THE EFFECT OF PAYMENT ACCOUNTING INFORMATION SYSTEM ON THE EFFECTIVENESS OF INTERNAL CONTROL

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Abstract

This study aims to test whether the payroll accounting information system affects the company's internal control. This research was conducted in 2022 where the approach used was an approach with quantitative data. The population in this study are companies in the city of Jakarta, with the sample criteria being employees who carry out functions in the accounting or finance and HR departments of the company. The sampling technique used is a saturated sample with a sample of 103 respondents. The collected data is processed using smartPLS software version 4.0. The results of this study indicate that the payroll accounting information system has a positive effect on the effectiveness of the company's internal control. The results of this study support the theory of Theory of Reasoned Action (TRA) which explains that a person or individual will realize that an accounting information system will generate benefits for its users.
Keywords: Payroll Accounting Information System, Internalcontrol

Abstrak

Penelitian ini bertujuan untuk menguji apakah sistem informasi akuntansi penggajian berpengaruh terhadap pengendalian intern perusahaan. Penelitian ini dilakukan pada tahun 2022 dimana pendekatan yang digunakan adalah pendekatan dengan data kuantitatif. Populasi dalam penelitian ini adalah perusahaan yang ada di kota Jakarta, dengan kriteria sampel adalah karyawan yang menjalankan fungsi di bagian akuntansi atau keuangan dan SDM perusahaan. Teknik pengambilan sampel yang digunakan adalah sampel jenuh dengan jumlah sampel 103 responden. Data yang terkumpul diolah dengan menggunakan perangkat lunak smartPLS versi 4.0. Hasil penelitian ini menunjukkan bahwa sistem informasi akuntansi penggajian berpengaruh positif terhadap efektivitas pengendalian intern perusahaan. Hasil penelitian ini mendukung teori Theory of Reasoned Action (TRA) yang menjelaskan bahwa seseorang atau individu akan menyadari bahwa suatu sistem informasi akuntansi akan menghasilkan manfaat bagi penggunanya.
Kata Kunci : Sistem Informasi Akuntansi Penggajian, Pengendalian Internal

INTRODUCTION

Internal control is currently increasingly needed by companies that want to carry out their activities effectively and efficiently. Internal control is an element of the system that includes organizational structure, methods and measures that are integrated to maintain organizational assets, check the reliability and accuracy of accounting data, encourage capability and encourage management regulations to be complied with. Based on one of the conditions of good internal control is that no individual is allowed to hold full power and take full responsibility in carrying out all phases of activities from start to finish. If it is necessary to have a clear segregation of

duties for each activity, namely between implementation, bookkeeping, and reporting on the results, one of which is an activity related to the procedure for determining the amount of salary and its payment. So to be able to create internal control can not be separated from the accounting system implemented by the company.

An accounting information system is a system used to collect, record, store and process data to produce information for decision making. This system includes people, software data procedures and instructions, information technology infrastructure and internal control and security measures. The main purpose of an accounting information system is to collect and process data about business activities effectively and efficiently, produce information that is useful for decision making, carry out adequate controls to ensure that transaction data has been recorded and processed accurately. The accounting information system within the company can help management obtain the right information in making decisions to achieve the main goals of the company, including in terms of giving or paying compensation to employees in the form of salaries appropriately.[1]

Salary is a payment for services performed by employees that are carried out by the company every month. Compulsory salaries are issued by the company for the smooth running of the company's various activities and must be managed properly by the company so that there is no fraud in the determination and payment of salaries to employees and executive employees, because if there is a problem in paying salaries it can cause unwanted things and can be detrimental company.[2] To carry out good payroll activities, it is necessary to have a payroll accounting system that must be owned by the company. The payroll accounting system is a system used by companies to provide salaries to employees for the services they provide. The salary and wage accounting system is designed to handle employee salary calculation transactions and payments, the design of this payroll accounting system must be able to guarantee validity, authorization of completeness, assessment classification, timeliness and accuracy of posting as well as an overview of each payroll transaction.[3]

The existence of a payroll accounting system is intended to expedite the payroll process so that it can run more effectively and efficiently.[4] When a company does not have a good payroll

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[1] Hariyanto Wiwit, Rini Dina Dwi Okti, and Margianawati Desi, "Pengaruh Dimensi Fraud Diamond Terhadap Perilaku Kecurangan Akademik Mahasiswa Akuntansi Yang Dimoderasi Religiusitas," *Seminar Nasional Dan The 5th Call for Syariah Paper*, 2018, 1–16.

