Accounting Systems And Procedures Design: Supporting Business Process and Internal Control of a Small Service Business in Special Region of Yogyakarta

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Abstract. For businesses engaged in the service sector, the problem faced is how companies can provide output with high service quality standards to meet customer satisfaction. During the Covid-19 pandemic, accounting information systems and good procedures are very important to support management in implementing business processes and evaluating the delivery of their service products. A community service activity aims to design accounting systems and procedures for a small business in Yogyakarta so that these service businesses can have the guidelines and accurate information bases for decision making. In addition, this system can improve the financial recording process that supports the consistency of business processes, as well as the application of a good internal control system. The implementation method includes an initial survey to collect information from the business, observation, and problem identification, followed by an evaluation of the accounting aspects and the development of a system design as a solution proposed by the community service team to be implemented in target partner organizations. The system flowchart, detailed operational system guidelines, and procedures resulting from this project made a positive contribution to the organization, as shown by the results of the evaluation with the director and business management at the final stage of the activity implementation.

Keywords: accounting system, small service business, profit

1 Introduction

The accounting system is structured to provide information for internal and external parties of the company. Companies that are large and relatively advanced should have a well-organized system, so they can operate effectively and efficiently which enables top management to make the right strategic decisions. The system is a procedure used to carry out the company's main activities (Mulyadi, 2016). Procedure according to Bariawan (2013) is a sequence of clerical work involving various parties in one or more activities that are formed to ensure equal treatment of transactions. The accounting information system

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according to Romney & Steinbart (2018) is a system that can collect, record, store, and process data to produce information for decision makers.

For companies engaged in the service sector, the problem that is often faced is how the companies can provide service output to customers according to requests and orders, with high service quality standards and fast and precise delivery times to meet customer satisfaction and other stakeholders. To meet the needs of stakeholders, the company must have an accurate and up-to-date information system. The right information system will produce correct and appropriate reports or financial information so that company leaders can make strategic decisions. Company leaders can evaluate sales of services, income, and costs incurred so that the company's operations can run as effectively and efficiently as possible.

Accounting and management information systems are necessary for organizational management, so their implementation is crucial and becomes a priority issue that needs to be followed up immediately. This is in accordance with the management accounting concept that managerial information has a decision-facilitating role and supports internal decision-making within the organization. With this role, the existence of a standard information system and concern on aspects of the format of information presentation, are very important. The format for presenting information is empirically tested to influence the quality of managerial decisions (Jatiningsih and Sholihin, 2011). Likewise, the type of information, for example, cost information, will determine the effectiveness of decisions (Jatiningsih and Sholihin, 2015), and the complexity of tasks in organizations that interact with the presentation of information will influence the quality of judgment, for example, judgment in terms of managerial estimation in organizations (Jatiningsih et al., 2017).

One of the service sector companies in the Special Region of Yogyakarta is a small business that is a form of commitment to develop new business units in the field of service provision, namely catering, security services, and management of company affiliate products. The small business company needs an appropriate plan related to managing order fulfillment, operational expenses, and administration of company invoices through an up-to-date accounting information system. By having the correct records, in addition to facilitating strategic decisions, at the operational and technical level, the accounting and administration department can find out how much the costs have been spent and can be used as a reference for budgeting.

This community service activity aims to assist in the implementation of the information systems and accounting procedures at small service business in Yogyakarta so that this service company can have guidelines in carrying out activities, accurate information bases for decision making, financial records and administration that supports the consistency of business processes, as well as a well-implemented internal control system. The design and implementation of this system are very important considering the problems identified at the small service business that there are no standard systems and procedures. Therefore, during the Covid-19 pandemic, there are currently no adequate internal guidelines and controls.

2 Methodology

The stages of implementing community service activities are as follows:
1. The initial survey was in the form of observations and discussions with partners regarding the business processes that occur in the company and operational and financial management as well as the recording and bookkeeping system practiced by partners.
2. Evaluation of operational and financial systems and procedures as well as their recording, bookkeeping, and reporting.
3. Evaluation of control activities and procedures in all partners' operational and financial activities.
4. Design of accounting information systems, operational, and financial systems and procedures for the small service business.
5. Internal control system design for the small service business.
7. Evaluation of the design of information systems and accounting procedures, internal control systems, and optimization of document archiving.

The form of partner involvement can be seen in the table below.

