Analysis of Accounting Information Systems in the Payroll Cycle to Increase the Effectiveness of Internal Control at CV. Percetakan Independent Palembang in 2019

Meyvira Permata¹, Harsi Romli², Leriza Desitama Anggraini³

¹,²,³ Universitas Indo Global Mandiri, Indonesia

Email : meyvirap@gmail.com¹, harsi_romli@uigm.ac.id², leriza@uigm.ac.id³

Abstract
This study aims to analyze the payroll accounting information system to improve internal control at CV Percetakan Independent Palembang. The theory used was the American Statement of Basic Accounting Theory (ASOBAT) and the Theory of Technology Acceptance Model (TAM). Data were collected through interviews, observation, and documentation. This study implemented a descriptive approach to analyze data. The results show that there were several weaknesses in the company's payroll accounting information system that could weaken the company's internal control, namely: 1) several financial functions that double as a part responsible for financial reporting and company administration; 2) a number of financial functions that concurrently acted as a company in charge of recording every transaction; 3) employee attendance record file still was still manual.

Keywords: accounting information system, payroll, internal control

1. Introduction
In the current era of modernization, companies are required to be more effective, efficient and economical in determining the size of the company's operational costs, because it is one of the most important parts in facing various similar competitions and creating a more competitive level of competition. A good service quality is required to be balanced with good company operations as well. Currently the application of payroll and wage accounting information systems within the company aims to manage all salary-related activity transactions. Companies do need a payroll accounting information system that is neatly arranged and orderly to avoid negligence in carrying out responsibilities, segregation of duties between related parts or functions so as to avoid collusion and fraud. Therefore, a company needs a good and structured payroll accounting information system and procedures to make it easier for leaders to determine employee salaries.

The role of the system is needed because payroll activities can run smoothly if supported by a system. To determine success and sustainable development, the current company must have a good system and a quality workforce, a good system, one of which is an optimal management control system and human resources within a company is highly prioritized because of the workforce that helps spearhead the formation company, they play a role in making decisions for all functions, and they also play a role in determining the survival of the company. The level of employee performance is closely related to the reward system implemented by the institution or organization where they work (Anggraini, 2019).

This research was conducted at CV. Percetakan Independent Palembang. CV. Percetakan Independent Palembang is a company operating in the field of printing and graphic design.
This company was established and managed since 2008, located at Jalan Perindustrian 2 No. 01 Palembang, in its development CV. Percetakan Independent Palembang has entered a fairly general business, where not a few use Information and Communication Technology (ICT) in processing it using computerization. However, given the frequent occurrence of carelessness in the systems and procedures for awarding salaries and wages, namely the lack of supervision by the payroll department, the occurrence of double jobs between the timekeepers, payroll makers and the payroll department which is managed by one section, namely payroll. Documents used in payroll and wage procedures are not in accordance with the related functions, namely the functions of recording, processing and issuing these documents.

2. Method

The object of this research is CV. Percetakan Independent Palembang which is located at Jalan Perindustrian 2 No.01 Palembang City, South Sumatra Province. The time taken for this research was a period of 3 months, starting from October to December 2020. This type of research is qualitative research with a descriptive analysis approach. Qualitative research is research that originates from a phenomenon that occurs and emphasizes the symptoms studied. While descriptive research is research that underlies problems in the form of facts originating from popularization or ongoing (Wulandari, 2019)

In qualitative data analysis techniques, the data obtained is then collected and analyzed whether the data is in accordance with the Company's procedures for the expected payroll cycle. In the following analysis techniques the researcher has 3 steps of qualitative data analysis, namely:

1. Data condensation

The first thing to do in this research is to collect primary data through interviews, documentation related to management, as well as regarding the administration of the company. Data condensation or classifying data from both documents and records obtained.

