

THE INFLUENCE OF ACCOUNTING INFORMATION SYSTEM AND MANAGERIAL PERFORMANCE ON THE QUALITY OF FINANCIAL STATEMENTS

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Abstract: The objective of this research is to identify and analyze the influence of accounting information system implementation and managerial performance on the quality of financial statements. The research method applied is the associative method, with primary data as the main source, supplemented by data from direct interviews. The data collection technique used in this study is a questionnaire. For data analysis, this research utilizes Excel 2016 and SPSS version 25.00 software. The population in this study consists of 122 individuals, with a sample of 82 employees from the Finance Department. The results of this research indicate that, partially, the accounting information system and managerial performance affect the quality of financial Statements. Simultaneously, the accounting information system and managerial performance impact the quality of financial Statements.

Keywords: Accounting information systems, managerial performance, quality of financial statements.

Introduction

In daily life, both individuals and organizations need information and technology helps organize and manage data (Astuty, 2015). In situations like this, accounting becomes one of the most efficient environmental systems in integrating technical elements with human elements. The two main types of accounting systems consist of financial accounting systems and management accounting systems. Management accounting systems convey various internal data, which help improve the decision-making process. Modern technology has a significant impact on various aspects of life, including the corporate sector. Companies leverage technology to manage their finances, particularly to improve the quality of financial reports. The quality of financial reports reflects the accuracy of presenting information related to company operations, such as cash flow, which is expected to be delivered clearly and informatively.

Modern technology has a significant impact on various aspects of life, including the corporate sector. Companies leverage technology to manage their finances, particularly to improve the quality of financial reports. The quality of financial reports reflects the accuracy of presenting information related to company operations, such as cash flow, which is expected to be delivered clearly and informatively (Ashraf et al., 2019). Financial statements are considered of high quality if the information presented is understandable and able to meet the needs of users in the decision-making process. The qualitative characteristics of financial statements are normative standards that must be applied to accounting information to achieve its intended purpose. High-quality financial statements can be achieved when the accounting information system in use is integrated with the support of technology (Puspitawati & Anggadini, 2014). Technology in accounting information systems is closely linked to the

quality of financial statements, as the more advanced the technology applied, the better the quality of the financial statements produced (Hanifah et al., 2019).

An important factor that supports the quality of financial statements is the presence of an accounting information system that can produce high-quality reports through a structured process and adequate output. The accounting information system receives inputs in the form of various financial transactions, such as purchases, sales, and others. These transactions are then processed through grouping and coding of accounting transactions to be compiled into a list of reports. Finally, the processed data is presented in the form of financial statements as the output of the accounting information system (Silviana & Antoni, 2014). The use of an accounting information system is an alternative solution required to prepare financial statements properly (Ngaijan, 2022). This system also simplifies the process of accounting data for companies, while producing accurate, high-quality, and timely information (Lestari et al., 2023).

Managerial performance refers to the results obtained from a company's operational activities, which are used for decision-making in the future based on the company's past activities. This performance serves as an indicator to assess how effective and efficient a manager is in achieving the company's goals (Setiawan & Rohan, 2019). Low performance can lead to decreased productivity, strikes, inefficiency, and suboptimal work output, ultimately harming the organization. In contrast, high performance can generate positive and dynamic impacts (Nengsy, 2019). One common bad habit in Indonesia is that managers or superiors often fail to optimally focus on the organization's goals, only addressing them when the company's condition worsens (Jayanti & Dewi, 2021).

Based on the initial interview at PT. Perkebunan Nusantara IV Regional I, issues were found in the accounting information system, particularly related to human error. This problem was caused by the lack of attention from employees (operators) in entering transactions and selecting transaction codes into the company's accounting information system, resulting in delays in the collection of financial reports. An accounting information system will function effectively if there is mutual support between the human resources within the organization and the information system implemented in the company (Endiana & Sudiartana, 2016). Managerial performance, measured by the ability to achieve targets, is still ineffective. This can be seen from the management's inability to reach the set sales targets. There was a decline in revenue in 2018, 2019, 2021, and through to 2022. Therefore, it can be concluded that the managerial performance at PT. Perkebunan Nusantara IV Regional I Medan is not optimal, as the revenue obtained from 2018, 2019, 2021, and 2022 has decreased. An organization can be considered effective if the company is able to fully achieve the established targets.

The relationship between the quality of financial reports, accounting information systems, and managerial performance plays a crucial role, as these three elements mutually support each other in carrying out the activities of an institution or company. To produce high-quality financial reports, support from a reliable system or software is essential. One system that can be utilized is the accounting information system (Ramadani et al., 2022). Managerial performance is the key factor in determining the quality of financial reports, company systems, and accounting information systems. Managerial performance is the key factor in determining the quality of financial reports, company systems, and accounting information systems.

Literature Review

Accounting Information System

An accounting information system is a system within an organization designed to manage daily transactions, support operations, management, and strategic activities, while also

providing necessary reports for specific external parties. Stated that an accounting information system involves human resources and organizational capital to process and prepare financial information based on various company transactions (Faizah & Putri, 2022). An accounting information system processes data and transactions to produce information that is useful for planning, controlling, and operating a business (Kasmir, 2020).

