Analysis of Accounting Information System in Supporting the Internal Inventory Control: A Case Study in Motorcycle Dealer

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Abstract: This study aims to analyse the inventory accounting system and its control in a company. The discussion in this study is to investigate accounting information system for spare parts inventory in supporting internal control at CV. X The data collection techniques are sourced from primary data and secondary data. The method used is descriptive qualitative method. The study revealed that the accounting information system for inventory was running well, evaluating from the recording method used by the company, namely the perpetual and computer-based method with an application called Komiaw, but in the reality there are several weaknesses, those are the existence of dual functions as well as discrepancies between the data of the goods and physical goods that are done by spare parts counter so as the repetition of inventory calculation occurred. Based on the results of this study, it showed that accounting information system for spare parts inventory can support internal inventory control in the company due to the implementation of the elements of accounting information system and the elements of internal control.

Keywords: Accounting, Information system, Motorcycle, Dealer

1. Introduction

Accounting information system is a system that is needed by all companies in order to produce financial information (1). Accounting information system is a transaction data processing technique in order to produce accounting and financial information for companies that are useful for the users at the management level, especially in the financial section. The most important section in the system is accounting information system for merchandise inventory as inventory is one of the biggest and the most important asset in a company for running its activities (2). Section related to accounting information systems include internal control. Internal control of merchandise inventory that is applied must separate functional responsibilities strictly in carrying out merchandise inventory procedure (3).

The development of information technology is increasingly rapid and popular (4). The monitoring system is a process for collecting data from various resources (5). A company must follow current development by developing an ongoing accounting information system (6). Inventory of goods is very important for trading and manufacturing companies (7).Inventory problems are problems that are always faced by decision makers in the inventory sector. Inventory is needed because basically the pattern of demand is irregular. Inventory is carried out to ensure certainty that when needed these items are available (8).Internal control is part of a system. Having a good accounting information system can increase the quality and cost of products or services, the efficiency and effectiveness of the supply chain of goods and the internal control structure (9).CV. X is a company engaged in retail Yamaha motorcycle spare parts and Yamaha motorcycle services located in Bandung Regency. Inventory has a very important role for the company because inventory affects the sales of spare parts.The company has implemented an accounting information system in its business processes. However, sometimes in the

business process, the company often experiences a shortage of goods. For further the thing that should exist in company's activities is internal control since internal control is very decisive in the success of the company. Internal control system is an important component in company management and is the basis for healthy and secure company operations. Internal control system includes an organizational structure, coordinated methods and measures to maintain organizational wealth, accuracy and reliability of accounting, and efficiency and compliance of company policies (10). On its implementation, the internal control in the company is still inconsistent regarding inaccuracy information due to discrepancies between data items and existing physical goods, and also the occurrence of dual functions.

The purpose of this research is to encourage companies to maximize the applications that have been used in accordance with applicable accounting information system standards. The method used is descriptive.

Based on the description above, the formulation of the research problems is as follows:
1. How is accounting information system for spare parts inventory carried out at CV. X?
2. How is the internal control implemented by CV. X?
3. How is the relationship between the accounting information system for spare parts and internal control at CV. X?

The aims of this research are:
1. To find out the use of accounting information system for spare parts at CV. X.
2. To find out the internal control implemented by CV. X.
3. To find out the relationship between the accounting information system for spare parts and the internal control at CV. X.

2. Theoretical Review

System is a series of two or more components that are interrelated and interact to achieve goals [a.0]; system is a collection/group of subsystems/parts/components of any kind, either physical or non-physical that are interconnected with each other and work together harmoniously to achieve a certain goal (11), so it can be said that the system is a series of components or subsystems that are interrelated with each other to achieve certain goals.

Accounting information system according to Krismiaji (12) states that a system that processes transaction data in order to produce useful information for controlling and operating a business. Meanwhile, according to Mulyadi (13) accounting information system is the basis for obtaining accurate and fast information.

Merchandise inventory is the amount of merchandise inventory on hand at the end of a certain period (14).

The internal control system according to is a process that is carried out to provide adequate assurance that control objectives that have been achieved. While the elements of good internal control have the main elements of an internal control system, there are 4 elements, namely: a. An organizational structure that clearly separates responsibility and authority, b. Authorization system and recording procedures, c. Healthy practices, d. Employees whose qualities are in accordance with their responsibilities (13).

3. Research Method

This study aims to analyze the inventory accounting information system at CV. X. The method used in this study is descriptive research, which focuses on inventory accounting information systems (8), namely by observing the activities of accounting information system for inventory that is related to its control. Descriptive qualitative method is used to describe existing phenomena, both natural and human engineered, which pays more attention to the characteristics, quality, and interrelationships between activities. (15) Descriptive research is research that is intended to investigate circumstances, conditions or other things that have been mentioned, the results of which are presented in the form of a research report (16).

4. Results and Discussion

Accounting Information System and Internal Control for Spare Parts at CV. X.
The following is a series of discussion elements in Accounting Information System for Spare Parts in the company. That includes the implementation, procedures and internal controls.

