

ACCOUNTING INFORMATION SYSTEM AND FINANCIAL SUSTAINABILITY OF A PRIVATE UNIVERSITY: CASE STUDY AT PRIVATE UNIVERSITY IN SURABAYA

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ABSTRACT

The purpose of this study is to review the concept and impact of accounting information systems and financial performance in a private university. The research method uses a qualitative approach and case study. The case study conducted at a private university in Surabaya. The university has 2 major information system application software, which are academic and financial applications. This study finds that financial accounting information & financial performance system is very important for assessing private university activities and timeliness in financial reporting. Accounting information system theory is also indispensable for reliable implementation and analysis of university financial plans.

Keywords: Accounting Information System, Financial Sustainability, Private University

INTRODUCTION

Improving the quality of education is not an easy thing, because it is not only related to technical problems, but includes various complex issues, both related to planning, funding, efficiency, and effectiveness of the implementation of the education system. To realize a quality education, it is necessary to have comprehensive and professional financial management of the resources available in universities. One of the resources that need to be managed properly in higher education is financial performance. Finance is a source of funds that is needed by universities to carry out daily operational activities. A university must be able to guarantee the availability of funds to support the implementation of the *Tri Dharma* and improve the quality of the university on an ongoing basis. Efforts made by universities in raising funds must refer to the vision, mission, character of universities as legal entities that are not profit-oriented and do not violate applicable laws and regulations.

Finance is something that is needed by universities to carry out daily operational activities. A university must be able to guarantee the availability of funds to support the implementation of the *Tri Dharma* and improve the quality of the university on an ongoing basis. Healthy, a transparent and accountable financial management is the main goal of higher education. However, the principle of transparency in financial management creates its own difficulties for a university. This is due to the frequent incompatibility of the budget items that have been made with the operational activities of higher education institutions which tend to be flexible.

Accounting Information System is widely used by organizations or entities that are useful for automating and integrating the operations of their businesses or businesses. The main goal of most entities from adopting this accounting information system is to increase the efficiency and effectiveness of their business so as, to increase competitiveness. Accounting Information System is also important in helping to facilitate management decision making, internal control,

and improve the quality of financial reports so that they are reliable and comparable. The use of Accounting Information System is also very important for any effective decision-making process and adequate information is expected. The Accounting Information System ensures that each level of management gets sufficient, relevant, and correct information for planning and controlling the activities or activities carried out by the entity.

Accounting Information System

According to Grande, et al. (2011), Accounting Information System is defined as “tool which, when incorporated into the field of Information and Technology systems (IT), were designed to help in the management and control of topics related to firms’ economic-financial area”. The resulting statistical reports can be used internally by management or externally by other interested parties including investors, creditors, and tax authorities. (Sajady et al., 2008) states that effective accounting information system will enhance financial statement quality.

Accounting information system output depend on the quality of data, garbage in garbage out is the result of poor data quality, and therefore data quality is important to Accounting Information System (Xu, 2003). All data production processes (data collection, data storage, and data utilization) must work properly in order, to achieve high data quality (Lee and strong 2003). According to Xu (2009), inaccurate and incomplete data may damage competitiveness of firms. They also found out that that input control and competent employees are important to data quality of accounting information system.

The quality of the accounting information system influences the progress of the university if it has accounting information technology. The application of accounting information technology can help accounting information systems that have been running at accredited universities to be of higher quality. Accounting information technology can be in the form of applications used by users of accounting information systems for the sustainability of universities.

Financial Sustainability

Sustainable Finance is the process of taking due account of environmental, social and governance (ESG) considerations when making investment decisions in the financial sector, leading to increased longer-term investments into sustainable economic activities. Assessment that a university will have sufficient funds to meet all its resource and financial obligations, whether the funds continue or not. University capacity to obtain income in responding to demand to maintain a productive process at a stable or developing level to produce results and get a surplus, and with that surplus the university can continue activities that can develop it.

