

IMPROVING FINANCIAL CONTROL: THE CONTRIBUTION OF ACCOUNTING INFORMATION SYSTEMS TO SMALL BUSINESS PERFORMANCE

Lili Syafitri^{1*}, Andi Primafira Bumandava Eka², Asry Ady Bakri³, Aslichah⁴, Iwan Henri Kusnadi⁵

¹Prodi Akuntansi, Fakultas Ekonomi, Universitas Indo Global Mandiri

²Prodi Manajemen, STIE Manajemen Bisnis Indonesia

³Prodi Akuntansi, Universitas Muslim Indonesia Makassar

⁴Prodi Manajemen, Fakultas Ekonomi, Universitas Darul Ulum, Jombang

⁵Prodi Ilmu Administrasi Publik, Universitas Subang

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ABSTRACT

Small businesses play a crucial role in the economy, but confront complex obstacles such as limited resources, limited access to markets and capital, and difficulties with financial control. Their success depends on sound financial management. However, small businesses frequently struggle with financial management due to error-prone manual processes and inaccurate data. Therefore, the objective of this study is to implement an Accounting Information System as a viable means of enhancing the financial control and performance of small businesses. The research provides recommendations for accounting information system characteristics that effectively align with the business procedures of small businesses. In the modern business era, there are 18 functional requirements analyses that can be implemented as accounting information system features to improve the financial control and performance of small enterprises.

E-mail:

syafitri.lili@uigm.ac.id
andi.primafira@stiembi.ac.id
asryadi.bakri@umi.ac.id
aslichah2000@gmail.com
iwanhk@unsub.ac.id

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1. INTRODUCTION

In an era of globalization and intensifying business competition, small businesses are one of the most important pillars of an economy. Small businesses play an essential role in job creation, economic development, and overall economic expansion. Nonetheless, as major players at the microeconomic level, small businesses frequently encounter complex obstacles [1], [2], such as limited resources, access to markets and capital, and financial control issues.

Small businesses often face limitations in human, technological and capital resources. This condition makes them prone to errors in financial management. Manual processes that are still dominant in recording financial transactions can increase the risk of accounting errors and data theft. In addition, inaccurate and untimely information can lead to unwise decision making, resulting in financial losses and lost business opportunities.

Good financial control is a critical factor in the survival and success of small businesses[3], [4]. Without proper financial management, small businesses are at risk of facing liquidity problems, bankruptcy and difficulties in dealing with market changes. This is why accounting information systems are one of the most relevant and influential solutions in improving financial control and small business performance[5]–[8].

Some research by[9]–[15]explained that financial control is a process that functions to ensure that financial resources are managed efficiently, effectively, and accountably. Financial controls assist in minimizing the risk of loss due to errors, abuse, or fraud in the management of business funds and assets[16]. In addition, financial control also assists in ensuring compliance with applicable regulations and policies, both from internal companies and external parties such as the government and financial institutions.

The urgency of the research is that small businesses often face challenges in managing their finances due to limited human, capital and technological resources. These problems can be overcome by using an effective Accounting Information System, reducing the risk of errors, increasing operational efficiency, and

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providing better information for decision making.[17]–[23]. Research objectives This study will analyze how the implementation of an Accounting Information System can improve financial control of small businesses and provide recommendations and practical guidelines for small business owners, managers and other stakeholders regarding the effective use and implementation of Accounting Information Systems in improving financial control and business performance . The research results will have implications in providing a comprehensive picture of the importance of accounting information systems in improving financial control and small business performance. This article will describe various relevant issues, starting from the challenges faced by small businesses, the important role of financial control, to how accounting information systems can be a solution to improve small business performance.

2. LITERATURE REVIEWS

Accounting information system

Accounting Information System is a system that integrates information technology with accounting to collect, store, process and present financial information in an accurate and timely manner. Accounting information systems include various applications and modules that assist in recording, classifying, and analyzing company financial transactions. By implementing an accounting information system, small businesses can overcome various challenges in financial control more effectively and efficiently[24]–[26]. Accounting Information System for small businesses is a system that integrates information technology with accounting processes to collect, manage, store, process and present financial information with the aim of improving financial control and overall business performance on a small business scale[27]. In the context of small businesses, Accounting Information Systems are designed to overcome various challenges and limitations that are often faced by small businesses, including limited human resources, limited capital, and simpler business processes compared to large companies. The main objective of an accounting information system for small businesses is to provide solutions that are efficient, affordable and easy to implement so that business owners and management can easily manage finances and make the right business decisions.[28].

Advantages and Benefits of Accounting Information Systems

Accounting Information Systems offer various advantages and benefits for small businesses. First, accounting information systems can improve accuracy and timeliness in recording financial transactions. This allows management to monitor financial performance in a more real-time manner and quickly take corrective action if necessary[29]. Second, the Accounting information system also helps in improving operational efficiency. By automating the accounting process, jobs that used to be time-consuming and risky for errors can be completed more quickly and precisely. This means that budgets and resources can be optimized for other, more strategic activities[30]–[32]. Third, the Accounting information system provides more complete and integrated information. Financial data from various departments can be accessed and thoroughly analyzed, so that management can make better and well-informed decisions.