[2] Theodorus M Tuanakotta, *COVID 19 Effect For Economic*, 2nd ed. (Jakarta: Salemba Empat, 2010).

[3] Aprillia Kartika Apsari and Dwi Suhartini, "Religiosity as Moderating of Accounting Student Academic Fraud with a Hexagon Theory Approach," *Profesionalmudacendekia.Com* 1, no. 3 (2021): 211–30, https://doi.org/10.47153/afs13.1512021.

[4] Mufiroh Ifayatul, "Pengaruh Brand Image Dan Kuaitas Produk Terhadap Pengambilan Keputusan Pembelian Smartphone Samsung Di Kota Malang" (Universitas Negeri Islam Maulana Malik, 2019).

system, fraud or irregularities are very likely to occur. The thing that needs to be considered in the implementation of the payroll is the segregation of duties between related functions, so as to facilitate the work of the employees in charge of calculating salaries. Good supervision is needed in the implementation of the payroll accounting system in order to improve the company's internal control. The application of a payroll accounting system aims to maintain security or protect assets owned, check the accuracy and correctness of accounting data, guarantee operational efficiency and prevent deviations from established policies.[5]

The link between the salary payment accounting system and internal control can be seen from how one function can be controlled by another function through reports that reach management. The existence of internal control will provide security for the company which includes property assets and the accuracy of accounting data which is used as financial information for management in managing the company.[6] So that payment of salaries can run effectively. Seeing the importance of the influence of the payroll accounting information system on internal control for a company has led to many researchers conducting this research. Several studies related to the effect of the payroll accounting information system on internal control were carried out by other researchers, this research shows that the payroll accounting system has been implemented properly. This can be seen from the payroll accounting system which provides adequate documents and accounting records such as payroll registers, attendance lists, bank statements, journals and ledgers as well as the application of salary internal control which provides a system of authority and payroll procedures in the company. So that the payroll accounting information system affects the company's internal control.

Meanwhile research conducted by Maharani (2015), Hirmawan et al. (2016), Jiwandono et al. (2017), Aquarisma & Nurhayati (2017), Langi et al. (2019), and Apriyani (2021) show that the payroll accounting system is still not optimal in supporting internal control, because weaknesses were found that could lead to acts of fraud or fraud by certain parties. Weaknesses found, namely the absence of a special section that oversees the employee attendance process, the salary section and timekeepers are not clearly stated in the organizational structure and the staffing department often forgets to indirectly record employee overtime reports.

One company that implements a payroll accounting information system is the Company. Quoted from the official website of the Investment Coordinating Board (BKPM), based on the

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[5] Tulandi Riry Anggia, Lotje Kawet, and Imelda Ogi, "Analisis Pengaruh Strategi Promosi, Harga, Dan Kepuasan Terhadap Loyalitas Konsumen Surat Kabar Manado Post," *Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi* 3, no. 2 (2019): 1041–50.

[6] R Santoso, "Review of Digital Marketing & Business Sustainability of E-Commerce During Pandemic Covid19 In Indonesia Corona Virus Atau Lebih Dikenal Dengan COVID-19 Telah Mengubah Peta , Perilaku , Yang Pada Era Yang Paling Terdampak . Ribuan Pelaku UMKM Adanya Pande," *Jurnal Ilmu Ekonomi Terapan* 2 (2020): 36–48.

