

Work and Team Culture as Basis of Internal Control Effectiveness in Accounting Information System Development

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ARTICLE INFO

Article history

Received 8 April 2024
Revised 10 August 2024
Accepted 15 September 2024

Keywords

Effectiveness;
Internal Control;
Accounting Information System;
Organizational Culture

ABSTRACT

This study aims to find out how effective internal control in developing accounting information systems and the organizational culture in the organization. This study uses a qualitative descriptive approach to understand the phenomena experienced by research subjects such as behavior, perceptions, motivations, actions and so on, holistically and by means of description. The results show that the internal control that occurs in the development of accounting information systems is less effective due to two things, in terms of control environment and information and communication. In addition, the corporate culture that occurred during development has not been able to run successfully because of three things, such as, the elements of the principle of achievement, the principle of excellence and the principle of consensus. This study not only provides a framework for identifying and understanding the characteristics of accounting information systems and organization culture, but also as a guideline for future empirical studies.

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1. Introduction

In line with the development of human civilization, information technology is also developing rapidly. Information technology developments can include infrastructure development such as software, hardware, data storage technology and communications technology. Entering the era of industrial revolution 4.0, which is aimed at carrying out transformation towards improvement by integrating the online world and production lines in industry, Indonesia also welcomes it by learning from various countries in the world that have implemented this in accordance with policies based on domestic interests [1]. In a business, whether it is a small scale business or a large scale (going public), it is important to have accounting information system technology to provide and convey the information needed by all levels of management, owners, shareholders or even external parties such as the government. With advances in technology, one of which is fintech, there is a sudden rise to rapid development in business both online and offline [2]. The existence of an online-based accounting information system can give rise to more innovative ideas in making decisions. Accounting information systems can help produce relevant information. The more disciplined a company is in making daily, weekly, monthly and annual reports,

the better the system will be produced. Therefore, the accounting information system acts as a foundation structure to improve performance so that misuse or fraud can be avoided.

An accounting information system is a set of interrelated subsystems that work together to collect, process and store, change, distribute information for planning, decision making and control [3]. The development of an Accounting Information System (AIS) has a positive impact on companies because work will become easier. Accounting Information Systems are important for communicating information, especially what is needed by managers in a company according to their respective departments [4]. Therefore, internal control is needed in this case. With good internal control, an effective and efficient company environment will be created and can minimize the risks that exist in the company. Good internal control can be carried out by Damayanti's journal: (a) running the organization effectively and efficiently, (b) making financial reports in an accountable manner, (c) complying with applicable laws and statutory provisions. In its implementation, the accounting information system requires teamwork from employees as system users so that work processes or transaction activities run optimally [10]. Therefore, the success of SIA implementation is highly dependent on the performance of a solid and well-coordinated work culture. In a company, there is a clear set of values that direct employees to act positively and interact naturally in carrying out work based on these values. A work culture that encourages good teamwork will be manifested in a pattern of mutual assistance between employees, especially when facing problems in using accounting information systems. In addition, employees who have an innovative work culture can make a major contribution to the development of the company, especially in creating solutions that facilitate the use of the system and improve the company's operational efficiency [2].

PT. COOL-IT, is one of the companies that is developing technology in its accounting information system as a way to help companies process data and produce reliable financial reports. PT. COOL-IT has undergone development in the accounting information system from manual work paper (Excell) to a webbase system which is all integrated online, this is starting to be implemented by the company in order to simplify and assist the company in providing financial report information to internal and external parties. external. However, the development process cannot be said to help in carrying out the transaction process, because there are several obstacles. With the emergence of obstacles to the development of the accounting information system, the company will be faced with two things, namely, whether the company will achieve system success or vice versa. Development carried out by PT. COOL-IT will be a challenge in itself for the company because there will be several changes that occur regarding internal control in the company and the work culture that has been running so far. It is hoped that employees can adapt to the development of the accounting information system.

