



Analysis of implementation : the payroll accounting system and employee wages

Yuliana Resca¹, Agus Munandar²

^{1,2}Universitas Esa Unggul

¹agus.munandar@esaunggul.ac.id , ²agusmunandar@gmail.com

Article Info

Article History

Accepted 17 Mei 2022

Approved 20 Mei 2022

Published 25 Mei 2022

Keywords :

Accounting information systems; Internal control; Payroll; Effectiveness; Wages

ABSTRACT

The accounting system, especially the payroll accounting system, and employee wages will assist the company in managing the payment of wages and salary, thereby preventing fraud. Internal control will be influenced by a solid accounting system. The goal of this research is to determine *the company's internal control effectiveness* by examining how well payroll accounting information systems are applied. The research method used is a literature study. In the organizational structure, there is a lack of task separation and division. The authorization system and recording procedures and healthy practices have not been implemented properly. In conclusion, internal control aspects in the payroll and salary accounting systems have not been fully fulfilled in several companies.



©2022 Writer. Published by Accounting Study Program, Institut Koperasi Indonesia. This is an open access article under license CC BY (<https://creativecommons.org/licenses/by/4.0/>)

INTRODUCTION

The accounting system, especially the payroll accounting system, and employee wages will assist the company in managing the payment of wages and salary, thereby preventing fraud and abuse. Internal control will be influenced by a solid accounting system (Bagus et al., 2015). Salary and wages are important and sensitive elements in the company. Therefore, in the management of salaries and wages, the company requires proper, regular, and effective handling by all related departments. In order for the handling carried out by each related section to run smoothly, the company needs a payroll and wage accounting information system (Langi et al., 2019).

Every company has resources such as natural, capital, and human resources that can be used to achieve company goals. Source Human resources are one of the important factors that must be owned by every company. Resource participation of humans as the main support in driving the organization really supports the achievement of company goals. To improve the performance of human resources as a form of the achievement of company goals, the company needs to provide appropriate remuneration. Providing remuneration in the form of salary payments to company employees must be carried out systematically and, hopefully, there will be no errors in the procedure of payroll. So the company really needs a good system. It will make it easier for a company to process payroll precisely and efficiently (Pramesti & Trijayanti, 2019).

According to Mulyadi (2001: 373) Salaries are generally payments Salaries are paid on a monthly basis for services provided by individuals in managerial roles. Basically the payroll system is given to company employees who are permanent. So these employees work continuously and do work in accordance with the scope and authority given to them.

This system is designed to produce useful financial information for external and internal parties of the company. The accounting system is a collection of forms, documents, and reports arranged in a logical manner such a way that they supply management with the financial data they require to run the business (Mulyadi, 2001: 2).

Along with the expansion of the company's activities, the management is required to be able to work more effectively and efficiently in carrying out the company's activities. With the increase in the company's activities, it will automatically cause the company's control to become wider, and with this wider scope, it will give rise to seeds that can be used to commit fraud, so that it can cause leakage, inefficiency, and disobedience to the procedures set by the company (Langi et al., 2019).

Various aspects that influence the readiness of the business world facing the competition are the human factor, or human resources and systems used in carrying out operations. HR or workforce,

which will later become one of the achievement factors for profit in the company, should be the main focus of the company. Therefore, in the payment of salaries and wages of employees, cost control is needed, which the company should pay attention to on a regular basis. Management is the level that will be responsible for controlling those costs (Ariesti Vinastri et al., 2019)

One of them is the payroll system, which is very important in carrying out the company's operating activities, which in this case involves two parties who have an interest in managing company activities, namely the management and individual employees. other costs and expenses. Salary expenditure is also one of the elements that can easily become targets of fraud and embezzlement by using various methods, for example, increasing cash disbursements by making fictitious receipts and so on (Langi et al., 2019).

The issue of payroll becomes very important because the inappropriate allocation of labor costs will affect the calculation of a company's net profit. Careful and ineffective handling of employee salaries can cause unrest in the workforce, which will ultimately affect the smooth operation of the company (counterproductive). In this regard, a company is required to have a good salary and wage system policy. The system used must be good and appropriate, because the salary is a component that is routinely given in running a business and is very important because it is related to employee motivation. This is what causes salary to be the dominant cost. To facilitate the administration, we need an accounting system for payroll and employee wages (Nitiya Widyasari, 2012).

