

Analysis of Inventory Accounting Information System at PT. Namasindo Plas Medan

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Abstract

The application of an accounting information system on inventory will provide many benefits for the company and management in running their business. Inventory has an important role, namely as a physical economic resource that needs to be held and maintained to support the sales process. This study aims to determine the inventory accounting information system at PT Namasindo Plas Medan. The method used is descriptive qualitative. The results show that the administrative system has been changed from a manual system to a computerized system that produces output that is useful for each user of the information. This is evidenced by the fact that all the components needed to support a valid system are owned by PT Namasindo Plas Medan and there are elements of internal control.

Keywords

accounting information system; inventory



I. Introduction

Accounting today is an important part of daily human activities. And in practice, both individuals and business institutions or companies always need financial information so that an entity can explain its financial position very clearly so that planning can be done properly. And detailed financial information can be obtained through the final process of Accounting. In general, financial reports are used by large and small-scale companies to find out the development and continuity of the company's business going forward. Financial statements are the final result of the process of recording, merging, summarizing all transactions carried out by the company with all parties related to its business activities as well as important events that occur within the company.

Inventory is one of the most important components of Profit and Loss (trading) account as well as current asset of Balance Sheet. Handling inventory can define the success and failure of the enterprises. Inventory is two ways sword excess piled inventory block the financial blood of the organization and raise the carrying cost of the inventory whereas minimal stock may hamper the production process due to paucity of raw material and it may force to procure costly raw material in case of crisis. Therefore, it is very important to have effective inventory accounting system and optimum level of inventory. Small business, it may be likely to compute inventory on finger on regular basis to keep control of it. In actual fact, if projects based on order supplies, there may be slight unceasingly in inventory. But, for bigger business houses, it is essential to have more supplies and products in hand, and will have to put on different stratagem to grip this accountability.

When enterprises grasp this extent, it is essential to ponder not only the physical procedure of determining stock, but also the inventory accounting practice for following these vital commercial assets. To present true and fair financial statements, apposite accounting for inventory is vital since it is very important part of Profit and Loss (trading) account as well as current asset of Balance Sheet.

Accounting provides information for use by managers in carrying out company operations. Accounting also provides information for other interested parties in assessing the performance and economic condition of the company. The development of information needs has encouraged the development of accounting as an information system, this change is closely related to the application of data processing technology that is more efficient and can process more information. Information becomes very important in an organization, a system that is lacking in obtaining information will cause the system to collapse, shrink and eventually stop. Therefore, in order for the system to continue running, the system must still obtain sufficient and useful information.

The development of computer technology greatly affects changes in the way accounting works in processing transactions into information, information systems based on computers are known as Accounting Information Systems. In a trading company, inventory only consists of one group, namely inventory of goods which are goods produced with the aim of being resold.

PT Namasindo Plas Medan is one of the National Plastics manufacturing companies that produces mineral water packaging, producing plastic for the bottling industry. The type of inventory of PT Namasindo Plas Medan is merchandise inventory which is inventory used by a company (Gallon, 600ml and 1500ml PET Bottles, Round Cups, Bottle Caps, and Gallon Caps). Most of the company's wealth is embedded in inventory, both finished goods inventory and raw material inventory. Inventory is a vital element in supporting the smooth running of sales which is very vulnerable from the possibility of accumulation or shortage of goods in the warehouse, damage, and loss as a result of theft, whether carried out by outside parties or by employees of the company itself.

II. Review of Literature

2.1 Accounting and Its Role in Business

Accounting is the process of recording, classifying, summarizing and presenting in certain ways regarding the financial transactions of companies or other business entities and the interpretation of the results of their activities (Soemarso, 2009: 90). Accounting according to the American Accounting Association (AAA) is the process of identifying, recognizing, measuring, and reporting economic information to enable clear and firm judgments and decisions for those who use the information (Sadeli, 2014: 2). It can be concluded that accounting is a process of recording, classifying, summarizing and reporting of transaction activities.

2.2 Company

Accounting produces information and is a series of efforts and procedures to produce information in the form of reports that will be used by external parties and internal parties of the company. Accounting provides information for stakeholders using accounting reports as the main source of accounting information, although not the only one for making decisions.

2.3 Accounting information system

The growing need for information has encouraged the development of accounting as an information system, this development has resulted in changes to several terms and techniques used. If previously the processing of accounting data was called an accounting system, now it is relevant as an accounting information system. An accounting information system is a collection of resources, such as people and equipment, designed to convert financial and other data into information. In the Statement of Financial Accounting Concept

No. 2, Financial Accounting Standards Board defines accounting as an information system. The Accounting Education Change Commission recommends that the accounting curriculum should emphasize that accounting is a process of identifying, developing, measuring, and communicating information.