In this case, there are several previous studies that have been carried out which have cases that are almost similar to PT. COOL-IT, including Askary's research, who explains artificial intelligence in producing reliable accounting information in their qualitative research [1]. The research results show that artificial intelligence innovatively works with internal control to help managers to produce high quality accounting information by reducing information risk because artificial intelligence eliminates weaknesses in the

internal control system to produce quality accounting. This is comparable to research conducted by Novalia's research, research using descriptive qualitative explains that the information technology implemented by the sample company (PT. Bangkit Berkah) can anticipate accounting fraud whether carried out through general control or application control so that the resulting financial reports are have relevant qualities. This has reduced the occurrence of fraud experienced by the company [5]. This is different from the research results of Rumamby's research, with descriptive research showing that the internal control implemented by PT. Moy Veronika, it turns out that there are still components that have not implemented COSO principles completely or are not in accordance [8]. These are the components of risk determination, control activities, information and communication, as well as supervision and monitoring. This indicates that the internal controls implemented are still not fully effective. This has an impact on the quality of financial reports where the information system in PT. Moy Veronika showed that the recording and reporting of all sales data was not well structured or there was still some fraud found on the part of the bases where the prices at each base were different from the prices set by the government. Meanwhile research conducted at PT. COOL-IT uses a descriptive qualitative approach to find out in more detail about the effectiveness of internal control, especially in information system development, so that this research can become a new reference for further research related to system development.

It is therefore important to investigate the reasons behind the slow process of adapting the new accounting information system and whether internal control is running well along with the development of the accounting information system. It is further investigated how work and team culture could contribute to strengthening accounting information system.

2. Method

This research will be conducted qualitatively with a qualitative descriptive approach, which is a problem formulation relating to questions regarding the existence of independent variables, whether only on one variable or more [9]. The location of the research was carried out at PT. COOL-IT is located in South Jakarta and the research was carried out from November 2022 to March 2023 or approximately 5 months. In this research, the researcher has determined the research focus, namely how the development of an accounting information system and the implementation of internal control in the research object can provide understanding and how companies can play a role in the development of accounting information systems according to PT employees. COOL-IT. The researcher also selected informants as data sources who would provide the information needed to complete this research. Research informants are employees in the Cost Control department at PT. COOL-IT. The informants were chosen by the researchers because they are employees who know and understand the research problems so that answers to the problems in the research can be found.

Next, the researcher will collect data, the data in this research is primary data and secondary data or supporting data. Primary data sources are obtained from the first source, namely from individuals. In this study, the primary data source involved employees of PT.COOL-IT is a system user in the development of accounting information systems.

Table 1. List Informant Study 2023

Informant (<i>Actors</i>)	Status Informant	Status/Quality Data
Informant 1	Cost Controls & Accounting	Main Informant/ Data Primary
Informant 2	IT STAFF	Informant Main/Primary Data
Informant 3	Procurement	Informant Main/Primary Data
Informant 4	Juniors Developer	Informant / Data Primary
Informant 5	(Senior Officer) Business Development	Informant Supporting/Data Primary

Secondary data is data obtained from processing primary data, which can be in the form of tables or diagrams, data obtained from indirect sources, or through intermediary data such as standard operating procedure documents, notes, and texts in printed or written form from various sources. information. Next, data quality was ensured, and data analysis was conducted. Interpretation of data and conclusions were then drawn from the findings in the research. The data analysis technique used by the research was carried out by comparing findings with the the COSO theory regarding the effectiveness of internal control, namely:

- a. Data Collection, is converting the results of the voice interview into text (transcript), scanning the material, typing field data or sorting and arranging the data into different types depending on the source of the information.
- b. Data Reduction, is a form of analysis that categorizes, directs, removes unnecessary data and organizes the data that has been reduced to provide a sharper picture of the results of observations into themes.
- c. Data Presentation, is analysis in the form of a matrix, network, chart or graphic. In qualitative research, data presentation is carried out in the form of brief descriptions, tables, charts and relationships between categories. By presenting this data, the data is organized and structured so that it is easier to understand.
- d. Making conclusions, conclusion is drawing conclusions and verification about the results and discussion.

3. Results and Discussions

Table 2 shows that 15 indicators have fulfilled the components of internal control effectiveness and 2 indicators have not fulfilled the components in developing an accounting information system at PT. COOL-IT include. This includes demonstrating commitment to integrity and ethical values, every organization must have integrity guidelines and ethical values that must be adhered to by all elements in the company organization. This has been running well in the PT. COOL-IT. The board of directors shows independence from management and exercises supervisory responsibilities, the board of directors and audit committee actively monitor management which is running well at PT. COOL-IT. Management, with board oversight, establishes structure, authority,

and responsibility. Management has a philosophy and operating style that supports internal control which can be implemented and is already running well at PT. COOL-IT.

