

The Effect Of Accounting Information Systems On Quality Of Financial Statements (Case Study At Pt Nerounworks Indonesia)

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Abstract: This study aims to determine how the effect of accounting information systems on the quality of financial reports at PT. Neuronworks Indonesia. The research method used is descriptive associative method. The results showed that the accounting information system had an effect on the quality of financial reports at PT. Neuronworks Indonesia.

Keywords: Accounting Information Systems, Financial Statements

1. Introduction

A reliable information system is one way to improve employee performance because an accounting information system is designed to produce financial information that is used by its users in the process of making important decisions within a company or organization. The implementation of a reliable system must be supported by qualified human resources so that the system can run properly. The definition of an accounting information system is the organization of forms, records, and reports that are coordinated in such a way as to provide financial information needed by management to facilitate company management¹. The financial report is a structured presentation of the financial position and financial performance of an entity. Financial reports provide information about the financial position, financial performance and cash flows of an entity that is useful for report users in making economic decisions². Because financial reports are used as a guide in decision making, financial statements must have qualitative characteristics that can support the quality level of the value of the information contained in it. So that users of financial statements can make decisions effectively. The quality of financial reports shows the extent to which the financial statements presented show true and honest information. The quality of financial reports is useful as a basis for economic decision making for interested parties. The quality of financial reports with various measurements, generally used in investment decisions, compensation agreements and debt terms, contract decisions based on low quality financial statements will affect unwanted welfare transfers³. The issue of the quality of financial reports is currently being discussed because of the many cases of poor quality financial reports in companies and local governments in Indonesia. This is due to a lack of understanding of the Financial Accounting Standards in preparing these financial statements. In the preparation of Financial Accounting Standards (PSAK) No.1 of 2015⁴ concerning the presentation of financial statements, it describes a conceptual framework for financial reporting (Hussain et al., 2020; Afonso & Silva, 2019). Good financial reporting is financial reporting that meets the objectives of the reporter. A healthy company will have good quality financial reports without any irregularities. The quality of the financial statements can be said to be good, namely the information presented in the financial statements can be understood, and meets the needs of the user in making decisions, free from misleading notions, material errors and reliable, so that the financial statements can be compared with previous periods⁵. PT Neuronworks Indonesia (Neuron) is a company engaged in Information Technology. This company was founded in 2008 until now it continues to grow with a total number of employees of 75 people. The main product of this company is to provide solutions for other companies in designing and building information systems, with one of its biggest clients being PT. Telekomunikasi Indonesia, Tbk. Along with the development of the company, financial activities are increasing and becoming more complex, this has led to several problems including the frequent delivery of monthly financial reports to directors, limited human resources in the accounting department and the accounting information system used is still offline, namely using Microsoft Excel and has not been integrated so that makes it difficult for users to create financial reports quickly and efficiently. In 2018, the company's external audit found 32 recording errors, one of the findings was the recording error in 2018 revenue, the recognized income was greater so that the company's profits were large, hereby management has determined and announced the amount of dividends to directors and bonuses to employees, meanwhile, when the financial statement audit process found an error in recording the income account so that the company's actual profit was smaller than the previous profit. This makes management doubt the quality of the information contained in the company's financial statements. Based on the description above, the authors are

interested in conducting research with the title "The effect of accounting information systems on the quality of financial reports at PT Neuronworks Indonesia"