2. Data Presentation (data display)

The second step taken by researchers is the presentation of data. Presentation of data is an organizing, unification of information that allows conclusions and action. Presentation of data helps in understanding what happened and for planning further work, including in-depth analysis or taking action based on the understanding. The form of presentation of qualitative data is in the form of narrative text (in the form of field notes) such as matrices, graphs or charts. This process will be poured in the form of text. Then the documents that have been obtained are evaluated using indicators that are in accordance with the requirements of a company.

3. Drawing conclusions (conclusive drawing)

This third analysis activity is the main part of drawing conclusions and verification. This conclusion is drawn in relation to all aspects that have been obtained, based on the provisions or procedures that should be implemented.

3. Results and Discussions

According to the theory of the American Statement of Basic Accounting Theory (ASOBAT), namely the application of techniques and concepts to historical economic data processing, at CV. Percetakan Independent Palembang was found that in the application of historical economic data processing it was quite good, it's just that archiving is still in one storage document or there is no back up or duplicate documents.

Meanwhile, according to the Theory of Technology Acceptance Model where the perspective
of using technology is utilizing the use of technology, or efforts to encourage the use of technology in the internal control of CV. Percetakan Independent Palembang, especially in the payroll system, it is quite good, but in recording attendance and recording attendance lists employees still use record keeping, which is manual so that the use of the benefits of technology in its use in employee absenteeism is still not good, or there is a lack of use of technology in the attendance list.

With this the researcher can say that the processing of historical economic data, or especially in the utilization of technology both in the implementation of the payroll system and internal control at CV. Percetakan Independent Palembang is still quite worrying, because the use of technology in companies should be the most important focus, especially in the modernization era.

a. Elements of Internal Control

According to Mulyadi (2018; 321) explains that there are elements which are the main elements of internal control. In the CV Printing payroll system there are several functions within the company that are not in accordance with related functions according to Mulyadi (2018; 321):

1. Organization

a. The payroll function must be separated from the financial function.

In the payroll accounting system CV. Percetakan Independent Palembang, the responsibility for calculating employee income is not as it should be, where there is no separation between the function of making payroll and the financial function.

b. Time Attendance Recording Function Must Be Separated From Operational Function

Attendance time is the time used as one of the bases for calculating employee salaries. In the CV. Percetakan Independent Palembang, attendance time keeping is not carried out by the operational function, but by the personnel department.

2. Authorization System

a. All employees of CV. Percetakan Independent Palembang have a letter of appointment as company employees signed by the Director or Leader.

b. Every change in employee salary at CV. Percetakan Independent Palembang due to a change in rank, change in employee salary rates, additional family members, must be based on a decision letter from the Head of the Finance Department.

c. Each salary deduction for employee salary deduction letters at CV. Percetakan Independent Palembang other than employee income is based on salary and wage deduction letters authorized by the staffing function.

d. The time attendance card must be authorized by the timekeeping function.

The attendance time data for each employee of CV. Percetakan Independent Palembang is authorized by the timekeeping function or the personnel section of CV. Percetakan Independent Palembang so that it is valid as a basis for calculating salaries and for other purposes.

e. Overtime orders must be authorized by the concerned employee's department head.

Overtime is paid to employees who work outside regular working hours. In CV. Percetakan Independent Palembang, the company guarantees any overtime work carried out by employees that is required by the company and is authorized.
f. Payroll must be authorized by the personnel function.
Payroll is a document that is used as the basis for paying salaries to employees who are entitled
to CV. Percetakan Independent Palembang.

g. Proof of cash out for payment of salaries must be authorized by the accounting function.
In proof of cash out payment of salaries is still authorized by the finance function and does not
have a special accounting function.

The payroll process flowchart at the CV. Percetakan Independent Palembang follows:

1. Employees
The payroll process begins with the attendance process. Where attendance is carried out by
means of employees filling out the attendance list on the attendance card that has been
provided. The attendance must be carried out by employees when they come to work, and when
they come home from work. This is done to record and recapitulate the attendance list of
employees.

