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The Importance of Understanding Accounting Information Systems for the Internal Performance of Financial Auditors

Asep Gunawan[1], Endah Nurhawaeny[1*] , Dina Suprihatin[3]
[1,2,3] University of Muhammadiyah Cirebon, West Java, Indonesia
***Correspondence Author**: e-mail endahnuhawaeni@gmail.com

Abstract. Technological advancements are a consequence of societal progress. Technology is continuously advancing to fulfill the ever-changing demands of humans, which includes accounting information systems. The objective of this study is to ascertain the significance of accounting information systems in relation to the internal performance of financial auditors within a firm. This study used a case study methodology to investigate and assess the impact of accounting information systems on the internal performance of auditors at the Cimanuk Cisanggarung Cirebon Center. This research is a form of quantitative descriptive research that aims to elucidate the degree to which accounting information systems impact the internal performance of auditors. The study findings indicate that having a comprehensive grasp of the accounting information system has a substantial impact on the internal performance of a financial auditor within a company.

Keywords: auditors, accounting, performance, system, information

INTRODUCTION

Technology facilitates the execution of all human tasks. Technology refers to applying and utilizing scientific disciplines to create methods, processes, and products that add value to human life by fulfilling needs and improving quality. This definition is outlined in RI Law No. 18 of 2002, which pertains to the National System for Research, Development, and Application of Science and Technology. Technology refers to the advancement and utilization of tools, machinery, materials, and procedures that aid humanity in resolving its challenges. Technological advancements can enhance performance and enable the efficient execution of diverse tasks, resulting in increased production through speed, precision, and accuracy.

Arnold Pacey (1983) and Syahri (2006) argue that for technology to be successfully integrated into society, it requires three essential components: technical, organizational, and cultural. The technical element of a technology can be observed through its internal components, such as specs, features, hardware and software, compatibility, and innovation. An example is the technological component of a computer setup that offers small

hardware, diverse accompanying software, and enough memory capacity. From an organizational perspective, such as through implementing a policy or set of rules, technology usage within a company can be regulated. The government exemplifies an institution endowed with the power to establish policies. In this scenario, the government will fulfill its role as the governing body responsible for implementing a policy regarding technology that can provide advantages to society.

Information technology is a manifestation of technological advancement. According to Wardiana (2002), information technology refers to using technology to process data. This includes activities such as processing, obtaining, compiling, storing, and manipulating data in order to generate high-quality information. The information produced should be relevant, accurate, and timely, and it is used for personal, business, and government purposes. It is considered strategic information that aids in decision-making. Information technology facilitates collaboration among individuals or organizations, overcoming barriers such as distance, time constraints, nationalities, ethnicities, socioeconomic backgrounds, philosophies, and other factors that impede the exchange of ideas.

Information systems are a direct outcome of the advancement of information technology, which firms utilize to execute their operational tasks. Laudon and Laudon (2005) define an information system as a network of interconnected elements that gather (or retrieve), manipulate, store, and distribute data to facilitate decision-making and management in an organization. According to Goodhue (1995) and Jumaili (2005), the effectiveness of a company's information system hinges on the management of the system, user-friendliness, and the utilization of the technology employed. Information systems will impact the decision-making, planning, and organization of all aspects of private and public sector companies.

The utilization of information technology in local governments will directly or indirectly impact the efficiency of the local government as a whole and the individuals within it. Utilizing information technologies in local governments can provide both advantageous and detrimental effects on the functioning of persons within the local government. Performance refers to the observable output of employees' work in quantity and quality (Cokroaminoto, 2007). Individual performance is determined by the individual's ability to complete specified tasks, taking into account their competency, experience, and talents.

Technological advancements are a consequence of societal progress. Technology is continuously advancing to fulfill the changing requirements of humans, which sometimes change. Technology facilitates the execution of all human tasks. Technology refers to applying and utilizing scientific disciplines to create methods, processes, and products that add value to human life by meeting needs, ensuring continuity, and enhancing the quality of life. This definition is outlined in RI Law No. 18 of 2002, which pertains to the National System for Research, Development, and Application of Science and Technology. Technology refers to the advancement and utilization of equipment, machinery, materials, and procedures that aid humans in resolving their difficulties. Technological advancements can enhance performance and enable swift, precise, and accurate execution of numerous tasks, hence boosting productivity.

Arnold Pacey (1983) and Syahri (2006) argue that for technology to be successfully integrated into society, it requires three essential components: technical, organizational, and cultural. The technical element of a technology can be observed through its internal components, such as specs, features, hardware and software, compatibility, and innovation. An example is the technological component of a computer setup that offers compact hardware, diverse supporting software, and enough memory capacity. From an organizational perspective, such as through implementing a policy or set of rules, technology usage within a company can be regulated. The government exemplifies an institution possessing the jurisdiction to establish a policy. In this scenario, the government will fulfill its role as the governing body responsible for implementing a policy regarding the utilization of technology for the betterment of its society.

