

THE EFFECT OF PAYMENT ACCOUNTING INFORMATION SYSTEM ON THE EFFECTIVENESS OF INTERNAL CONTROL MITRA ANDAL SEJATI MEDAN

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ABSTRACT

This study aims to determine the effect of the payroll accounting information system on the effectiveness of internal control at Mitra Andal Sejati Medan. The sample of this research was 70 employees of Mitra Andal Sejati Medan. Data analysis technique using Simple Linear Regression Analysis. The results showed that the value of the regression coefficient (b) of the payroll accounting information system was 0.771, which means that the better the payroll accounting information system, the more effective the internal control at Mitra Andal Sejati Medan is. The payroll accounting information system has a positive and significant effect on the effectiveness of internal control. The contribution of the payroll accounting information system to the effectiveness of internal control is 58.4%.

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1. INTRODUCTION

The payroll accounting information system may not run optimally if the management is carried out by unprofessional parties such as causing fraud or embezzlement of employee salaries, recording errors, and others. In minimizing this, it can happen that there is a need for internal control over the system. Internal controls are needed to determine the correct amount of salary given to employees and can be used in detecting fraud.

For the Mitra Andal Sejati Medan, it is a company engaged as a service or service provider, in the form of frontliners services (SPG/Beauty Advisor/MD/Sales), Marketing Activity, Brand Activation, and Event Organizer. In carrying out these activities, the company has employees who are experienced in their fields as the movers and executors of the company's operations as a whole and ensure that the company's goals can be achieved. Of course this is done not voluntarily or without compensation, where the company gives a monthly salary to employees who have worked. This salary can be used by employees to fulfill their needs. For this reason, in ensuring the smooth distribution of salaries to employees, the company provides a payroll system that will record and report the amount of salary that must be given to employees.

The system used by the company still uses assistance from Ms. Excel. At the beginning of its use it went smoothly, but then there was an error in recording the amount of salary given to employees, this can be called a human error, this error cannot be tolerated if it continues to occur many times which of course will be detrimental to the company, so that with Payroll internal control that is carried out regularly can minimize the emergence of various risks related to payroll. Based on this phenomenon, the authors are interested in

conducting research with the title: "The Effect of Payroll Accounting Information Systems on the Effectiveness of Internal Control Andal Sejati Medan".

2. LITERATURE RIVIEW

Definition of Accounting Information Systems

According to Romney and Steinbart in Young, et al (2017) that "a system is a collection of two or more components that are interrelated and interact to achieve goals".

Payroll Accounting Information System

According to Muda, et al (2017) that the main goal in accounting information systems is to produce output in the form of financial information as well as accounting information systems in the payroll cycle which also produce output in the form of checks. Paychecks are sent to transfer funds from the company's regular account to the payroll account. Payroll is an accounting information system application that continues to be processed in batches for two reasons, namely payroll checks are made periodically and the majority of employees are paid at the same time. Activities carried out in the payroll system are as follows:

1. Update the Payroll Master File.
 - b. Recruitment.
 - c. Termination.
 - d. Changes in salary levels.
 - e. Changes in reduced discretion.
2. Update Tax Rates and Withholding.
3. Time and Attendance Data Validation.
4. Preparing Payroll.
5. Pay Salary.
6. Issue Payroll Funds.
7. Calculate Compensation and Tax Paid by the Company.
8. Eliminate Income Tax and Other Deductions.

The several payroll documents used according to Mulyadi in Muda, et al (2017) are as follows:

1. Documents supporting changes in salary and wages.
2. Attendance card.
3. Hours card.
4. List of salaries and wages.
5. Recap payroll and payroll recap.
6. Statement of salary and wages.
7. Envelopes of salary and wages.
8. Proof of cash out.

Internal Control Effectiveness

Definition of Internal Control Effectiveness

According to Muda, et al (2017) that "internal control is all organizational plans, methods and measurements chosen by a business activity to secure its assets, check the accuracy and reliability of business accounting data, increase operational efficiency, and support compliance with managerial policies that has been established". In general, internal control is part of each system that is used as a procedure and operational guideline for a particular company or organization. Companies generally use internal control systems to direct company operations and prevent abuse of the system.

According to Sudarmanto, et al (2021) "an effective internal control system is something that an organization or company must have. Smoothness in operational activities to the level of company security is an important reason for carrying out internal controls. The company's internal control activities are important things to pay attention to like other aspects of activity in business processes, such as procurement, legalization, and production.

Internal Control Function

The functions of internal control activities put forward by Rusdiono in Sudarmanto, et al (2021) are as follows:

1. To produce information that can be trusted and will be accountable, for example, is a financial report.
2. To ensure that all activities that occur within the company are carried out in accordance with the applicable laws and regulations.
3. To increase effectiveness and efficiency and prevent waste in the management of production factors.
4. To maintain the security of the company's assets.
5. To ensure the security of the company's operational activities.
6. To ensure that all members of the organization or company understand and comply with all applicable policies.
7. To prevent the occurrence of fraudulent acts that can occur at various levels or levels of the organization, such as administration fraud and financial fraud.