2. Personnel
In this case the personnel section records the number of attendance taken from the attendance
card. The personnel department will calculate the amount of salary and overtime pay.
Furthermore, the personnel section makes a recap of the attendance list.

3. Finance Section
Finance will make pay slips and proof of cash out based on a recap of attendance lists and
payroll. After making proof of cash out, the finance department will process salary payments
through Bank Mandiri and keep track of salaries.

payment system for services at CV. Percetakan Independent Palembang, which starts with the
employee attendance list process carried out by employees, processed and recapitulated by the
personnel department, then the finance section contains payroll, payslips, proof of cash out
which is approved and archived, which is then make payments to the bank for salaries, then the
accounting department receives payroll files, makes journals, posts to ledgers and reports on
salary expenses, and finally the leadership evaluates the salary expense reports.

4.1 Analysis of Identification of Weaknesses in Payroll Procedures for
CV. Percetakan Independent Palembang

Analysis of the identification of procedural weaknesses from CV. Percetakan Independent
Palembang is as follows:

1. There is a double duty and financial function whose task is to concurrently cash in and cash
out as cashier in charge of managing the company's finances and administration, this can result
in misappropriation of funds which can reduce costs to the company.

2. There is dual duty in the financial function which is in charge of concurrently as a cashier.

3. The attendance recording system still uses manual recording, namely through the attendance
card that has been provided as a result, this allows for falsification of attendance, or
manipulation of rest hours.

4.2 Explanation of Proposed Payroll Flowchart Recommendations at
CV. Percetakan Independent Palembang
The following is an explanation in figure 5.10 recommendations from the proposed payroll flowchart CV. Percetakan Independent Palembang.

1. Employees take absences through fingerprints. Furthermore, the fingerprint machine will automatically input and record the employee attendance list.

2. The personnel department makes a recap of the attendance list based on the report from the fingerprint. Furthermore, the personnel department makes a payroll which will then be submitted to the finance department.

3. The finance department receives duplicate payroll from personnel, which will then produce duplicate payslips.

4. The finance department makes proof of cash out in duplicate 2 to process employee salary payments through Bank Mandiri.

5. Payroll, payslips, proof of cash out submitted to the cashier for the process of paying employees' salaries.


7. The accounting section will record salaries in the general journal and ledger based on proof of cash out sheet-1 which has been stamped in full and sheet-2 payroll received by the cashier.

4. Conclusions

Based on the discussion of the payroll accounting information system at CV. Percetakan Independent Palembang. The author can draw several conclusions that:

1. The payroll process at CV. Percetakan Independent Palembang is still not fully effective because there are still several weaknesses, this can cause expected internal controls to become weak.

2. Payroll at CV. Percetakan Independent Palembang has used payslips so that employees can find out the details of the salary they receive and the records produced are more accurate and accountable so that it is easy to find out if an error occurs in payroll.

3. In order to avoid fraud in payroll activities, companies need to implement an internal control system for the functions involved in payroll activities by maximizing the use of fingerprint.  

Based on the discussion and conclusions, the authors can provide suggestions or recommendations regarding the improvement of the payroll accounting information system at CV. Percetakan Independent in Palembang, namely as follows:

1. Improving the company's organizational structure within the company by carrying out a clear separation of duties between the finance department and the cash division.

2. Using the use of technology in the payroll cycle flowchart of CV. Percetakan Independent, which is in accordance with Marshall B. Romney's book, 2014.

3. Add employees to the cash section and accounting section to facilitate the payroll process at CV. Percetakan Independent Palembang.

4. Replacing the process of recording attendance of employees who previously used attendance card recording should use a fingerprint machine so that there is no possibility of keeping attendance with other employees.

As well as the researchers providing suggestions for the limitations encountered during the
research, namely in further research to be able to accommodate gradual observations, then include other variables, such as employee performance, and company risk. Because to find out thoroughly about the factors that affect the company's internal control.

References