According to Mulyadi (2016: 373) in Amirah Yayang Intishar & Muanas (2018), payroll accounting information systems are functions, documents, records, and internal control systems that are used for the purpose of costing products and providing information for controlling labor costs.

According to Mulyadi (2008:373) in Ahmad Faishol (2017), payments to employees are usually divided into two groups: Salaries are usually remuneration for the provision of services by employees who are paid on a regular monthly basis, while wages are usually remuneration for the provision of services by executive employees (workers) who are paid on the basis of workdays, working hours, or the number of delivered product units for employees who are responsible for producing great products.

Basically, the company must also have a payroll accounting information system that is clearly integrated and structured. If not, the impact resulting from a poor payroll accounting information system can cause a decrease in employee confidence in the company. Then, the impact of decreasing employee confidence in the company can cause a decrease in the effectiveness of employee performance in a company. Furthermore, a robust payroll accounting data system will encourage employees to work effectively in accordance with the goals set by the company, so the company's performance will run optimally. However, if a company's payroll accounting information system is ineffective, it will cause employees to feel disadvantaged. Thus, employee performance is not effective and the company's performance is not running optimally. As a result, a company's payroll accounting information system is one of the most crucial components in regulating matters relating to employee salaries (Ridlo Akbar, 2021).

Therefore, using an integrated or computerized information system can be a solution to these problems. A solid accounting information system is one that belongs to the company, hence it is important for a company or institution to have one, the decisions taken are more accurate or in line with the target. In this case the company must have a clear and structured information system, accounting information systems can add value to an organization or company because when an organization or company can design an accounting information system properly it can produce optimal value for the organization or company. Indirectly, the increase in profits generated by the company comes from the running of the accounting information system properly and effectively (Ridlo Akbar, 2021).

Mulyadi (2014:385) The payroll accounting information system and employee wages consist of several network procedures as follows: Procedures for recording attendance, procedures for recording working time, procedures for making lists of salaries and wages, procedures for distributing salaries and wages, and procedures for paying salaries and wages. Mulyadi (2008:374) Documents used in the payroll system are receipts for salary changes, attendance cards, time cards, payroll records, payslips, payroll letters, payroll envelopes, and proof of cash out. Mulyadi (2014:382) states that the related functions in the payroll system are the HR function, accounting function, time recording function, and financial function.

Internal control is a policy and procedure that helps protect company assets from being misused. It checks the accuracy and reliability of accounting and ensures that applicable regulations are properly complied with. Being able to create internal control is inseparable from the company's accounting system (Richi Wuaya Jermias, 2016). Mulyadi (2008:386) For the payroll accounting system to work properly, it is important to have effective internal control in place. The structure of the organization, the permission system, the recording methods, and healthy practices are important aspects of maintaining a quality employee. The goal of this research is to determine the company's internal control effectiveness *by* examining how well payroll accounting information systems are applied *and* used to monitor and control employee benefits.

METHODS

A literature review was performed as the research method. The data collected from several sources is relevant to the problem and the research objectives. This research's data analysis technique is based on relevant theories. Following the examination, it is clear that the case study's conclusions are in accordance with applicable theories. The following are the procedures for data analysis: First, gather case studies (prior research) relevant to the current study, secondly, obtain the required data through a classification method, thirdly, make comparisons and analyze the literature review based on theories used, and fourth, summarize the findings and make recommendations based on them.

RESULTS AND DISCUSSION

Analysis of Accounting Information Systems for Payrolls and Wages at PT Batik Arjuna Cemerlang Sukoharjo

This study was carried out by a group of researchers (Christina Kurnia Agatha and Mulyadi, 2018). The results of this research are the system at PT Batik Arjuna Cemerlang Sukoharjo has a clear organizational structure, a clear line of authority and responsibility, as well as a separation of duties to meet the requirements for good supervision, has a clear system of company regulations, and has provided work direction to employees, motivation and job training, and provides a salary that is determined by work so that it can affect the effectiveness of the employee's work and the progress of the company, already has a flowchart or payroll system flowchart, so that the salary can be seen in the turnover system. However, there are several parts of the system that have not been implemented, namely the finance department's procedures for creating payroll and wage lists, as well as procedures for paying salaries and wages, which still have multiple tasks that should be carried out by the cashier when paying employee salaries, and manual systems (attendance and salary) that are not yet computerized.