Regulation of the Minister of Tourism and Creative Economy of the Republic of Indonesia Number PM.53/HM.001/MPEK/2013 concerning Company Business Standards, companies are included in the business of providing accommodation. The company is a business providing accommodation in the form of rooms to use in a building or part of a building that is specially provided, where everyone can stay, eat, and obtain other facilities.

The development of corporate and tourism business in Indonesia has increased significantly. This can be seen based on the increasing number of tourist visits in Indonesia and the growth of the tourism industry including the growth in the number of companies in Indonesia. Indeed, so far Jakarta, Yogyakarta and Bali have become national tourism barometers, but in fact many other regions in Indonesia are experiencing fairly rapid growth in corporate finance. The incessant promotion will certainly attract more and more tourists. For this reason, adequate facilities such as companies and other accommodation are needed to accommodate local and international tourists. The number of companies and other accommodations in Jakarta changes every year as does the number of tourist visits.[7]

The impact of the spread of Covid-19 has caused the level of tourist visits, both domestic and foreign, to drop drastically, including company occupancy which has reached 30% and several companies have started implementing policies such as reducing working hours and even layoffs.[8] Furthermore, companies in Jakarta have reduced the market price from 5% -10% of the normal price and some have reduced it by up to 60%. Based on the data above and the results of previous studies, there are inconsistent results from previous studies and also previous studies using qualitative methods in their research. Therefore researchers try to develop this research using quantitative research methods. Researchers take variables that have previously been tested which have research results that are more than once and have several different results. Variables used by researchers include: payroll accounting information systems and internal controls to re-examine these variables with different objects, namely existing companies.[9]

This research refers to Apriyani's research (2021). The novelty of the current research with previous research is the object and research method where in this research was conducted at a company in Jakarta and the research method used is a quantitative research method with variable testing carried out using the Structural Equation Model (SEM) approach using the Smart

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[7] Andry Prasmuko and Donni Fajar Anugrah, "Dampak Krisis Keuangan Global Terhadap Perekonomian Daerah," *Buletin Ekonomi Moneter Dan Perbankan* 12, no. 3 (2010): 377–411, https://doi.org/10.21098/bemp.v12i3.242.

[8] Franco Benony Limba, Jacobus Cliff Diky Rijoly, and Margreath I Tarangi, "Black Swan Global Market: Analysis of the Effect of the Covid-19 Death Rate on the Volatility of European Football Club Stock Prices (Case Study of Juventus F.C., Manchester United, Ajax Amsterdam and Borussia Dortmund)," *JMBI UNSRAT (Jurnal Ilmiah Manajemen Bisnis Dan Inovasi Universitas Sam Ratulangi).* 7, no. 3 (2020), https://doi.org/10.35794/jmbi.v7i3.32690.

[9] W Steve Albrecht et al., "Poverty Due to Covid 19 in the World," 2021.

Partial Least Square application (SmartPLS). While the previous research was conducted at PT. Andalas Agrolestari Logas and the research method used is a qualitative research method. The research objective was to examine the influence of the payroll information system on the effectiveness of the Company's internal controls. Based on the description of the background above, the formulation of the problem in this study is whether the payroll accounting information system affects the effectiveness of the company's internal control ?.

RESEARCH METHODS

Previous studies , there were inconsistent results from previous studies and also previous studies using qualitative methods in their research.[10] Therefore researchers try to develop this research using quantitative research methods. Where this research will develop previous research with research novelty, namely, research objects and methods in companies and variable testing is carried out using the Structural Equation Model (SEM) approach using the Smart Partial Least Square (SmartPLS) application. This research was conducted in 2022 with the type of research used in this research is associative research with a quantitative approach. The location of the research was carried out in 88 businesses in the existing corporate sector. The population in this study is the entire company.[11] The sample from this study used a non-probability method with a saturated sample technique.[12] Where the sample criteria from this study are employees who carry out functions in the accounting or finance and HRD sections of the company with a total of 176 respondents. The data collection technique used in this study was a questionnaire.[13]

RESULTS AND DISCUSSION
Validity Test Data Analysis
Convergent Validity

Convergent Validity in PLS with reflective indicators is assessed based on the loading factor (correlation between item scores/component scores with construct scores) of the indicators that measure the construct. The rule of thumb that is usually used to measure convergent validity is outer loading > 0.7, but according to Chin (1998) the value of loading factor is 0.5 to with 0.6 is still considered sufficient.