Use of information in decision making, The nature, design, use, and implementation of accounting information systems, financial information reporting.

2.4 Accounting Information System Components

Bodnar and Hopwood state (2012: 1) an accounting information system is a collection of resources, such as people and equipment, designed to convert financial data and other data into information. Pasome (2013) conducted a study entitled Evaluation of the Implementation of the Internal Control System for Cash Receipts at Gunung Maria Hospital in Tomohon. The aim of the researcher is to evaluate the implementation of the internal control system for cash receipts at Gunung Maria Hospital Tomohon. The results showed that the internal control system for cash receipts at Gunung Maria Hospital was adequate in accordance with the elements of the internal control system. Sambuaga (2013) conducted a study entitled Evaluation of Inventory Accounting at PT. The Success of the Manado Commerce Era. The purpose of the researcher is to evaluate the application of inventory accounting at PT. The success of the Manado Commerce Era if it is in accordance with PSAK No. 14 supplies. The results of the research from the application of inventory accounting are in accordance with PSAK 14 regarding inventories.

III. Research Method

In this study the type of data to be collected to answer the problem is to use qualitative data, in the form of information in the form of descriptions of words and not measured on a numerical scale in the form of data.

This research was conducted at PT Namasindo Plas Medan at Jalan Kompos No.87. This research was conducted in November – December 2021 which aims to obtain the necessary data.

IV. Discussion

4.1 Overview of PT Namasindo Plas Medan

PT. Namasindo Plas is a national company engaged in the production of polycarbonate (PC) for drinking water packaging which has been established since 2001 and continues to grow rapidly until now. PT Namasindo Plas was founded in Bandung in 2001 as a successor to its sister company PT Artha Kartika Putra or Serba Guna Plastic, which has a factory that has been running since 1984 and opened a branch in Medan. Precisely on Jalan Bangun Mulia No.87.

4.2. Vision and Mission

The vision of PT Namasindo Plas Medan is to become the Best Integrated Plastic Company in Indonesia and the Mission of PT Namasindo Plas is Sustainable Growth Through Corporate Values And To Be The Best In The Eyes Of Stakeholders With Values That We Have Are Integrity, Customer Focus, Continuous Improvement, and Work team.

4.3 Inventory Research Results

Delivery of products to customers is done every day. The basis of valuation used by PT Namasindo Plas Medan in valuing inventories is historical cost, where the acquisition price has been determined previously from the head office by taking into account production costs. For manufacturing companies, inventory costs include holding costs, ordering/purchasing costs, setup costs, and stockout/shortage costs.

4.4 Inventory Recording and Valuation Method

Inventories for manufacturing companies are goods or materials purchased by companies with the aim of being further processed into finished or semi-finished goods or may be raw materials for other companies, this depends on the type and main business process of the company.

The inventory recording method used by PT Namasindo Plas Medan uses perpetual inventory recording. To determine the amount of goods that are still controlled by the company at one time can be determined in several ways, namely:

1. Stock opname: calculation of goods at the beginning and end of the calculated period, this method is a provision that must be carried out by management to determine the amount of ending inventory, as one of the requirements for obtaining an unqualified opinion.
2. Using the perpetual recording method.

Profit and loss assessment which will have an impact on future management decisions for business continuity and as part of control to see product availability. The inventory valuation method used by PT Namasindo Plas Medan is using the FIFO method, in which the cost of the inventory that was purchased the first time will be used as the cost of goods sold. The use of the FIFO method is to assess the cost of goods sold in the final stock of finished goods inventory that will be sold as the purchase price by consumers, and this is also in accordance with the Statement of Financial Accounting Standards that the first goods entered will be issued first so that the inventory left in the warehouse As ending inventory is inventory that comes in later. The application of inventory accounting for PT Namasindo Plas Medan is in accordance with the Statement of Accounting Standards No. 14 regarding supplies. The inventory valuation method used is the FIFO method.

4.5 Goods Delivery Procedure

1. PPIC staff
Responsible for making / Controlling production plans according to Sales orders made by Marketing in the online system.
2. Marketing Staff
Responsible for the implementation of order realization and follow the progress of orders starting from the decline in PO to delivery time.
3. Finished Goods Warehouse Staff (GBJ)
Responsible for controlling/implementing shipments in accordance with the delivery order information made by the Marketing Dept.

4.6. Order Handling Process Procedure

1. The Marketing Department receives orders from Customers in the form of Purchase Orders either Via Fax or Via Phone.
2. PO that goes to the Dept. Marketing comes from AQUA and Free Market. For Free Market orders that are not accompanied by a PO, Marketing makes a KO (Order Confirmation) which is sent to the customer for approval. If the customer does not return the KO for 3 days, it is considered that the customer has agreed to the KO.