Analysis of Payroll Accounting Information Systems in the Context of Effective Company Internal Control (Case Study at PT Popular Sarana Medika Surabaya)

This study was carried out by a group of researchers (Yenni Vera Fibriyanti, 2017). The results of this research are documents for payroll at PT Popular Sarana Medika is which are good enough by the existing theory. The company utilizes information technology so that payroll processing is computerized. The payroll accounting information system has been implemented by PT Popular Sarana Medika is good on the existing theory. It has been equipped with an adequate internal control system because it fulfills the elements of internal control. However, the procedure for recording employee attendance times still has weaknesses, namely the supervision of filling out the employee attendance list and the recapitulation of the employee attendance list is still carried out by the accounting department. The related functions in the accounting information system for payroll at PT Popular Sarana Medika is not good and not by theory because the accounting department still doubles as an attendance recorder and salary list maker, and also carries out employee salary payments.

Analysis of Salaries and Wages Accounting Information Systems at PT Bank Sinarmas Tbk Manado

This study was carried out by a group of researchers (Richi Wuaya Jermias, 2016). The findings of this study PT Bank Sinarmas' payroll accounting system was found to be effective. PT Bank Sinarmas has a robust internal control system in place, which has resulted in enhanced

managerial performance. With the use of a computerized payroll accounting information system, employers can more easily keep track of employee pay and expenses.

Based on the implementation of employee payroll procedures at PT Bank Sinarmas, it can be seen that in the implementation of salary payments, which is said to be in accordance with existing procedures and systems, the functions related to payroll procedures have separated their respective responsibilities and duties. Payment of employee salaries at PT Bank Sinarmas is not made in the form of cash that is given directly to employees, but salaries are paid by the finance department and operations division with entry into each employee's account. Recording of the attendance of all employees at PT Bank Sinarmas is done using the software. This recording includes the day, date, time of arrival, time of return, and minutes of work. This attendance recording function is separate from the payroll register function. Based on the recap of the employee salary structure from the manager of each branch office, the finance department issues employee salaries, fills out checks for payment of salaries, and the operations division performs entry into each employee's savings account.

Analysis of the Implementation of Payroll Accounting Information Systems in Supporting the Effectiveness of Payroll Internal Control PT Dwi Prima Rezeky

This study was carried out by a group of researchers (Amirah Yayang Intishar & Muanas, 2018). The results of this research are functions related to the payroll system at PT Dwi Prima Rezeky have all carried out their duties well, but some sections are still concurrently carrying out the duties of the finance department, namely as a salary list maker as well as salary payments. Documents and accounting records used in the payroll system at PT Dwi Prima Rezeky are good enough such as attendance lists, payroll, payroll reports, salary slips, salary payment reports, journals, and ledgers. All of these documents have been programmed into the computer, to minimize errors in salary payments. The time recording system is good using a fingerprint machine, there is no special supervision in the attendance section because attendance uses fingerprints employees will not cheat in doing attendance unless the machine is in error. Implementation of internal control payroll at PT Dwi Prima Rezeky seen from the authority and payroll procedures at this company are good, but the payroll is not rechecked and the accounting department has not authorized it.

Application of Payroll Accounting Information System in Supporting the Effectiveness of Internal Control of PT Omni Electrindo

This study was carried out by a group of researchers (Indrasti & Sulistyawati, 2021). The findings of this study are in the accounting information system for payroll procedures at PT Omni Electrindo are quite good, the procedures carried out are by the existing theory, the main documents for calculating salaries have been fulfilled, but supporting documents for calculating salaries they have not been fulfilled such as not there are employee salary slips and no official letter regarding salary changes is made. Internal control in PT Omni Electrindo is still less effective. Several functions are concurrently in one section, such as the payroll calculator function and the financial function performed by the General Manager. Until there had been a calculation error because there was no other part that verified the truth and accuracy of the calculation. There is a lack of control in the attendance and operations functions because these two functions are carried out by HRD staff. Proof of cash outflow is not authorized by the accounting function, because there is no official proof of cash outflow, only limited to General Manager notifying the cashier of the total salary payment for the relevant month.