The final condition of financial sustainability is to ensure that companies tend to survive in the long run, that is, that it is not ended by insolvency, which is handled as the second condition, or neglect by the owner in this case the foundation. Sustainable finance related to financial management or management can be interpreted as a process of carrying out financial management activities by mobilizing other people's energy, considering the effectiveness and efficiency aspects involved. Related to the acquisition, funding, and management of assets with several overall objectives starting from planning, organizing, implementing, to monitoring.

Education Finance Management

According to Article 48 Law No. 20 of 2003 concerning National Education System, the management of education funds is based on the principles of justice, efficiency, transparency, and public accountability. The following is an explanation of the financial management of education, namely transparency, accountability, effectiveness, and efficiency:

1. Transparency

Transparency means openness. Transparency in the field of management means that there is openness in managing an activity that occurs in higher education. Disclosure in the source of income and the amount, details of use, and accountability must be clear to make it easier for interested parties to find out the finances.

2. Accountability

Accountability in financial management means that the use of college money can be accounted for in accordance with pre-determined plans. Based on a predetermined plan and applicable regulations, universities spend money responsibly. Accountability can be done to parents, society, and government.

3. Effectiveness

Effectiveness is often defined as the achievement of predetermined goals. Garner (2004) defines effectiveness more deeply, because effectiveness does not stop until the goals are achieved but arrive at the qualitative results associated with achieving the vision of the institution.

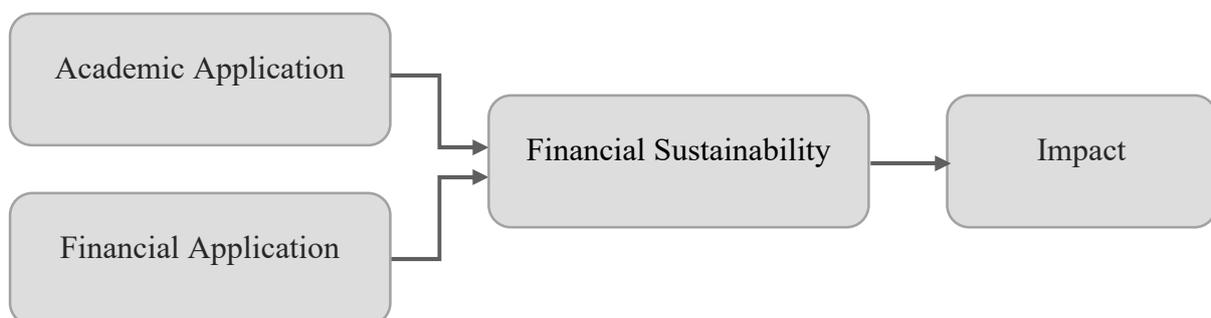
4. Efficiency

Efficiency is closely related to the quantity of the results of an activity. Efficiency “characterized by quantitative outputs” (Garner, 2004). Efficiency is the best ratio between input and output or between power and output. The power in question includes energy, thought, time, cost.

RESEARCH METHOD

This research approach uses the perspective of the scope of Accounting Information System & Financial Sustainability in the form of case study research. This case study research is taken directly from the source of the research object, namely a private university in Surabaya. The accounting information system at a private university in Surabaya has 2 applications that can support financial sustainability, namely academic applications, and financial applications. It is from this that builds this research by looking at the impact that occurs from financial sustainability.

Figure 1. Research Framework



DISCUSSION

The following is the essence of the discussion of this article:

1. Academic Application

This application is used for academic financial data management such as student bills, payment methods, billing transactions, and payment transactions. The financial data can facilitate the processing and storage of financial data related to student academics. The application also knows the amount of student bills (receivables) and student payments. Receivables from students can be seen starting from Study Programs, Faculties, and Universities, also seen on a monthly, semi-annual, or annual basis.