Information technology is a manifestation of technological advancement. According to Wardiana (2002), information technology refers to using technology to process data. This includes activities such as processing, obtaining, compiling, storing, and manipulating data in order to generate high-quality information. This information is characterized by its relevance, accuracy, and timeliness and is used for personal, business, and government purposes. It is considered strategic information that aids in decision-making. Information technology facilitates collaboration among individuals or organizations, overcoming barriers such as geographical distance, time constraints, nationalities, ethnicities, socioeconomic backgrounds, philosophies, or any other elements that may impede the flow of ideas.

LITERATURE

Numerous theories and interpretations of performance exist. Here, the author provides definitions and hypotheses regarding performance, specifically:

According to Hendry (1995; 327), performance is the degree of accomplishment in meeting the job's demands. According to Robbins (1996; 410), performance refers to how effectively a task or activity is carried out. This definition illustrates that performance may be observed through an individual's actions in doing tasks. These actions reflect the effort exerted by the individual to accomplish the established objectives and are also evaluated based on predetermined criteria. According to Briggs (1997; 55), performance refers to an action or response that leads to a specific outcome. Efficient and accurate product or task completion ensures the timely achievement of stated goals. Performance typically manifests as a response or, more commonly, as the outcome of a product. Gordon (1993; 46) posits that performance is determined by an employer's capability, clarity of goals, goal attainment level, and the interplay between goals and abilities. This definition highlights four key components of performance: ability, acceptance of organizational goals, level of goal achievement, and the interaction between goals and the abilities of organization members.

Gibson and Donnely (1996; 326) describe performance as the degree of accomplishment in executing tasks and the capacity to attain established objectives. Performance is considered satisfactory and accomplished when the objectives regarding external factors such as facilities, work environment, leadership, and other relevant variables are met.

The fundamental notion of performance, as proposed by experts, can be succinctly stated as providing an overview or a comprehensive grasp. Performance is the outcome of an individual's capacity to work effectively, significantly impacted by their fundamental capabilities and external factors such as resources, management, work environment, and other related aspects.

Performance Assessment

Performance evaluations are essential for firms to assess the job performance of their personnel. The significance of employee performance appraisal lies in its dual benefits: the advantage it provides to the employee in question and the benefits it brings to the firm.

The assessment offers employees feedback regarding their work performance, including their strengths, weaknesses, potential, and more. This input is valuable for

enhancing performance, adjusting wages, and advancing one's career. Organizations can utilize the outcomes of performance assessments to make informed judgments regarding a range of things, including the necessity of educational and training initiatives, recruitment and selection processes, referral programs, job placements, and reward systems.

Performance appraisal has three stages: work definition, performance assessment, and feedback provision. Job definition involves establishing a shared understanding among the organization's leaders and employees regarding their responsibilities and performance expectations. Evaluating performance involves comparing an individual's actual performance to a predetermined benchmark.

The parameters evaluated may vary depending on the nature of the occupations. Measuring an individual's success in performing their commitments at work depends on various key qualities, including loyalty, initiative, craftsmanship, perseverance, cooperative attitude, leadership, honesty, thoroughness, meticulousness, and neatness.

Dessler (1997: 47) identifies many characteristics that are commonly evaluated, specifically:

1. Quality: The meticulousness, thoroughness, and acceptability of the job.
2. Productivity refers to the level of quality and efficiency in the job that is performed within a specific timeframe.
3. Job knowledge refers to the practical or technical abilities and information that are utilized in a particular job.
4. Reliability refers to the degree to which an individual can be counted on to consistently complete tasks and follow through on commitments.
5. Availability refers to the degree to which an employee promptly reviews the designated rest periods and maintains accurate attendance records.
6. Dependence: the degree to which the work is performed with minimal or no supervision.

Nevertheless, numerous firms continue to adhere to a conventional performance appraisal methodology. Leaders exhibit excessive dominance in the execution of assessments and frequently provide overly generalized feedback regarding the work of their subordinates within a specific timeframe, solely giving an assessment form for their subordinates to endorse. This is a unidirectional communication method, wherein there is no contact or exchange of information between leaders and subordinates.

Organizations that have made progress in their human resource management have shown a

tendency to increase the involvement of subordinates and customers in the assessment process. Subordinate employees, who are under the authority of the leadership responsible for evaluating and the consumers of a particular product or service, frequently participate in decisions that impact them and their work. According to this poll, numerous experts believe that in the future, employees and consumers will insist on playing a more proactive part in evaluating job outcomes or performance (Kotler, 2000, p. 326).