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[10] Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif Dan R&D* (Bandung: Alfabeta, 2017).

[11] John W Creswell, "Planning, Conducting, Evaluating, Quantitative and Qualitative Research (Fourth Edition).," *Educational Research*, 2012.

[12] J. W Creswell, "Research Design: Qualitative, Quantitative and Mixed Methods App Roaches (4th Ed.). Thousand Oaks," *SAGE*, 2014.

[13] Sugiyono, *Metode Penelitian Dan Pengembangan* (Bandung: Alfabeta, 2015).

Reability Test

The reliability test can be seen from the *composite value reliability* and *cronbach's alpha.* To be said to be a reliable construct, the Cronbach's alpha value must be > 0.6 and the composite reliability value must be > 0.7. Following are the test results for composite reliability and cronbach's alpha.

Based on the test, it can be seen that all constructs are declared reliable because most of the constructs have values above 0.7 . So it can be said that the construct in this study has good reliability.

According to Dahlan (2014) the Cronbach Alpha scale is grouped into 0.81-1.00 very reliable, 0.61-0.80 reliable, 0.42-0.60 quite reliable, 0.21-0.41 not reliable and 0.00-0.02 is very unreliable. Based on the tests that have been carried out, it shows that the Cronbach's alpha value for the internal control construct is reliable and for the payroll accounting information system construct it is quite reliable.

Hypothesis testing

We can see that the payroll accounting information system variable for internal control has a t-statistic value above 1.98 , which means that the payroll accounting information system has an effect on internal control. Discussion of the Influence of the Payroll Accounting Information System on the Effectiveness of Internal Control Based on the tests that have been carried out, it shows that the variable parameter coefficient of the payroll accounting information system is 0.443 which indicates a positive relationship between the payroll accounting information system and internal control. With a T-statistic value of 2.815 > 1.98 (T-table). These results indicate that the payroll accounting information system has a positive and significant relationship to the effectiveness of internal control, which means that it is in accordance with the first hypothesis, where the payroll accounting information system has a positive effect on the effectiveness of the company's internal control. Thus, hypothesis 1 (H1) is accepted.

This is in line with Hasni's research (2018), Puspitasari et al. (2018) and Bulawan et al. (2020) which states that the payroll accounting information system has a positive effect on the effectiveness of internal control. So it can be concluded that the payroll accounting information system has an influence and an important role in the internal control of a company. This is supported by the results of the questionnaire for each indicator generated from the payroll accounting information system, in which there are 4 indicators in it which can be explained as follows:

1. Indicators of related functions where the respondent's assessment of this indicator is good. The part of the company that carries out the process of recording and calculating employee salaries is already running based on its function. This is supported by

respondents' assessment of related function indicators of 93%, which means that the related functions of the company are running according to their functions.

2. The document indicators used where the respondent's assessment of this indicator is good. Proper utilization of employee attendance lists as payroll documents and available evidence of cash out orders for spending money made by the finance function as documents used in the company . This is supported by respondents' assessment of the document indicators used by 94%, which means that the documents used by the company are appropriate.

3. Indicators of accounting records used where the respondent's assessment of this indicator is good. Journalizing the distribution of labor costs in each department in the company that is appropriate and accurate as well as recording payroll which contains income and various deductions received by each employee is good as an accounting record at the company. This is supported by respondents' assessment of the indicators of accounting records used by 93%, which means the accounting records used in the company are appropriate.

4. Indicators of procedures used where the respondent's assessment of this indicator is good. The recording of employee attendance is in accordance with the proper recording procedures at the company . This is supported by the respondent's assessment of the procedure indicators used by 94%, which means that the procedures used in the company are appropriate.