Accounting Information Systems can support companies in the decision-making process for both short-term and long-term objectives (Lidyah et al., 2023). This system must be able to record every transaction related to accounting and transform it into accounting information (Romney et al., 2021)(Susanto, 2017). Every transaction that occurs within a company or organization will certainly be related to the flow of money and goods that take place within it. Accounting Information System is an activity that involves hardware and software to support business processes and record accounting data (Turner et al., 2017). According to (Chairina & Wehartaty, 2019), the accounting system implemented in one company may not necessarily be suitable for another. This is due to the unique characteristics and traits of each company, requiring the system to be tailored to the specific needs of each organization. Several indicators of an accounting system include:

- 1) Tools and human resources
- 2) Journals or records
- 3) Reports or information

Managerial Performance

Managerial performance reflects the ability of management to carry out managerial functions related to business activities, particularly decision-making. The success of a business in achieving its goals and fulfilling its social responsibilities is greatly influenced by the role of managers. If managers can perform their tasks optimally, the business will more easily achieve its desired targets and objective (Animah et al., 2020). Companies with good performance tend to be optimistic about achieving the desired level of success, ensuring the sustainability of the company. On the other hand, if the company's performance is poor, it will likely be pessimistic about attaining the expected level of success (Mulyana et al., 2015). Managerial performance reflects the ability of management to carry out managerial functions related to business activities, particularly decision-making. The success of managerial performance is marked by effectiveness in implementing various managerial processes, including planning, execution, administration, reporting, coaching, and supervision. Based on the views of researchers, it can be concluded that managerial performance is a measure of management's ability to perform its functions effectively and efficiently through a series of decision-making processes to manage a business, achieve goals, and fulfill its social responsibilities (Irawati & Ardiansyah, 2015).

Quality of Financial Statements

Financial statements are considered high-quality if they are prepared with reliability, relevance, understandability, and comparability (Saputra, 2015). Financial statements are considered high-quality if they demonstrate persistence, can project future profits, indicate potential future cash flows, and meet the qualitative characteristics of financial reporting. Financial statements are prepared by companies as a result of the accounting process to convey financial information to both internal and external stakeholders. The quality of a company's financial statements is determined by how useful the presented information is to users and how the company prepares the statements in accordance with the conceptual framework, basic principles, and objectives of accounting (Baridwan, 2013).

According to the Statement of Financial Accounting Standards No. 1 (IAI, 2019) on the Presentation of Financial Statements, financial statements provide information on a company's financial position, performance, and changes in financial position, which are useful for a wide range of users in decision-making. These financial statements are prepared by accountants who understand that the reports will serve as a critical source of financial information for various stakeholders.

Method

This research approach employs an associative method, which aims to reveal the relationship between two or more variables. This research was conducted at PT. Perkebunan IV Regional I, located at Jalan Sei Batang Hari No. 2, Simpang Tanjung, Medan Sunggal, Medan City, North Sumatra, with postal code 20122. The subjects of this study are all employees in the Accounting Department of PT. Perkebunan Nusantara IV Regional I, totaling 122 individuals. The sample size for this research was determined using the Slovin formula, resulting in a sample of 82 employees from PT. Perkebunan Nusantara IV Regional I. The data collection technique used in this research is a questionnaire (survey). This research utilizes primary data sources, which are directly obtained through information collection using questionnaires.

Additionally, the data is supplemented with direct interview results to strengthen and complement the data gathered from the questionnaires. The testing in this study is conducted using the assistance of Excel 2016 and SPSS version 25 software. In accordance with the previously outlined problems, the analysis will be performed based on the collected data, using analytical tools that include data quality tests (validity and reliability tests), classical assumption tests, and hypothesis testing.

Result and Discussion

Result

Validity test and reliability test

Based on the results of the validity test calculation for the accounting information system variable in this study, with 12 question items, the correlation values were above 0.05, indicating that the instruments or question items are significantly correlated with the total score (declared valid). The Cronbach's Alpha coefficient for the accounting information system instrument is 0.791, the financial reporting quality is 0.956, and decision-making is 0.770, which means that all three instruments are declared reliable or meet the required standards.

Classical Assumption Testing

Data Normality Test

The normality test results show that the data is distributed along the diagonal line, meaning that the dependent and independent variables have a relationship or a normal distribution, thus meeting the normality assumption test.

Multicollinearity test

Table 1: Results of the Multicollinearity Test

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Accounting Information System	.169	5.912

Managerial Performance	.152	6.576
a, Dependent Variable : Quality of Financial Statements		

The Variance Inflation Factor (VIF) value for the Accounting Information System (X1) variable is 5.912, while for the Managerial Performance (X2) variable, it is 6.576. These VIF values are still below the threshold of 10 for each independent variable. Furthermore, the Tolerance value for the Accounting Information System (X1) variable is 0.169, and for the Managerial Performance (X2) variable, it is 0.152. Since the tolerance values are greater than 0.1 and the VIF values are below 10, it can be concluded that there is no indication of multicollinearity among these independent variables.