Analysis of the Effectiveness of Accounting Information Systems CV Gunung Dono Putra

This study was carried out by a group of researchers (Ahmad Faishol, 2017). The results of this research are CV Gunung Dono Putra has shown the division of duties and responsibilities between each section within the company, the granting of authority and recording procedures as well as adequate documents to support the implementation of every procedure covered by internal control, transactions that occur are always authorized by authorized departments. However, the division of tasks here is still not entirely good, there is no accounting function in the company that is responsible for recording obligations that arise in connection with the payment of employee salaries. the occurrence of irregularities and fraud that records attendance manually, due to the absence of

supervision of recording attendance hours and the data stored in company documents does not have a special program, in its management using data manually.

Analysis of Payroll and Wage Accounting Information Systems (Case Study at PT Pratama Abadi Industri JX)

This study was carried out by a group of researchers (Mursidah et al., 2020). The results of this research are functions and parts of the payroll and remuneration system that are carried out separately by different departments. The payroll and remuneration system's documentation is accurate. This company does not use salary envelopes because the process of paying salaries and wages, is done by transferring salaries and wages to the account of each employee. The implementation of procedures in the payroll and compensation system is done well, as evidenced by various appropriate and sequential payroll and remuneration procedures. The payroll and remuneration processes have adequate internal control, various operations, particularly in payroll, are carried out by multiple sections, starting from the process of employee attendance data obtained from the fingerprint and has been verified by the personnel admin in the field, then started to be carried out calculation of salaries and wages by the payroll and generate a recap of the list of salaries and wages.

Payroll Accounting Informastion System Analysis (Case Study at KSU Bhakti Mulya Blitar City)

This study was carried out by a group of researchers (Wiwit Nur Setiyowati, 2016). Functions related to the payroll of KSU Bhakti Mulya studied from the theory of proprietary payroll accounting systems (Mulyadi, 2010: 368) value researchers have been effective and run in accordance with the existing system determined. The flow chart in the payroll system of KSU Bhakti Mulya is used by researchers in studying employee salary receipts, seeing this the researchers assess the chart flow is in according to the payroll accounting system's philosophy. Authorization systems and record keeping procedures are used in KSU Bhakti Mulya, the authority and registration procedures must be separated to make it easier to check by the cooperative in the event of an error in paying salaries. Evaluation of sound accounting practices divides the implementation of employee payroll according to with a valid and effective system because it is studied from theory this is appropriate.

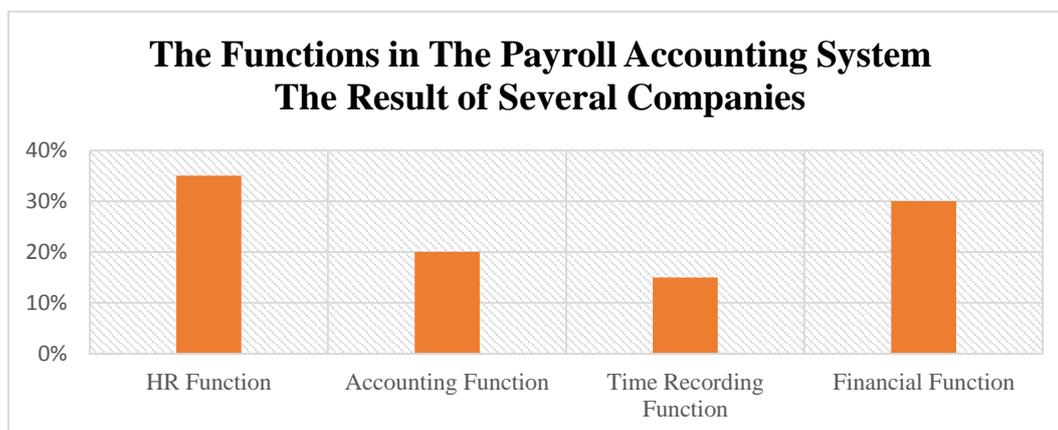
Payroll Accounting Information System Analysis to Improve The Effectiveness of PT Gamma Utama Sejati's Internal Control

A group of researchers conducted this investigation. Internal control on the payroll system was implemented efficiently in compliance with PT Gamma Utama Sejati's guidelines. operational standards. The implementation is also consistent with existing theories. Researchers discovered developments and alterations in the study, including the no longer used salary envelopes. The present hypothesis has evolved as a result of the change in how salaries are paid and deposited to each employee's account. Employees, on the other hand, still have records in the form of salary slips, which specify each employee's pay. Then comes the second stage in the evolution of the existing hypothesis. The entry of attendance cards, which must be supervised by one party, is another aspect of internal control that has been disregarded.