2. Literature review

As per Romney and Steinbart (2015: 10)⁶ bookkeeping data frameworks are frameworks used to gather, record, store and interaction information to deliver data for dynamic. This framework incorporates individuals, strategies, and programming information guidelines, data innovation foundation and inward control and safety efforts. The bookkeeping data framework can be an assortment (incorporation) of sub-frameworks/segments, both physical and non-physical, which are interconnected and work amicably with one another to cycle exchange information identifying with monetary issue into monetary information⁷. the fundamental capacity of the bookkeeping data framework is to help the everyday exercises of the organization, uphold the dynamic cycle and help with satisfying corporate administration responsibilities⁸. The components of a bookkeeping data framework as per Krismiadi (2015: 23-35)⁹ include: Functions performed by a bookkeeping data framework; archives for recording exchange information; Accounting records to record exchanges into the diary and post information from the diary to the record; Procedures are steps that are completed successively.; Reports are produced to give helpful data to dynamic by the board. Romney and Steinbart (2015: 11)¹⁰ express that the capacity of the bookkeeping data framework is to gather and store information about authoritative exercises, assets, and work force; changing over information into data so the executives can design, execute, control, and assess exercises, assets and faculty; give sufficient control to get resources and hierarchical informatio The segments of the bookkeeping data framework as per Azhar Susanto (2017: 207)¹¹ incorporate equipment, programming, people (brainware), data framework proprietors, data framework clients, strategies, information bases (data sets), correspondence organizations. As per the Indonesian Accounting Association (IAI) in PSAK No.1 of 2015¹² fiscal reports are records of an organization's monetary data in a bookkeeping period that can be utilized to portray the organization's presentation. The segments of the budget summaries comprise of: 1) Statement of Financial Position toward the End of the Period; 2) Statements of exhaustive pay during the time frame; 3) Report on changes in value during the time frame; 4) Cash stream articulation during the time frame; 5) Notes to budget reports, containing an outline of significant bookkeeping arrangements and other logical data. Kasmir (2015: 7)¹³ states that: Financial proclamations are reports that show the organization's present monetary condition or inside a specific period. The subjective attributes of fiscal summaries are regularizing measures that should be converted into bookkeeping data so it can meet its targets. The qualities of budget reports in the Statement of Financial Accounting Standards (IAI, 2015) No. 1¹⁴ are: 1) Understandable. Quality data is data that clients can without much of a stretch and promptly comprehend. It is expected that clients of data have satisfactory information on monetary and business exercises, bookkeeping, and an eagerness to examine data with sensible steadiness. Notwithstanding, the client's trouble in understanding certain data can't be blamed for excluding the data in the budget reports; 2) Relevant, data has an important quality in the event that it can impact the client's financial choices, that is, by methods for which it tends to be valuable for assessing past, present or future occasions, asserting or adjusting, the consequences of their assessment previously. Applicable data is helpful in estimating (prescient) and affirmation (corroborative), the two of which are identified with each other. Expectations of monetary position and future execution and these are regularly founded on data on monetary position and past execution; 3) Reliability, data has dependable quality in the event that it is liberated from misdirecting ideas, material blunders and can be depended upon by the client as a valid or fair portrayal (faithfull portrayal) of what it ought to be or can sensibly be required to be introduced Reliability is significant and can influence pertinence since, in such a case that its inclination and introduction are not solid then clients of the data can conceivably be deceiving; 4) Comparable. Clients should have the option to look at the organization's budget reports between periods to distinguish patterns in monetary position and execution. Clients should likewise have the option to contrast budget reports between organizations with assess monetary position, execution changes in monetary situation in relative terms. Hence, estimation and introduction of a similar exchange should be done reliably. Similarity doesn't infer consistency, in this way preventing clients of better bookkeeping guidelines. As indicated by the Financial Accounting Standards (2015)¹⁵, the goal of fiscal reports is to give data with respect to the monetary position, execution and changes in the monetary situation of an element that is valuable for an enormous number of clients in settling on monetary choices. Fahmi (2017: 23)¹⁶ states that financial statements are indispensable to measure business results and company development from time to time and to determine the extent to which the company has achieved its objectives. The Financial Accounting Standard Board (FASB) in Zaki Baridwan (2018)¹⁷ states that the main criteria for accounting information is that it must be useful for decision making. In order to be useful, the information must have two main characteristics, namely relevant and reliable (reliability). In order for the information to be relevant, there are three characteristics that must be fulfilled, namely having a predictive value, having a feedback value, and being punctual. Reliable information has three characteristics, which are auditable, neutral, and present what it should be. Besides the two main characteristics, relevant and trustworthy, accounting information also has two secondary and interactive characteristics, namely comparability and consistency. The nature of budget summaries can be supposed to be

acceptable if the data introduced in the fiscal reports is justifiable, and addresses the issues of the clients in deciding, is liberated from deluding ideas, material mistakes and is dependable, so the budget reports can measure up to past periods¹⁸. As indicated by IAI in PSAK No. 1 of 2015¹⁹ states that clients of monetary reports incorporate financial backers, representatives, loan specialists, providers and other business leasers, clients, governments and different establishments and people in general. The company's financial statements will show how much success the company has in carrying out its business activities. If the company's financial statements are of good quality, it can be said that business actors are successful in carrying out their business activities and have been able to minimize the risk of irregularities that can be committed by certain parties.

3. THEORITICAL FRAMEWORK

The implementation of a good accounting information system needs to be supported by every element of the company in carrying out company activities. With an accounting information system, all the company's transaction activities are recorded, processed and distributed quickly and accurately for those who need it. The usage of a satisfactory bookkeeping data framework can likewise support to deliver quality monetary reports that can be depended on for dynamic. In view of the depiction above and the connection between the bookkeeping data framework and the nature of fiscal summaries, the system utilized in this examination is as per the following:



4. Research methodology

The exploration technique utilized is graphic and cooperative strategies. Expressive strategy is utilized to decide the utilization of bookkeeping data frameworks and the nature of monetary reports at PT. Neuronworks Indonesia. Acquainted strategy is utilized to decide the impact of bookkeeping data frameworks on the nature of monetary reports at PT. Neuronworks Indonesia. The contextual investigation approach was utilized in light of the fact that this exploration was led for one organization as it were. The kind of information utilized is essential information, with the strategy for gathering information through a survey. The logical technique utilized is expressive investigation, straightforward direct relapse examination, the coefficient of assurance and theory t test.

5. Data analysis

Based on the calculation, the t value is 5.855. This value means that $t_{count} > t_{table}$ is $5.855 > 2.048$ and seen from the significance value of $0.000 < 0.005$ at a 5% error level, it can be concluded that the accounting information system has a significant effect on the quality of financial statements.

6. Conclusion

The results showed that the accounting information system had an effect on the quality of financial reports.

7. Suggestion

The company is expected to recruit employees and improve the performance of existing employees so that the resulting financial reports can be completed on time and the information generated in these financial reports can be used efficiently by management, as well as make improvements to internal control procedures so that the resulting financial reports are of higher quality and error free.

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