3. All incoming POs, marketing create SO in Oracle System.
4. The Marketing Department checks accounts receivable. If there are customers who have exceeded the receivable limit, then marketing asks the General Manager for approval regarding the follow-up to the order. If the order is approved by the General Manager, then marketing makes an SO.
5. The Marketing Department checks the stock in the finished goods warehouse regarding the availability of the stock of goods to be sent to the customer whether the stock is available or not, if the goods are available then marketing will book the finished goods at GBJ on the Oracle system. If the stock of goods is not available at GBJ, then Marketing will inform the PPIC Department to make a production plan. Information regarding stock availability can be viewed by PPIC, Finished Goods Warehouse, and Logistics from the Oracle system, namely by looking at Sales Orders. PPIC receives information regarding unavailability of goods based on Sales Order (by System Oracle) and Forecast made by the Marketing Department at the beginning of each month. Dept. Marketing has the authority to print production.
6. The Marketing Department checks the credit limit to the Dept. Accounting for customer payments. If it is released, then marketing will lower the order for delivery of the goods and, if not, the shipment will be held and confirmed to the customer to make payment. If the customer has already made a payment, then marketing will lower the order for delivery of goods through the daily schedule (NSPM-IR-MKT/01-05). Then the GBJ Department carried out the process of sending goods.

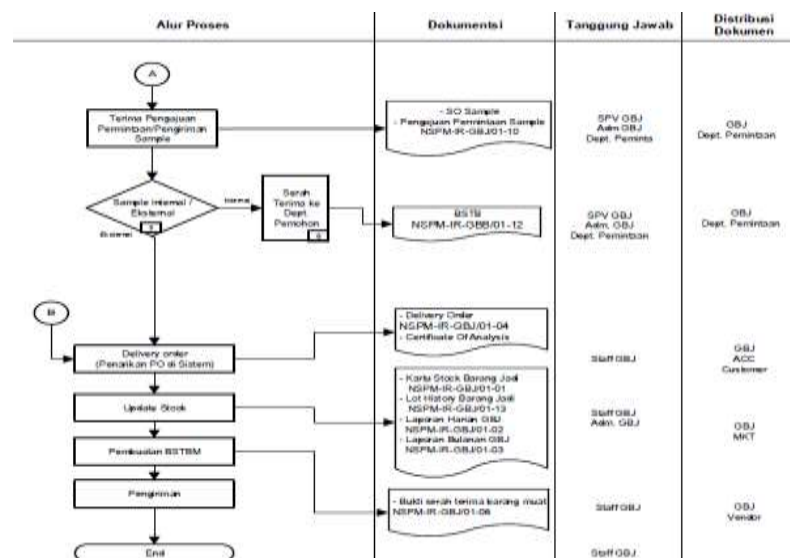


Figure 1. Stock Flow of Finished Goods and Shipping

4.7. Return of Finished Goods

1. Finished Goods Warehouse Staff (GBJ) Receive goods returns from customers and submit them to the Dept. QA.
2. Quality Assurance (QA)
Checking the quality of the returned goods, from the results of these checks the results of the analysis of the Dept. QA has 2 possibilities for the condition of the returned goods, the goods are good or the goods are rejected.
3. Warehouse Material Preparation (GMP)
The handling of returned reject products is entirely handed over to GMP.