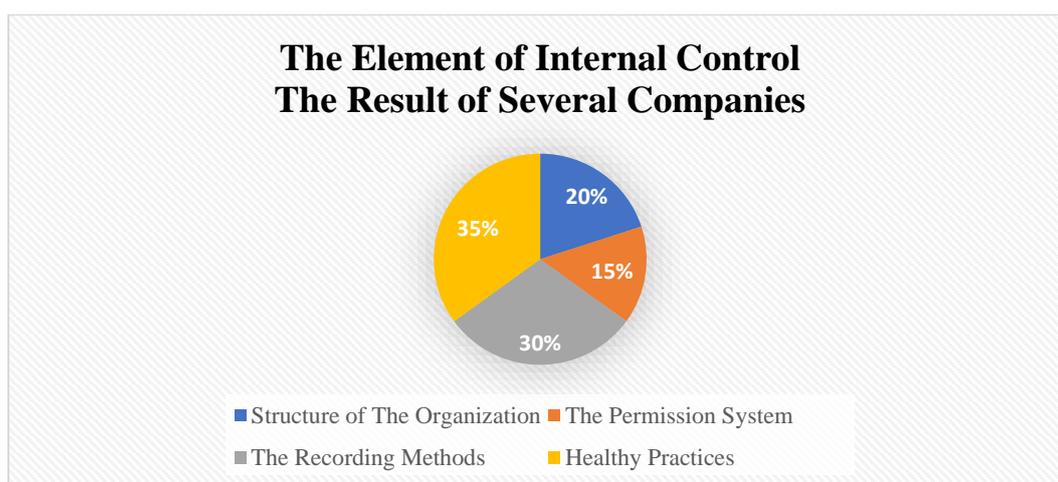
Analysis of Employee Payroll Accounting Information Systems at PT Arema Indonesia

This study was carried out by a group of researchers (Hidayati & Sulisty, 2016). The Present Hour Card must be compared with the work hour card before the latter card is used as the basis for the distribution of direct labor costs. Based on the research results that PT Arema Indonesia before making a payroll, the payroll register function first compares the hour data listed on the attendance card with the data listed on the working hour card. The attendance card records the number of hours each employee is in the company, while the work hour card details the use of each employee's attendance hours. In other words, the working hour card is used to account for the use of employee attendance. This working hour card is the basis for distributing direct labor costs to orders that use direct labor. To check the accuracy of the data listed on the working hour card, the payroll and wage register function must compare the hour data listed on the attendance card with the data listed on the working hour card. Based on the study results that PT Arema Indonesia attendance records still use manual recording. With manual recording, the possibility of fraud or manipulation is even greater.

Thus PT Arema Indonesia needs to replace the attendance system which is still manual with fingerprint absence, to ensure the reliability of attendance data recorded on the attendance card, monitoring must be carried out on the entry of the attendance card into the timekeeping machine. The preparation of the list of salaries and wages must be verified by the truth and accuracy of the calculations by the financial accounting function before payments are made. Based on the results of research at PT Arema Indonesia's financial function has verified the correctness and accuracy of salary calculations before making evidence of cash outflows. This needs to be maintained because then the evidence of cash outflows made on the basis of supporting documents can be guaranteed reliability.



Picture 1 the Functions in the Payroll Accounting System the Result of Several Companies



Picture 2 the Element of Internal Control the Result of Several Companies

CONCLUSION

According to the findings of the study and discussion, the researchers concluded that internal control aspects in the payroll and salary accounting systems have not been fully fulfilled in several companies. This is reflected in the organizational structure. There is a lack of task separation and division, such as the payroll function, which should be separate from the function of paying salaries and wages. Many of the employees of several companies still serve as timekeepers, and payroll makers, which means they also make payments for employee salaries. The attendance function must be separated from the operational function. Some companies supervise the filling of the employee attendance list, and the recapitulation of the employee attendance list is carried out by the accounting department. The authorization system and recording procedures that have not been implemented properly are that there is no official for the payment of salaries and wages and that it is not authorized by the accounting function.

Healthy practices have also not been met, such as payroll registers not being rechecked and not being authorized by the accounting department, there is no other division that verifies the correctness and accuracy of calculations, due to the absence of monitoring of attendance hours and the

data being stored in company documents does not have a special program, it is easy to cause irregularities and fraud to record attendance manually.