Heteroskedasticity Test

The results of the heteroskedasticity test indicate that the distribution of residuals is irregular and does not form a specific pattern. This can be observed from the scattered points or residual plot that appear randomly. Based on these findings, it can be concluded that heteroskedasticity does not occur.

Determination Test

Table 2 : Results of the Determination Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.941 ^a	.885	.879	1.41581

The R value of 0.941 or 94.1% indicates a very strong relationship between the quality of financial reports and its independent variables, namely accounting information systems and managerial performance. Meanwhile, the R-Square value in this study is 0.885, meaning that 88.5% of the variation in the quality of financial reports can be explained by these independent.

Hypothesis Test

Table 3 : Results of t-Test Statistics (Partial)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	48,195	6,054		7,960	0,000
	Accounting Information System	.405	.101	.461	3.997	.000
	Managerial Performance	.332	.120	.337	2.769	.008

a. Dependent Variable: Quality of Financial Statements

The hypothesis test results show that the regression coefficient for the accounting information system variable has a positive direction of 0.405, with a t-value of 3.997 and a significance level of 0.00. This indicates that the accounting information system has a significant influence on the quality of financial reports at PT. Perkebunan Nusantara IV Regional I Medan. The regression coefficient for the managerial performance variable shows a

positive direction of 0.332, with a t-value of 2.769 and a significance level of 0.008. This indicates that managerial performance has a significant influence on the quality of financial reports at PT. Perkebunan Nusantara IV Regional I Medan.

Table 4 : Results of F-Test Statistics (Simultaneous)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	789.952	3	263.317	131.363	.000 ^b
	Residual	102.230	51	2.005		
	Total	892.182	54			

The calculated F value is 131.363 for the accounting information system and managerial performance variables, with a 5% error rate, a two-tailed test, and degrees of freedom $df = n - k - 1$ ($55 - 3 - 1 = 51$). The obtained F table value is 3.18. Since $F_{\text{calculated}} > F_{\text{table}}$, it can be concluded that the accounting information system and managerial performance variables have an effect on the quality of financial reports.

Discussion

The Influence of Accounting Information Systems on the Quality of Financial Statements

To produce financial statements that are relevant, reliable, and credible, companies need to have a strong accounting system. A weak accounting system will affect the reliability and relevance of the resulting financial reports, making them less useful for decision-making (Zulfah et al., 2017). The relationship between the quality of financial statements and accounting information systems is very closely linked, as organizations or institutions need both to meet the information needs of various stakeholders. An effective accounting information system facilitates the preparation of high-quality financial statements (Mahfuz & Hanum, 2023).

According to Juwita (2018), accounting information systems have a positive and significant impact on the quality of financial statements, proving that a good accounting information system can enhance the quality of financial statements. Accounting information systems simplify financial transactions by managing transaction flows, This is beneficial for management control, such as procedures for depositing goods, providing proof of payment both in cash and on credit, and supporting business development (Saragih et al., 2023).

The Influence of Managerial Performance on the Quality of Financial Statements

In general, managerial performance and the quality of financial statements are interrelated. Good managerial performance tends to reflect higher-quality financial statements because accurate and transparent financial statements can more precisely represent a company's financial condition. An organization needs to have qualified employees to manage its financial aspects. Qualified employees must demonstrate good performance in carrying out tasks related to the preparation of financial reports. Thus, the good performance of employees will have an impact on the quality of the resulting financial statements (Mahfuz & Hanum, 2023). One of the factors influencing the quality of financial reports is the quality of human resources, particularly in the field of accounting. Additionally, the quality of financial statements is also useful for detecting indications of fraud within the company (Hall, 2018).

The Influence of Management Information Systems and Managerial Performance on the Quality of Financial Statements

To produce financial statements that are relevant, reliable, and credible, companies need to have a strong accounting system. A weak accounting system will result in financial statements that are less reliable and less relevant for decision-making purposes (Zulfah et al., 2017).

Mastering and implementing technology in Accounting Information Systems in schools can provide added value for users, which ultimately has a positive impact on improving individual performance (Harahap & Sari, 2023). The relationship between the quality of financial statements and accounting information systems is very closely linked because institutions or organizations require both to meet the information needs of various stakeholders. Therefore, the presence of an effective accounting information system will support the preparation of high-quality financial statements (Mahfuz & Hanum, 2023). In general, managerial performance and the quality of financial statements have an interrelated connection. Good managerial performance tends to reflect higher-quality financial statements because accurate and transparent financial reporting can more precisely represent a company's financial condition.

Conclusion

This study examines how accounting information systems (AIS) and managerial performance (KM) affect the quality of financial statements (LK). The results show that AIS and KM have an important role in improving the quality of LK. A good AIS ensures that financial data is recorded and processed accurately and relevantly, while effective KM promotes transparent and accountable financial management. Both, together, contribute to the presentation of reliable, relevant and informative financial statements.

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