the computer will also avoid damage due to viruses due to the presence of anti-virus and provide security for data stored on the computer from interference with the Local Area Network (LAN). Accounting Information System (AIS) During processing periodically create backup files for physical databases. In the event of a crash (storage failure, program error or malicious act) that renders the database unusable, SIA will recover to the previous version it deems correct.

#### 4.3 Use of Accounting Information System for Cash Flow Expenditures at UD

As previously known, the role of accounting information systems is very influential on the company as well as on UD itself. The use of accounting information systems on cash flow disbursements is used by several things. The following is the result of filling out a questionnaire that was asked to several UDs related to the use of accounting information systems

**Table 1.** Use of Accounting Information

No	Question	Use of Accounting Information				
		STS	TS	N	S	SS
1	Purchase on stock items	5%	13%	20%	28%	35%
2	On sales transactions	3%	10%	8%	33%	48%
3	On the collection of debts and receivables	13%	10%	28%	35%	15%
4	On employee payroll	0%	0%	15%	33%	53%
5	In determining the selling price	3%	3%	8%	30%	58%

In the table above, a conclusion can be drawn that above 50% of the average UD agrees on the use and utilization of the accounting information system. The next table below describes the types of UDs that utilize accounting information systems.

**Table 2.** Aspects of Business Scale

No	Question	Scale Business	
		Small Business	Medium Business
1	Purchase on stock items	38%	63%
2	On sales transactions	70%	30%
3	On the collection of debts and receivables	48%	53%
4	On employee payroll	70%	30%
5	In determining the selling price	18%	83%

In terms of business aspects, both small and medium enterprises have been evenly distributed for the use of the accounting information system. In this case, it can be concluded that an accounting information system is indeed needed in all types of companies or UD's whether on a large, small or medium scale.

## 5 Conclusion

Basically every company needs the role of technology in the process carried out. The proposed accounting information system in the company is expected to be able to assist the company in completing the effectiveness of the work obtained, especially in the cash flow field. Errors and omissions in the processes carried out so far can be resolved by using an accounting information system

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