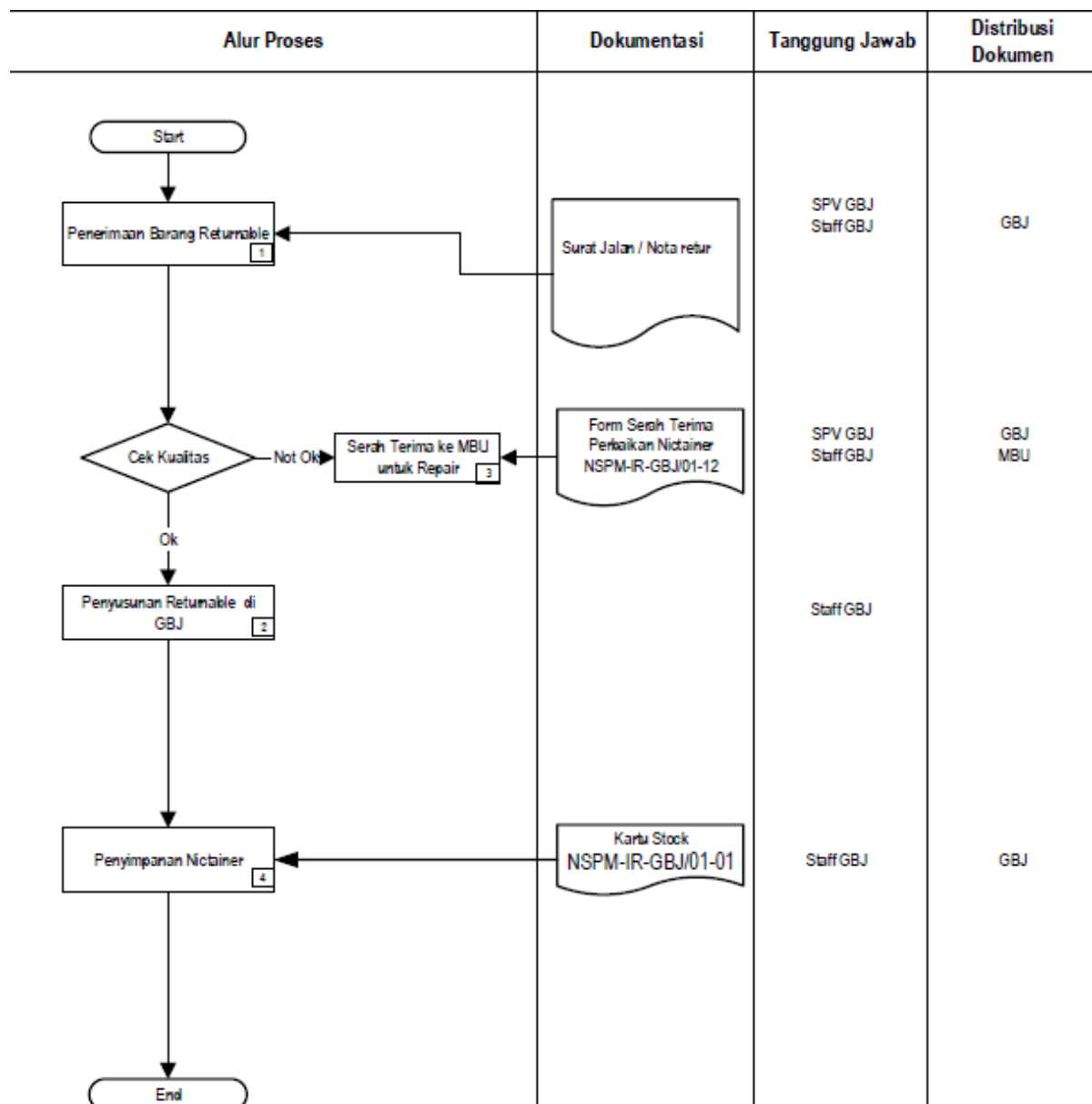


Figure 2. Finished Goods Return Procedure

4.8. Discussion

Accounting Information Systems are designed and implemented on a basis to provide information needed for decision making in achieving company goals. In managing the existing stock, PT Namasindo Plas Medan has processed and used existing data into output which produces an information system that is useful for management to make decisions in buying and selling inventory to support its business continuity. The use of the FIFO method is to assess the cost of goods sold in the final stock that will be sold as the purchase price by consumers, the first goods entered will be issued first so that the inventory left in the warehouse as ending inventory is the inventory that enters later.

PT Namasindo Plas Medan has created a healthy practice in running its business, by using a printed serial numbered form whose use must be accounted for by the authorities. The use of the sales form has used a printed serial number. Sudden inspections carried out by the audit team with an irregular schedule. Every transaction must not be carried out from beginning to end by one person or an organizational unit, this is done in order to create a good internal check in carrying out its duties. The division of the organizational structure has certainly created an internal check on the delivery flow.

The report is the output of an accounting information system used by management and other interested parties in the context of general decision making, the resulting inventory report is capable of producing accurate information for management. As information about stock availability can be known at any time by all parts that need this information, this is the output of a system that is formed.

The results of research conducted at PT. Namasindo Plas Medan on the valuation method used is in accordance with PSAK No. 14 as well as on the use of an accounting information system that has changed to a computerized system and is supported by several internal control activities that have been implemented by PT Namasindo Plas Medan.

V. Conclusion

The conclusion of this research is PT Namasindo Plas Medan has changed from a manual system to a computerized information system using Oracle Application. This conclusion is supported on each component which consists to say the formation of a system that must be owned and owned by PT Namasindo Plas Medan and the output received from a system which is the purpose of an accounting information system is appropriate, namely changing the existing information so that it becomes effective and efficient for all users of information, as well as the data generated with up-to-date to assist all parties in the presentation of inventory information and other information needed to make decisions.

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