3. METHOD

This research is an associative research, namely research that connects two or more variables. Based on the explanation above, it can be seen that associative research intends to provide an explanation of the influence of demographic characteristics, tenure and perceived organizational support on affective commitment.

Data analysis technique

The data analysis technique used in this study is Simple Linear Regression Analysis. This technique is useful for knowing the direction of positive or negative influence between the independent variables on the dependent variable. The Simple Linear Regression Analysis equation model is the following:

$$Y=a+bX+e$$

Information:

Y = Internal Control Effectiveness

a = Constant

b = Payroll Accounting Information System Variable Regression Coefficient

X = Payroll Accounting Information System

e = Standard Error

4. RESULT AND DISCUSSION

Validity and Reliability Test

The results of the validity and reliability tests below involved 70 respondents. In knowing whether a research instrument is valid or not, a comparison will be made between the r-count and r-table values. The r-count value is obtained from the Corrected Item-Total Correlation and the r-table value is obtained from the formula: $df=n-k$; $df=70-2$; $df = 68$, at alpha (0.05) of 0.235.

Table 1. Test the Validity of Payroll Accounting Information System Variables

Nu.	Statement	Corrected Item- Total Correlation (r-hitung)	r-table	Conclusion
1	Availability of physical equipment that is capable of collecting, entering, processing, storing and outputting data processing results in the form of information	0.440	0.235	Valid
2	The payroll system has been systematically arranged in Ms. Excel	0.395	0.235	Valid
3	The department that manages employee payroll rarely experiences errors	0.427	0.235	Valid
4	The procedure for awarding salaries in this company is clear and transparent	0.488	0.235	Valid
5	Each employee's salary is always loaded into the database in order to have proof of the salary that has been given to employees	0.483	0.235	Valid
6	The part that controls the telecommunications network in the company can speed up decision-making related to payroll	0.494	0.235	Valid

Based on the results above, it shows that the Corrected Item-Total Correlation (r-count) > r-table, so it is concluded that the payroll accounting information system variable instrument is valid.

Table 2. Test the Validity of Internal Control Effectiveness Variables

Nu.	Statement	Corrected Item- Total Correlation (r-hitung)	r-table	Conclusion
1	This company has high commitment and integrity in achieving its goals	0.454	0.235	Valid

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Nu.	Statement	Corrected Item-Total Correlation (r-hitung)	r-table	Conclusion
2	The company's management periodically analyzes the risks that the company may experience	0.532	0.235	Valid
3	The policies and procedures that apply in the company are able to reduce risks in achieving company goals	0.567	0.235	Valid
4	Information and communication systems are relevant in reporting employee salaries	0.408	0.235	Valid
5	Supervision is carried out periodically on the employee payroll system carried out by the auditor	0.512	0.235	Valid

Based on the results above, it shows that the Corrected Item-Total Correlation (r-count) > r-table, so it is concluded that the internal control effectiveness variable instrument is valid.

The following are the results of reliability tests on all research instruments which are useful for determining the feasibility of these instruments as measuring tools.

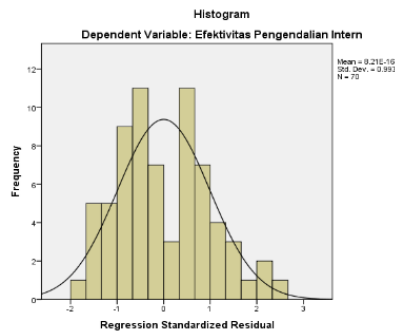
Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Standar Reliabilitas	Conclusion
Payroll Accounting Information System	0.719	0.60	Reliabel
Internal Control Effectiveness	0.732	0.60	Reliabel

Based on the results of the reliability test above, it shows that Cronbach's Alpha for the payroll accounting information system is 0.719 and the effectiveness of internal control is 0.732 greater than 0.06, so it can be concluded that the research instrument is reliable (fit to be used as a measuring tool).

Normality test

The normality test results below use the Histogram, P-P Plot, and the Kolmogorov-



Smirnov Test.

Figure 1. Normality Test (Histogram)

Figure 1 above shows the results of the normality test using the Histogram, which shows that there is no tendency for the data to slope left or right dominantly or is still in the form of a bell from the graph, so it can be concluded that the distribution of data is normally distributed.

