



Model of Financial Information System Based Google Spreadsheet for Control Effectiveness of Company's Working Capital

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Abstract— This study aims to design and develop a model of integrated financial information system based on Google Spreadsheet for Control Effectiveness of Company's Working Capital. Data were collected using observation, interview and mini experiment. This study shows that the model of the application are very effective in presenting a real time financial information for management control over company's working capital, in terms of accuracy and efficiency. This study was implemented in The Petra Balfai Diaconate Agency, a non government body that has a mission to facilitate, foster and develop small and medium sized enterprises in Kota Kupang and surroundings. Cash on hand, cash in bank, accounts receivable and inventories, which are the key elements of company's working capital are effectively under control through the implementations of this model.

Keywords— *Financial Information System, Control Effectiveness Working Capital*

I. INTRODUCTION

Small and mediums-sized enterprises (SMEs) play a central role in the Indonesian economy, where almost 90% of businesses in Indonesia are dominated by SMEs. Nevertheless, some of the classic problems they still face are the lack of working capital and its control, knowledge on how developing business scale, product innovation, and bookkeeping [1][2].

Working capital of a company describes the net value of cash, receivables and inventories owned by the company. These three elements are interrelated with each other; and always continue to be in a state of rotation as long as the company operates. In such conditions, management requires up to date information regarding the three elements of working capital in order to make business decisions. Thus, an online financial information system is needed by management for internal control purposes. Good internal control will greatly assist the company's management in securing and ensuring that the company's assets are only used for the benefit of the company and not for the benefit of individuals, minimizing the possibility of errors in financial statements and encouraging compliance with management policies. The Petra Balfai Diaconate Agency is an economic service agency formed by the Petra Balfai Church to help solving SMEs problems through its missionary services to facilitate, foster and develop

MSMEs in various business fields. Currently, there are 10 MSMEs under the guidance of the agency, both from congregations and non-congregations. This Diaconate Body actively continues to facilitate and assist MSMEs in carrying out various business fields. Based on observations and interviews with management of the Petra Balfai Diaconate, it is known that they still having difficulties in obtaining information related to the turnover and use of working capital of each of the assisted MSMEs.

II. LITERATURE REVIEW

A. Financial Information System

Many researches on financial information systems have been carried out, but most of them are only directed at cash. [3] [4]. They argue that financial information system is essentially an information system designed to provide information about cash statement of a company. Another view according to [5] is that the financial information system is an information system that facilitates organizations to manage financial data for related fields so that they can help complete activities in the financial sector, especially for the process of recording and reporting financially on time.

If we look closely at the financial information system, the emphasis is not only on cash reports, but more broadly, that is the flow of money. Financial information system is an information system that provides information to people or groups both within the company and outside the company that contains financial problems and also provides or contains information about the flow of money for users throughout the company [6]. The flow of money actually describes how money turns into materials or goods, which are then processed or the goods are sold and changed again into receivables or even back into cash. The circulation of money into goods, receivables and then into cash back is what is called working capital turnover [7][8]. The development of financial information systems in this study will be more directed at the concept of money circulation which is spread over three main components of working capital, they are inventory, accounts receivable and for operational expenses.

B. Working Capital

To start an activity within a company, funds are needed which are commonly referred to as working capital to finance the company's operations. The company must have sufficient working capital to ensure the smooth operation of the company. [9] explains that working capital is part of investment which is the amount of current assets circulating from one form to another in a business activity carried out by the company. Also argues that working capital is the funds used to carry out the company's operational activities. Working capital can be interpreted as capital invested in a company in the form of short-term assets or current assets. Examples such as cash, banks, securities, receivables and other current assets. This working capital will continue to rotate as the company operates. Furthermore, [10] suggests that measuring the success of working capital management can use the working capital turnover ratio. By using this ratio, it can be seen the effectiveness of the company's use of working capital in a certain period. whether or not the company utilizes its working capital properly so that it can generate profits for the company.

C. Relationship between Internal Control of Working Capital and Financial Information System

There are three main components of working capital, namely cash, receivables and inventories. These three components are interrelated with each other. In the accounting process, when there is an increase in inventory, at the same time it will be followed by a decrease in cash value; Furthermore, when receivables or cash increase, it must be followed by a decrease in inventory. This is what is known as the working capital turnover cycle. In this process, careful management is needed in its supervision. This is important because the company's financial statements may show a tendency to increase profits, but it is also necessary to pay attention to whether it shows the same trend. This is the central point of the importance of monitoring working capital.

Several previous studies have shown that the financial information system that has been built is only limited to how information in the form of cash reports or at most financial statements is presented; and has not presented comprehensive and specific information about the importance of financial information for the purposes of internal control by management of the company's working capital. This is what in many cases, many small businesses and even large-scale businesses suddenly stop operating due to limited or no working capital, even though the financial statements always show a trend of increasing profits.

III. RESEARCH METHOD

This research was conducted by applying the experimental method. The system is tested by conducting a series of experiments to ensure that the data is processed correctly and produces the correct and timely information. In the early stages, 30 students were involved as if they were small business actors. they do business buying and selling goods. After going through two trials, the system was then refined and applied to the actual environment, namely the Petra Balfai Diaconate Agency

IV. FINDINGS AND RESULT

A. Model of Financial Information System

The financial information model in this study is built based on the principles of internal control by taking into account the relationship of accounts according to generally accepted financial accounting practices. Thus, there is a recording medium, which in accounting is called a journal. In this system, the recording media is known as "Rincian Data Transaksi". The terms in this system use Indonesian Language because the users speak Indonesian. all the columns designed in this recording media can provide more detailed information to enable management to carry out effective supervision of the company's working capital.

All information is summarized in a main menu, so that from that menu, management can easily find out the description of the working capital position of the company being fostered. The summary shows of the financial information, as shown in Figure 1.

Cek Nilai Kasih dan Piutang	
Nama	Ibu Ningsih
Nilai Kasih	371.800,00
Piutang	884.000,00
Nilai Kasih Bersih	(512.200,00)
Total Nilai Kasih	27.048.230,00
%-tase Nilai Kasih	1,37%
Total Aset	45.699.837,00
Rasio AL-NK	1,50

Figure 1: Model of Main Menu

Also from this main menu, managers can find out a picture of the company's liquidity. Furthermore, there is also a menu to control the overall working capital, namely Internal Control. from this menu, management will easily find out which elements of working capital need to be verified in the field to ensure their correctness and accuracy.

This system is also equipped with control over each component of inventory and receivables for each of the assisted SMEs. Thus, the management of the Petra Balfai Diaconate Agency can find out how many receivables are past due and how many receivables will soon be due; and therefore need to be billed immediately. Likewise with the amount of inventory held. Inventories that are too large will affect the amount of funds invested in the inventory value, and therefore the information generated is useful for management to immediately accelerate the sales process through the implementation of appropriate marketing strategies. This system is also equipped with cash flow analysis, receivables and inventories, so that management can also monitor how often these elements of working capital are rotated in a certain period.

V. CONCLUSIONS

Overall, the information developed through this study is useful for management of Petra Balfai Diaconate Agency to manage and control all elements of its working capital that spreads among its fostered SME's.

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