### Table 1. Partner Participation in Community Service Stages.

<table>
<thead>
<tr>
<th>No</th>
<th>Activity</th>
<th>Partner Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The initial survey took the form of observations and discussions with partners regarding business processes, operational and financial management, and recording and bookkeeping systems.</td>
<td>The director of the small service business as well as the finance and accounting staff provided the required information and provided data related to the current process.</td>
</tr>
<tr>
<td>2</td>
<td>Evaluation of operational and financial systems and procedures</td>
<td>The management of the small service business as well as the finance and accounting staff provided the required information about systems and procedures.</td>
</tr>
<tr>
<td>3</td>
<td>Design of accounting information systems, operational, and financial systems and procedures for small service business</td>
<td>The management of the small service business as well as operational and accounting-financial staff became discussion partners in the system design process.</td>
</tr>
<tr>
<td>4</td>
<td>Document archiving concept design</td>
<td>The management of the small service business as well as operational and accounting-financial staff became discussion partners in the system design process.</td>
</tr>
<tr>
<td>5</td>
<td>Evaluation of the implementation of information systems and accounting procedures, internal control systems, and document filing systems</td>
<td>The small service business director and all operational staff helped provide an assessment of whether the implemented system met the needs and was running well.</td>
</tr>
</tbody>
</table>

### 3 Results and Discussion

The small service business is located in Tegaltirto, Berbah, Sleman, Yogyakarta. The building includes 1 local workshop area and an office area.
Specifically, based on initial observations and discussions with the director of the small service business, several problems were identified as follows:
1. There is no standard procedure for operational and financial processes, including for example recording orders from customers systematically.
2. There are no payment verification procedures or other operational and financial control procedures.
3. The arrangement of physical document filing is not yet optimal, including the not optimal storage of digital archives of the company's physical documents.

The absence of standardized information systems and accounting procedures as well as problems such as the specific points mentioned above have resulted in not optimal planning, management and control at the small service business. Inconsistencies in the implementation of activities, administrative processes, financial recording, and reporting are suspected to have occurred in the company. Thus, in terms of control, weaknesses were identified that have the potential to reduce the level of efficiency and effectiveness of business at the organization.

To overcome these problems, the community service team proposed the activities implementation for the preparation of information systems and accounting procedures. Therefore, this activity can contribute positively to the small service business so that it can participate in stimulating and advancing the service industry, especially in the Yogyakarta Special Region area. With the implementation of an accounting information system and the preparation of standard accounting procedures, management has an accurate information basis for decision making, implementation of activities, financial and administrative records that support the small service business processes so that they can run consistently, and the internal control system can be applied properly.
Figure 2. Discussion Process for Creating a Flowchart and Summary Interview.

The results of the flowchart design of accounting systems and procedures for the small service business include:

1. Asset Purchase

![Flowchart](image1)

Figure 3. Asset Purchase Flowchart.

2. Afval purchase

![Flowchart](image2)

Figure 4. Afval Purchase Flowchart.
3. Afval Sales

![Afval Sales Flow Chart](image)

**Figure 5.** Afval Sales Flow Chart.

The description of science and technology that is implemented in this target partner is a series of systems consisting of:

1. **Accounting information system**
   
   It generates information by carrying out activities to collect, record, store, and process up to produce accounting data reports that can be used for users to make decisions both internal and external users.

2. **Internal control system**
   
   It maintains organizational assets, checks the accuracy and reliability of data, promotes efficiency, and encourages compliance with management policies.

3. **Analysis of financial information for partner leaders**

4. **Document filing system**
   
   It is used as a reference and source of data/information to leaders for decision-making and other needs.

### 4 Conclusion

The existence of accounting systems, operations, and control procedures will provide support to the company in providing service output to customers according to requests and orders, with high service quality standards and fast and precise delivery times to meet customer satisfaction and other stakeholders. Because meeting the various needs of these stakeholders, of course, cannot be separated from having an accurate and up-to-date information system. Information systems and well-designed accounting procedures can add value to the management of small service businesses by:

1. Improving quality and reducing operational costs for service procurement.
2. Increasing efficiency.
3. Increasing the effectiveness of its supply chain.
4. Improving the internal control structure.
5. Improving the quality of decision-making.

After the information system and accounting procedures, the internal control system and document filing system have been implemented and have gone through the initial evaluation
process. Then, in principle, it is feasible to be used by small service businesses on an ongoing basis. Even so, there may be risks of errors, and technical obstacles from the system and system users. Therefore, monitoring and communication of the companion team to partners will continue to be carried out. If it turns out there are errors, obstacles, or other technical matters, partners can contact the companion team for consultation or repair.

Acknowledgment. Thank you to LPM UMY because this community service activity is fully supported. Thank you also to the director and management of the small service business in Tegaltirto, Berbah, Sleman Yogyakarta who have become partners in this community service program.

References