According to Werther and Davis (1996:344), a successful evaluation system should be able to define standards associated with job performance, quantify them, and subsequently offer feedback to both the leader and the subordinates being evaluated. Failure to connect these standards to task execution will lead to the generation of imprecise and misrepresented outcomes, disrupt the harmonious connection between leaders and subordinates, and weaken the principle of equality between them. The diagram below illustrates the components of a proficient job evaluation system.

METHOD

The research methodology employed in this study is a case study. This study investigates the impact of accounting information systems on the internal performance of auditors at the Cimanuk Cisanggarung Cirebon Center. This research falls under the category of quantitative descriptive research, specifically focusing on the impact of accounting information systems on the internal performance of auditors.

1. Primary data is obtained through face-to-face interviews and directly acquired from the Cimanuk Cisanggarung Cirebon Center.
2. Secondary data is collected from different firm documents, explicitly focusing on the impact of internal auditor competencies and accounting information systems on internal auditors at the Cimanuk Cisanggarung Cirebon Center.

Data Collection Techniques

The data collection techniques employed in this study include

1. interviews entail posing direct questions to selected respondents regarding the impact of internal auditor competencies and accounting information systems on internal auditors at the Cimanuk Cisanggarung Cirebon Center.
2. Observation is a data collection method in which the researcher actively observes the impact of internal auditor competence and accounting information systems on internal auditors at the Cimanuk Cisanggarung Cirebon Center.

Documentation studies refer to the use of books and periodicals to collect data on a specific topic. Questionnaires were distributed to collect quantitative data, which included independent and dependent variables. Utilization of the Likert Scale as a method for measurement. This strategy involves posing questions to responders that they must answer based on their level of approval. The question is closed, indicating that the researcher has already established the answer. The respondent needs to select the response that is now accessible. The responses are divided into five categories: 5, 4, 3, 2, and 1. Each response is then recorded and used to get the average score.

DISCUSSION

Information systems are a direct outcome of the advancement of information technology, which firms employ to execute their operational tasks. According to Laudon and Laudon (2005), an information system is a network of interconnected parts that gather (or retrieve), analyze, store, and distribute data to facilitate decision-making and control in an organization. According to Goodhue (1995) and Jumaili (2005), the effectiveness of a company's information system relies on the management of the system, user-friendliness, and the utilization of the technology employed. Information systems will impact the decision-making, planning, and organization of all aspects of private and public sector companies.

Implementing information systems in local governments will directly or indirectly impact the performance of the local government as a whole and the individuals within it. Implementing information technology in local governments can have both beneficial and detrimental effects on the performance of individuals within the local government. Performance refers to the observable output of employees' work in terms of both quantity and quality (Cokroaminoto, 2007). Individual performance is determined by the individual's ability to complete specified tasks, taking into account their competency, experience, and talents.

Table 1

Results of the Statistical Test t Coefficients

Variable	Unstandardized Coefficients B	T	Sig.
(Constant)	16,759	1,315	0,200
LANDFILL	1,091	3,971	0,000
TKI	0,092	0,368	0,002

a. Dependent Variable: TSP

Source: Primary data processed.

The t-statistic measures how much a single explanatory/independent variable explains the variability in dependent variables (Ghozali, 2013, p. 98). Decision-making is based on assessing the probability's value. If the probability value is below 0.05, it indicates that the independent variables significantly impact the dependent variables separately. The findings of the t-statistical test in this investigation are presented in Table 1.

Table 1 shows that this study only includes one independent variable, the internal auditor competency variable (TPA). This variable significantly impacts the dependent variable of internal auditor performance (TSP), as indicated by a significance value of less than 0.05. The independent variable, namely the comprehension of the accounting information system (TKI), does not significantly affect the dependent variable of internal auditor performance (TSP). This is indicated by a significance value greater than 0.05.

Table 1 displays the statistical significance of the variable measuring understanding of the accounting information system, with a value of 0.002 below the threshold of 0.05. This demonstrates the lack of support for H2, indicating that the auditor's internal performance is influenced by their comprehension of the accounting information system.

CONCLUSION

The auditor's internal performance is significantly influenced by their comprehension of the accounting information system, as shown by a variable value of less than 0.05, precisely 0.002. The comprehension of the accounting information system has an impact on the internal performance of the auditor. The auditor's internal performance at the Cimanuk Cisanggarung Cirebon Center is influenced by their comprehension of the accounting information system. The significance level for comprehending the accounting

information system is below 0.05, namely 0.002. The auditor's internal performance is influenced by their comprehension of the accounting information system. An internal auditor's lack of extensive work experience might lead to ineffective control systems due to insufficient work quality and knowledge. Thus, the comprehension of accounting information systems has had no impact on the internal performance of auditors. The findings of this study are consistent with and corroborate the findings of the research conducted by Fanani et al. (2007) regarding the impact of comprehending accounting information systems on the internal performance of auditors.

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