3. METHOD

This research employs a qualitative approach and the literature review methodology. This study was conducted to investigate the function of accounting information systems in small business financial control. Previous studies, journals, and publications relevant to the research topic are consulted for data [33], [34]. According to [35], the literature review is an integral part of qualitative research employing descriptive methodologies. In this study, the literature review serves as the theoretical foundation for identifying the accounting information system characteristics that are most suitable for small enterprises. The characteristics, size, and requirements of the small business in question will inform the design and customization of these features. After the relevant Accounting information System features have been selected and designed, this study will conduct a practical implementation tailored to the small business's business processes.

4. RESULT AND DISCUSSION

Analysis of Accounting Information System Features

Analysis of Accounting Information System Features is an evaluation process of the various components and capabilities of an accounting information system in order to have an in-depth understanding of existing features and how these features can support financial management and accounting processes in a business entity. In the analysis of the features of the Accounting Information System, several important things can support the transaction recording process, namely how the

Accounting Information System records financial transactions, including the classification process, data validation, and how the system stores transaction data. And can support the production of financial reports, such as balance sheets, income statements, and cash flow reports in a timely and accurate manner. Functional requirements analysis of the desktop-based Accounting Information System on CV. Narayu which is a small business in the health sector. Functional requirements analysis is intended to determine system requirements related to analysis of features that can be applied to accounting information systems, consisting of:

- a) The system can perform user data processing.
- b) The system can perform account data processing.
- c) The system can perform data processing categories of goods.
- d) The system can perform data processing of goods.
- e) The system can perform supplier data processing.
- f) The system can perform customer data processing.
- g) The system can perform purchase data processing.
- h) The system can perform sales data processing.
- i) The system can print sales receipts.
- j) The system can perform journal data processing.
- k) The system can display sales graphs.
- l) The system can print purchase reports.
- m) The system can print sales reports.
- n) The system can do stock taking.
- o) The system can print stock taking reports.
- p) The system can print inventory reports.
- q) The system can display balance reports.
- r) The system can display profit and loss reports.

Implementation of Accounting Information System Features

The implementation of the accounting information system interface design is the process of changing the design or appearance of the accounting information system interface from design to a form that can be executed and used by users. Interface or interface is part of an accounting information system that interacts directly with users, enabling them to enter data, view information, and use other features of the system. Implementation of the design of the Accounting Information System interface is an important step in developing an Accounting information system because the interface is the main access point for users to interact with the system. If the implementation is done well,

The system implementation stage is a discussion of the system that has been built according to the design and discusses testing the system whether it is in accordance with the expected results. System implementation will be limited according to the design and analysis carried out which includes:

A) User access rights as Owner

On the owner side, it has a display based on owner access rights whose implementation includes login access rights, managing master data, namely managing account data, item category data, goods data, supplier data and customer data, managing transaction data, namely purchasing data, sales data, stock taking data and journal data, and printing reports such as purchasing reports, sales reports, inventory reports, balance reports, and profit and loss reports.

B) User permissions as Administrator

On the admin side, it has a display based on admin access rights whose implementation includes login access rights, managing transaction data, namely purchasing data, sales data, stock taking data and journal data, and printing reports such as purchasing reports, sales reports, inventory reports, balance reports, and income statement.

Implementation of Goods Data Page User Interface

Figure 1 is the implementation of the user interface for the item data page. On this page the owner can add new item data by filling out the form then clicking the "save" button. To change the item data, the owner must double-click on the item data, then change it on the form and then click the "change" button. If you want to find item data, the owner can type it in the search field and then click the "find" button.

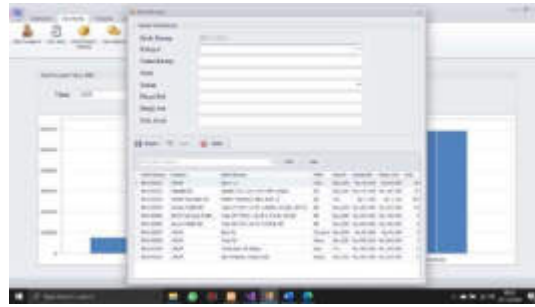


Figure 1. Implementation of Goods Data Page User Interface

Implementation of Purchase Data Page User Interface

In Figure 2 is the implementation of the user interface for the purchase data page. This page displays all goods purchase transactions made by the owner and admin to suppliers. Owner and admin can add purchase data by clicking the "add data" button. If you want to find purchase data, the owner and admin can type it in the search field then click the "find" button.