4.1 Executors, tools and documents used in Accounting Information System for Spare Parts

The discussion of spare parts inventory in the company is in the form of spare parts for two-wheel vehicles, including brakes, mirror lights, nuts, bolts and other items that are attached to a wheeled vehicle, but they can be purchased separately. Activities related to service are supervised by a service advisor, but for the implementing section there are two which are administrative section, namely service counter and spare parts counter, and there are technicians who are ready to carry out their duties related to the service activities. All of these sections are responsible to the service advisor. In running its business, the spare part counter has been able to support the achievement of accounting information system of the company, namely converting data into information required by other parties in need, and the information is available on time. The use of application is to support the accounting information system of spare parts inventory, by maximizing the application of Microsoft Excel, the spare parts counter can check the availability of goods and price of goods, and make the records easer to do and understand. Regarding the document related to this activity, naturally it is a proof of payment for the purchase of goods from the place concerned. However, the physical follow-up of the service activity is handled directly by the technicians, but all responsibility is to a service advisor. The existence of information technology infrastructure, including computers, peripheral devices, such as mouse, monitor, keyboard, printer, etc., and communication network devices used in processing data regarding the monthly supply of spare parts as stated by (9), is in line with PT X which already using computers and laptops as well as peripheral devices such as mice, scanners, keyboards, printers, and so on, so as to facilitate spare part counters in processing inventory data into useful information for those in need

4.2 Spare Parts Inventory Procedure in Accounting Information System

Inventory management activities are related to the inventory used or issued on consistent request and using a method. In managing the inventory, the company uses *first in first out* method, that is management on the basis of spare parts expenditure carried out based on the entry of the inventory, and the activity is carried out by spare parts counter. This division will check the stock of goods first, after that the spare parts counter will create a purchase order form in excel application. The form is filled out according to the stock that is not available in the warehouse. Then the spare parts counter the purchase order form to the supplier via email. After sending an email, the spare parts counter wait for an email reply from the supplier regarding the availability of the goods to be ordered, if there are items that are not available, the spare parts counter changes the purchase order form according to the availability of the goods at the supplier, and send back the form that has been changed to the supplier. After the goods arrives, spare parts counter checks the quantity of the goods sent according to or not with those on the purchase order form, and after checking the spare parts counter inputs the data for the goods in the application.
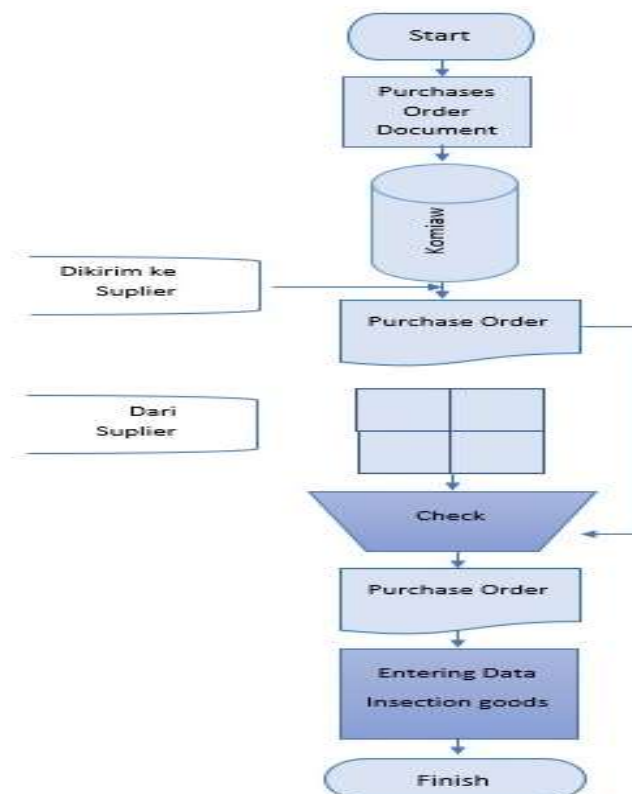
Figure 1. Flow Chart of Procedure

4.3 Internal Control in Accounting Information System for Spare Parts Inventory

For internal control in accounting information system for spare parts inventory, the company performs the following elements:

4.3.1 Organizational Structure.

A good organizational structure, that is, one function must be separated from other functions, a function should not be given full responsibility for carrying out all stages of transaction (13). In the company the inventory management division is carried out by one employee. It can be seen that there are multiple functions and full responsibilities undertaken by the employee. The employee does all business processes by oneself, starting from checking inventory, placing order, receiving goods and entering data on receipt of goods. This has been going on since the company set up, however, there are no problems during its business process. The company has not clearly separated the responsibilities yet.

4.3.2 Authorization System and Recording Procedure.

The authorization system and recording procedures in the company have not been running well. Each transaction only occurs on the basis of authorization from the division that has the authority to approve

the occurrence of the transaction. Therefore, in the organization, a system must be made to regulate the distribution of authority for the implementation of each transaction (13). In the company, every business process in inventory division is authorized by one person, but until now there are no matters that loses the company. This is not in line with the authority system and organizational recording procedure that will ensure the accuracy and reliability of data within an organization.

4.3.3   Healthy Practice.

Health practice in the company has been going well. The company performs physical investigation and calculation regularly, and matches with existing inventory records. The documents are serially numbered and have the company stamp on it. Document storage is carried out by spare parts counter. In addition, the company regularly rotates positions. This is in line with the distribution of functional responsibilities and authority system. The recording procedure that has been established will not be implemented properly if ways are not created to guarantee healthy practices in their implementation by using the general methods, such as the use of printed serial numbered forms, sudden inspection, multiple functions undertaken by one person, or job rotation (13).

4.3.4   Competent and trustworthy Employees.

Having competent and trustworthy employees can be achieved by selecting prospective employees based on meeting the requirements on the job and taking further education while being the employee of the company (13). The company has skilled employees because they have gone through a selection of prospective employees built upon job requirement and attend training provided by the company to explore their expertise.

5. Conclusion

Based on the formulation of the problem and the results of the analysis that have been described, the following conclusions can be drawn: The accounting information system for spare parts inventory in its application at CV. X has been running well. In the application of all components of the information system has been able to support its internal control. However, for the i.nternal control there are still multiple activities carried out by the same division.

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