Besides being supported by the results of the analysis of the respondents' answers regarding the four indicators contained in the payroll accounting information system variable, this research is also supported in terms of the characteristics of the respondents, namely:

1. Based on age , most of the respondents in this study were in the age range of 26-35 years with a percentage of 71%. Where, this age range belongs to the early and productive age of workers who can still work well and have a healthy and fit physical condition and usually have sufficient experience and expertise in their field, especially payroll accounting information systems so that they are able to later support the company's internal controls.

2. Based on the level of education, it shows that the respondents with the last higher education/equivalent education dominate it, which is 76%. This shows that the majority of companies prioritize education as a requirement for financial and HRD employees. As well as with the last education from higher education/equivalent, it is hoped that they will

be able to have knowledge and understanding in the process of using the payroll accounting information system which can later improve the company's internal control.

3. Based on the length of business, companies based on respondent data are dominated by fairly new companies with a business span of less than 5 (> 5) years (57%) and the rest are companies that have been operating for quite a long time, namely more than 5 (accounting payroll in the process of paying employees at the company so that fraud or errors do not occur so that the company's internal control level will be good.

In addition, the results of this study are supported by the theory of Theory of Reasoned Action (TRA) which explains that a person or individuals will realize that an accounting information system will generate benefits for the users, in this case, companies in Jakarta. The usefulness of the payroll accounting information system can minimize calculation errors in processing the calculation of salaries to be paid and evaluating the results received by the company with funds issued for salaries so that several problems can be minimized, such as the problem of delays in the distribution of salaries, errors in recording employee attendance, errors in calculating salaries, benefits as well as deductions, loss of employee data, as well as other problems that may arise during the payroll process and assist in improving internal controls so as to avoid fraud, abuse or errors that can harm the company.

The above research results are also supported by research conducted by Hidayat et al. (2013), Mawarwati (2014), Saraswati et al. (2014), Rahayu & Achmad (2014), Satria & Dwiatmanto (2014), Alfiandi (2014), Widyasari & Husaini (2015), Damayanti et al. (2015), Primary (2016), Roestiono et al. (2016), Fibriyanti (2017), Hasni (2018), Puspitasari et al. (2018), Bulawan et al. (2020) this study shows that the payroll accounting system has been implemented effectively. This can be seen from the payroll accounting system which provides adequate documents and accounting records such as payroll registers, attendance lists, bank statements , journals and ledgers and also the Implementation of Salary Internal Control which provides a system of authority and payroll procedures for the company. So that the payroll accounting information system already supports the company's internal control efforts.

CONCLUSION

Based on the hypothesis testing and discussion that has been stated above, it can be concluded that the payroll accounting information system affects the effectiveness of internal control at companies in Jakarta, this means that the better the related functions, the documents used, the accounting records used and the appropriate procedures used, the level of internal control will be better. This research can be used by companies to provide input for providers of

payroll accounting information systems built by the companies themselves to be able to improve the quality of internal control using several indicators.

The results of this study indicate that the components of the payroll accounting information system are interrelated with each other and internal control to achieve the ultimate goal of the control itself, namely organizational structure, authority system, record-keeping procedures and sound practices. These components are related functions, documents used, accounting records used and the appropriate procedures used. The results of this study support the Theory of Reasoned Action (TRA) theory which explains that a person or individuals will realize that an accounting information system will produce benefits for the wearer. The usefulness of the payroll accounting information system can minimize calculation errors in processing the calculation of salaries to be paid and evaluating the results received by the company with funds issued for salaries so that several problems can be minimized, such as the problem of delays in the distribution of salaries, errors in recording employee attendance, errors in calculating salaries, benefits as well as deductions, loss of employee data, as well as other problems that may arise during the payroll process and assist in improving internal controls so as to avoid fraud, abuse or errors that can harm the company. The limitations of this study can be used as evaluation material and input for researchers

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