REFERENCES

- Ahmad Faishol. (2017). Analisis efektifitas sistem informasi akuntansi. *Jurnal Penelitian Ekonomi Dan Akuntansi*.
- Amirah Yayang Intishar & Muanas. (2018). Analisis penerapan sistem informasi akuntansi penggajian dalam menunjang efektifitas pengendalian internal penggajian. *Jurnal Ilmiah Akuntansi Kesatuan*, 6(2).
- Ariesti Vinastri, M., Morasa, J., Pangerapan, S., Akuntansi, J., Ekonomi dan Bisnis, F., Sam Ratulangi, U., & Kampus Bahu, J. (2019). Analisis efektifitas sistem informasi akuntansi penggajian karyawan pada PT Kerismas Witikco Makmur Factory Bitung. *Jurnal Riset Akuntansi Going Concern*, 14(1), 181–186.
- Bagus, R., Mochammad, H., & Zahroh, S. (2015). Analisis sistem akuntansi penggajian dan pengupahan untuk menunjang pengendalian intern perusahaan (Studi pada PG. Kreet Baru Bululawang-Malang). *Jurnal Administrasi Bisnis (JAB)/Vol*, 27(1).
- Christina Kurnia Agatha, M. (2018). Analisis sistem informasi akuntansi atas penggajian dan pengupahan pada PT Batik Arjuna Cemerlang Sukoharjo. *Jurnal ADVANCE*.
- Hidayati, N., & Sulisty, D. (2016). Analisis sistem informasi akuntansi penggajian karyawan pada PT Arema Indonesia. *Journal Riset Mahasiswa Akuntansi (JRMA)*.
<http://ejournal.ukanjuruhan.ac.id>
- Indrasti, D. M., & Sulistyawati, A. I. (2021). Penerapan sistem informasi akuntansi penggajian dalam menunjang efektifitas pengendalian internal. *Jurnal Ilmiah Bidang Ilmu Ekonomi*, 19(2), 65–79.
- Langi, B., E Saerang, D. P., & T Gerungai, N. Y. (2019). Analisis sistem informasi akuntansi penggajian dan pengupahan dalam upaya pengendalian internal pada PT Gemilang Emas Indonesia. *Jurnal Riset Akuntansi Going Concern*, 14(1), 148–153.
- Mulyadi. (2008). *Accounting Information Systems*. Yogyakarta : Salemba Empat.
- Mursidah, A. A., Akuntansi, S., Ekonomi, F., Sukabumi, U. M., Nugroho, G. W., & Eriswanto, E. (2020). Analisis sistem informasi akuntansi penggajian dan pengupahan (Studi kasus pada PT. Pratama Abadi Industri JX). *Seminar Nasional Manajemen, Ekonomi Dan Akuntansi*.
- Natalia, B. (2020). Analisa sistem informasi akuntansi penggajian untuk meningkatkan efektifitas pengendalian internal PT Gamma Utama Sejati. *Prosiding Biema Business Management, Economic, and Accounting National Seminar*, 1, 171–178.
- Nitiya Widayari. (2012). *Analisis efektifitas sistem informasi akuntansi penggajian karyawan pada RSUD Kota Semarang*.
- Pramesti, W., & Trijayanti, D. (2019). Analisis sistem informasi akuntansi penggajian pada CV ABC di Jawa Tengah. *Journal of Accounting Science*, 3(2), 73–78.
<https://doi.org/10.21070/jas.v3i2.2768>
- Richi Wuaya Jermias Fakultas Ekonomi dan Bisnis, R., & Akuntansi Universitas Sam Ratulangi Manado, J. (2016). Analisa sistem informasi akuntansi gaji dan upah pada Bank Sinarmas Tbk, Manado. *Jurnal EMBA*, 814(2), 814–827.
- Ridlo Akbar, M. (2021). *Analisis sistem informasi akuntansi penggajian pada PT Patra Mitra Trivestama*.
- Wiwit Nur Setiyowati. (2016). *Analisis sistem informasi akuntansi penggajian (Studi kasus pada KSU Bhakti Mulya Kota Blitar)*.
- Yenni Vera Fibriyanti. (2017). Analisis sistem informasi akuntansi penggajian dalam rangka efektifitas pengendalian internal perusahaan (Studi kasus pada PT Populer Sarana Medika Surabaya). *Jurnal Penelitian Ekonomi Dan Akuntansi*.