**Table 2. Results of data collection from informants
 On the five components of internal control effectiveness**

Environment Control	Yes	No
1. Show commitment to integrity And values ethical.	√	
2. Directors show independence from management And Exercise supervisory responsibility.	√	
3. Management, with supervision board, set structure,authority, And Responsibility.	√	
4. Organization show commitment For competence.		√
5. Organization set And enforce accountability.	√	
Risk Assessment (Risk assessment)	Yes	No
1. The organization's stated objectives are clear for risk identification and assessment.	√	
2. The organization identifies risks in all units and analyzes them to determine management.	√	
3. The organization will take into account the potential for abuse.	√	
4. The organization will assess and identify significant changes.	√	
Control activities	Yes	No
1. The organization selects and develops control activities that contribute to risk mitigation for achieving objectives to an acceptable level.	√	
2. The organization selects and develops general control activities over technology to support the achievement of objectives.	√	
3. Organizations implement control activities through policies that establish what is expected and in procedures that implement the policies	√	
Information and Communication	Yes	No
1. Obtain or produce relevant quality information, namely by completeness and accuracy of data, storing data at the required frequency, providing information when needed, protecting sensitive data, and storing data to meet relevant business, audit and regulatory needs.		√
2. Communicating internally, namely communication within the organization includes formal and informal communication, such as policy manuals, newsletters, job descriptions, and training sessions	√	
3. Communicating externally, namely the process of communicating relevant and timely information to external parties, including shareholders, members, partners, owners, regulators, customers, financial analysts and other relevant stakeholders.	√	
Monitoring	Yes	No
1. Select, develop, and conduct ongoing and separate evaluations.	√	
2. Evaluate and communicate deficiencies	√	

Table 3. Results of data collection from informants relating to company work culture

Element	Understanding Employee		
	An understanding is present	Ambiguous	No understanding
Principle Objective (Vision & mission)	4		1
Principle Unity (Involvement employee)	4	1	
Principle Performance (Well-being)	1	2	2
Principle Familiarity (Communication open)	3	1	1
Principle of Excellence (Employees comply with position)	2	3	
Principle Integration (Leader Which give example)	1	2	2
Empirical Principles (Understand work culture)	3		2
Principle Consensus (Socialization vision mission)	3	2	

The organization shows a commitment to competency, which is not implemented well, because the employees assigned to a section working on a function do not have the relevant competencies and the company does not yet have a commitment to the importance of developing the competencies of its employees.

The organization determines and enforces accountability, in developing the latest accounting information system. The company already has an organizational structure with clear definitions, clear job descriptions so that authorization and authority are known to all parties and are running well at PT. COOL-IT.

The risk assessment at PT. COOL-IT has been running well. This is supported by the results of observations and interviews with all informants stating that every week an evaluation is held via zoom meeting to identify and analyze developments in the risks faced by each section at PT. COOL-IT. The internal control in PT. COOL-IT has been running well, supported by the results of observations and interviews. The informant stated firmly that the assignments of the parties involved in developing the accounting information system were carried out by assigning representatives of each division to be responsible for the running of the system and providing feedback on adjusted changes. by developers. Then BOD management gives approval by referring to the existing SOP.

The company has not been able to obtain or produce relevant quality information due to differences in opinions and points of view between the company and generally accepted standards. Internal communication, namely communication within the organization, is present and includes formal and informal communication, such as policy manuals, newsletters, job descriptions, and training sessions. Clear job descriptions were available so that authorization and authority are known to all parties are running well at PT. COOL-IT.

External communication, namely the process of communicating relevant and timely information to external parties, was also present in the company. Based on the results of field observations, the delivery of information to the board of directors was carried out by the general manager at PT. COOL-IT, and it was usually carried out at the end of each

month's closing to convey verbally and in writing about company activities, this delivery is carried out in person or through an online zoom meeting.