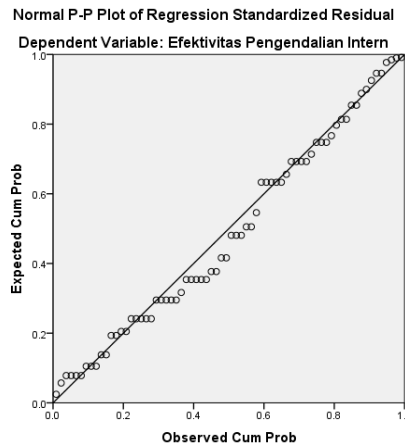


Figure 2. Normality Test (P-P Plot)

Figure 2 above shows the results of the normality test using the P-P Plot which shows that the data moves closer to the diagonal line or no data is found away from that line, so it can be concluded that the data is normally distributed.

Table 4. Normality Test Results (Kolmogorov-Smirnov Test)
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		70
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.38854089
Most Extreme Differences	Absolute	.095
	Positive	.095
	Negative	-.048
Test Statistic		.095
Asymp. Sig. (2-tailed)		.188 ^c

a. Test distribution is Normal.

- b. Calculated from data.
- c. Lilliefors Significance Correction.

Table 4 above shows that the results of the normality test using the Kolmogorov-Smirnov Test obtained a significance value (Asymp. Sig. (2-tailed)) of 0.188 greater than 0.05, so it was concluded that the distribution of data was normally distributed.

Simple Linear Regression Analysis

In knowing the direction of positive or negative influence between the payroll accounting information system on the effectiveness of internal control, a simple linear regression was performed with the following results.

Table 5. Simple Linear Regression Analysis Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	3.010	1.851	
Sistem Informasi Akuntansi Penggajian	.771	.079	.764

a. Dependent Variable: Internal Control Effectiveness

The regression equation model from the regression results above is as follows:

$$Y=3.010+0.771X$$

The interpretation of the regression equation is: The constant value (a) is 3,010, which means that if the effectiveness of internal control is not influenced or explained by the payroll accounting information system variable, it will still have a value of 3,010. Furthermore, the value of the regression coefficient (b) was obtained 0.771, which means that if there is an increase of one unit in the payroll accounting information system, it will be able to increase the effectiveness of internal control by 0.771 units.

Partial Hypothesis Test (t test)

The results of the partial hypothesis test below are used to prove the truth of the hypothesis presented in the previous chapter. In knowing whether or not there is influence between the payroll accounting information system on the effectiveness of internal control, it will compare the significance value of t with alpha (0.05). The results of the t test can be seen in Table 6 below.

Table 6. Partial Hypothesis Test (t test) Coefficients^a

Model	t	Sig.
1 (Constant)	1.626	.109
Payroll Accounting Information System	9.774	.000

a. Dependent Variable: Effectiveness of Internal Control

The significance value of the payroll accounting information system t is 0.000 which is less than alpha (0.05), so it can be concluded that the payroll accounting information system has a positive and significant effect on the effectiveness of internal control, thus the alternative hypothesis is accepted.

Coefficient of Determination

In knowing the contribution of the influence of the payroll accounting information system on the effectiveness of internal control, it can be seen in the R-Square value below.

Tabel 7. Koefisien Determinasi Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764 ^a	.584	.578	1.39871

a. Predictors: (Constant), Payroll Accounting Information System

b. Dependent Variable: Internal Control Effectiveness

Table 7 above shows that the R-Square value is 0.584, which means that the contribution of the influence of the payroll accounting information system on the effectiveness of internal control is 58.4%, while the remaining 41.6% is the influence of other variables not examined in this study.

Discussion of Research Results

Based on the simple linear regression results, the payroll accounting information system regression coefficient is 0.771 and the t -test results show that the payroll accounting information system has a significant effect on the effectiveness of internal control, with a significance value of 0.000 $<$ alpha (0.05) obtained. These results indicate that the better the payroll accounting information system implemented by PT. Mitra Andal Sejati, an effective internal control will be created. Ranatarisza & Noor (2013) suggests that internal control is a way to direct, supervise, and measure the resources of an organization or company. Internal control has an important role in preventing or detecting fraud and protecting organizational resources, both tangible and intangible. For companies, the internal control system can be used more effectively in preventing embezzlement or irregularities. In other words, it provides certainty that embezzlement of financial statements can be prevented or as a means of early detection of fraudulent acts. The existence of an adequate accounting system enables company accountants to provide financial information for every level of management, owners or shareholders, creditors, as well as other parties as users of financial statements which are used as the basis for making economic decisions. The system will be used by management in planning and controlling the company's operations. It is even more clear that the policies and procedures used are directly intended to achieve targets and guarantee or provide appropriate financial reports, as well as ensure compliance with applicable laws and regulations.

5. CONCLUSIONS

Based on the results of the study, several conclusions can be drawn as follows: The value of the regression coefficient (b) of the payroll accounting information system is 0.771, which means that the better the payroll accounting information system, the more effective internal control will be at Mitra Andal Sejati Medan. The payroll accounting information system has a positive and significant effect on the effectiveness of internal control. The contribution of the payroll accounting information system to the effectiveness of internal control is 58.4%.

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