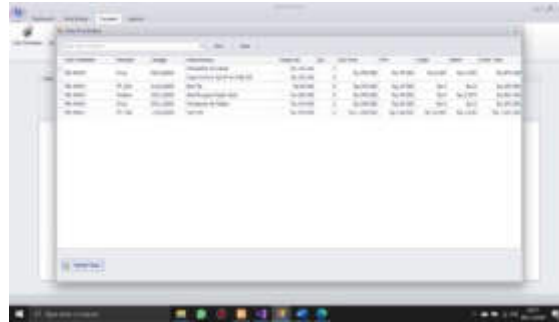


Figure 2. Implementation of Purchase Data Page User Interface

Sales Data Page User Interface Implementation

Figure 3 is the implementation of the user interface for the sales data page. This page displays all goods sales transactions made by the owner and admin to customers. Owner and admin can add sales data by clicking the "add data" button and can print sales receipts by clicking on the data you want to print, then clicking the "print receipt" button. If you want to find sales data, the owner and admin can type it in the search field then click the "find" button.

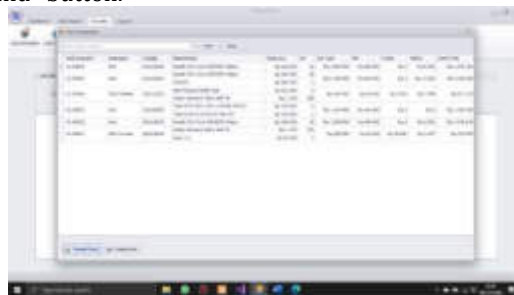
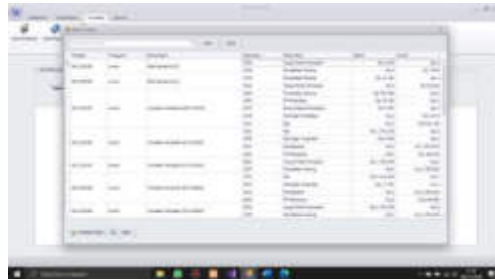


Figure 3. Sales Data Page User Interface Implementation

Implementation of Journal Data Page User Interface

In Figure 4 is the implementation of the user interface for the journal data page. On this page the owner and admin can add transaction data other than purchase and sale of goods by clicking the "add data" button. If you want to change journal data, the owner and admin can click on one of the data, then click the "change" button. If you want to find journal data, the owner and admin can type it in the search field then click the "find" button.



Implementation of Journal Data Page User Interface

Implementation of the User Interface for Stock Taking Data Reports

In Figure 5 is the display design for the stock taking data report. On this page, the owner and admin can see the total value of the difference in goods after stock taking according to the selected period.

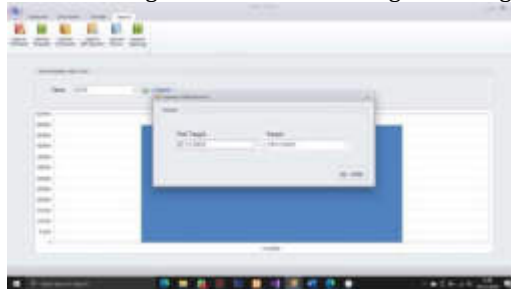


Figure 6. User Interface Implementation Select Period for Stock Taking Report

Implementation of User Interface for Balance Report Pages

Figure 6 is the implementation of the user interface for the balance sheet report page. On this page, the owner and admin can select the balance report period that you want to view, then click the "preview" button. If you want to print a balance report, click the "export pdf" button.

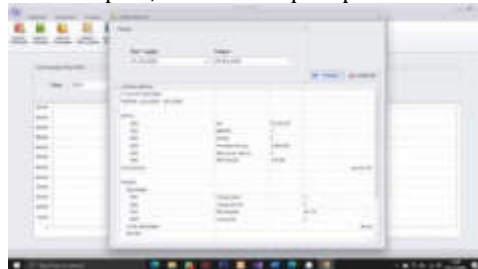


Figure 6. Implementation of User Interface for Balance Report Pages

Implementation of Profit and Loss Report Page User Interface

Figure 7 is the implementation of the user interface for the income statement page. On this page, the owner and admin can choose the period of the income statement that you want to see, then click the "preview" button. If you want to print a profit and loss report, click the "export pdf" button.

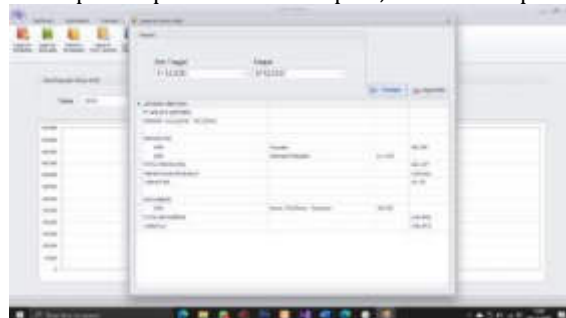


Figure 7. Implementation of the Profit Report Page User Interface

5. CONCLUSION

By analyzing the extant features of an Accounting Information System, we were able to identify a number of crucial aspects that can provide substantial benefits to small businesses. Financial transaction recording, financial reporting, data integration, data analysis, security controls, and process automation are essential elements that can improve the financial management capabilities of small enterprises. Through the implementation of the interface design for the Accounting Information System, users will be able to interact with the system with ease and make optimal use of its features. A good interface will also ensure that users can quickly and accurately input financial data, view financial information, and generate decision-making reports that are relevant and accurate.

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