Monitoring at PT. COOL-IT has been running well, supported by the results of observations and interviews. All informants stated that every Saturday it holds a weekly meeting:

“... to discuss the development progress of each department in the system migration process and the latest SOP and evaluate each department, so that we can take a quick response in order to support the achievement of company goals”

The findings indicate that majority of employees understand the goals or vision and mission (principles of objectives) of the Company, especially in developing this system. This means that they understand the purpose of the company in developing an accounting information system so that it can raise the enthusiasm and work motivation of employees to work together to realize the company's goals. Second, employee involvement, from the results of informant data collection it is shown that the majority are aware of their existence for the company. In this case, it means that employees are aware that if they work together/united in carrying out a series of company business activities according to their respective job descriptions, it will make it easier for the company to achieve success.

Next, namely welfare, the average employee said that the company had not paid attention to the welfare of its employees as a factor that drives the company's achievements such as rewards, bonuses, and others. Then there is an element of open communication, the majority of employees agree that the communication that occurred during this development went well. The existence of open communication between employees creates a sharing of feelings in a complete and trusting manner, which in turn will provide sincere appreciation and full attention to the personal interests concerned. Open communication that exists in the company is through evaluation of every progress in accounting information system development.

Another element is the principle of excellence or employees who are appropriate to their position. This means that excellence can only be achieved as a result of the ability to learn and respond to environmental conditions in a creative and productive way. The Principle of excellence is intended for employees assigned to a section to carry out a function that has relevant competencies. In developing this system, 3 out of 5 employee informants on average said that the company had not paid attention to the strengths and abilities of its employees so that some jobs that were not appropriate in proportion became responsibilities outside the job description. For example, inputting inventory adjustments which should be a task and responsibility for accounting. However, the goods warehouse administration is now the one who is responsible for the accounting department for inputting, even though in practice the accounting department cannot directly see the process for inventory adjustments.

Then there is the principle of integrity which can be interpreted as a leader who sets an example. In this case, at PT. COOL-IT, examples of integrity are not yet provided sufficiently. Leadership requires followers. Followers follow their leaders because they believe that the steps taken by their leaders are correct. Trust and confidence can only be

raised if leaders act on the basis of integrity such as being honest, responsible, consistent, fair and capable. The last one is the principle of consensus, 3 out of 5 employees interpret this principle as a form of socialization of the vision and mission carried out by leaders by making decisions that are sufficient to get a positive response in developing processes in order to achieve the company's vision and mission.

The success of a company culture occurs when a company has fulfilled all of its values [11]. There are three values are still not able to operate successfully in corporate culture in developing accounting information systems at PT. COOL-IT, namely the Principle of Achievement (employee welfare), the Principle of Excellence (employees who are appropriate to their position) and the Principle of Integrity (leaders who set an example). The company has not paid attention to the welfare of its employees as a factor that drives the company's achievements. Apart from that, the company does not yet have a commitment to the importance of developing the competence of its employees and employees also think that the management/leadership has not provided an example in dealing with problems to its employees during the development of an accounting information system.

4. Conclusion

The results of the effectiveness of internal control in the development of accounting information systems at PT. COOL-IT has two components where some indicators are still not yet fulfilled. First, the organizational indicators show that the commitment to competency is not implemented well, because employees assigned to a section carrying out a function do not have relevant competencies and the company does not yet have a commitment to the importance of developing the competency of its employees because even though the company has facilitated this development by holding training, the company not paying attention to how employees respond or give feedback when taking part in training, in reality employees have not been able to adapt well to this development.

Second, Information and communication component has not yet been fulfilled. Obtaining or producing relevant quality information, namely by completeness and accuracy of data, storing data at the required frequency, providing information when needed, protecting sensitive data, and storing data to meet relevant business, audit and regulatory needs, in these indicators still have not been able to run well, due to differences in opinions and points of view between the company and the standards that apply in general, an example that can be given to explain this is before inputting the Procurement, Finance and Accounting sections that need to be required are original documents and supporting documents. transactions, but in the input process, only softcopy supporting evidence is used to input data that will produce financial reports. This is also one of the reasons why this indicator has not worked well at PT. COOL-IT.

This study concludes that work and team culture can strengthen accounting information system.

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