Academic finance applications will help universities in processing data regarding financial issues. Information systems also have a positive impact on users or for recipients of information systems, so that many universities have implemented academic financial information systems. The quality of the system and service will also have an impact on student satisfaction. The following are the activities carried out by users of academic applications and the outputs of the activities carried out:

Table 1. User Activities Academic Application

User	Activities	Documents
Financial Administration	<ol style="list-style-type: none">1. Inputting student registration bills2. Periodic overall student billing3. Sending student bill notifications4. Provision of payment dispensation facilities5. Making payments in instalments or deposits6. Student payment check7. Collection of fines for late payment of students	<ol style="list-style-type: none">1. Student bill2. Student billing notification via mobile app3. Payment dispensation4. Student payment fines5. Student payment proof6. Student billing report7. Student payment report
Head of Department	<ol style="list-style-type: none">1. Monitoring student bills2. View student billing reports	<ol style="list-style-type: none">1. Student bill2. Billing report
Dean	<ol style="list-style-type: none">1. Monitoring student bills2. View student billing reports	<ol style="list-style-type: none">1. Student bill2. Billing report
Vice Rector for Financial Affairs	<ol style="list-style-type: none">1. Control student payments2. Monitoring student bills3. View student billing reports	<ol style="list-style-type: none">1. Student payment2. Student bills3. Student billing report

2. Financial Application

Financial applications used in this university include financial transactions related to the entry and exit of funds managed by the university. Because the university is under the auspices of the Foundation, not only universities can access this application but also the Foundation. University financial transactions are inputted into this application, then processed according to the accounting cycle, starting from journaling, ledgers, to financial reports. The financial reports produced by the university are then further processed by the Foundation which also manages the assets owned by the university. The Financial Report is expected to be able to provide information that can be used as a decision-making tool by stakeholders. Decisions taken by stakeholders can be the basis for the financial sustainability of an agency, in this case universities.

Table 2. User Activities Financial Application

User	Activities	Documents
Financial Administration	<ol style="list-style-type: none"> 1. Recording of incoming and outgoing transactions (Cash and Bank) University 2. General journal entry and adjusting journal entry 3. Recording of receivables (Education fund) 	<ol style="list-style-type: none"> 1. Cash Transfer 2. General Journal 3. Ledger 4. Income Statement 5. Trial Balance
Vice Rector for Financial Affairs	<ol style="list-style-type: none"> 1. Monitoring financial transactions 2. Monitoring financial reports 	<ol style="list-style-type: none"> 1. Income Statement 2. Trial Balance
Foundation	<ol style="list-style-type: none"> 1. Listing of fixed assets 2. Recording of entry and exit transactions of the University 	<ol style="list-style-type: none"> 1. List of Fixed Assets 2. Consolidated Financial Statements

3. The Relationship an Applications and Financial Sustainability

a. Student payments are well controlled

An accounting information system can run well if the system is built according to needs and can be used by users properly as well. The accounting information system in the form of a student payment application is expected to provide easy payments for students, such as being able to pay anytime and anywhere and is well integrated, so that student payments can be controlled. With smooth student payments, the university's finances will be smoother. The smoother payments from students, the more effective and efficient university activities or programs need.

b. Financial reporting went well

If users or implementers of financial applications can use effectively, financial transactions are entered according to accounts and on time, then financial reporting will also run well. The resulting financial reports will be accurate and accountable. These accountable financial reports can make university finances sustainable.

4. The Impact Financial Sustainability

a. Guaranteed Financial Management

Financial management is guaranteed if the principles of educational financial management are met. The management of financial management can be seen from the fulfilment of transparency, accountability, effectiveness, and efficiency. Financial transparency is needed to increase the level of trust of stakeholders, including parents of students, the community, and the government. Then transparency can also create mutual trust between the government, the community, parents of students and the entire academic community through the provision of information and ensuring the ease of obtaining accurate and adequate information. Accountability is measured based on predetermined plans and applicable regulations, so universities must be able to spend money responsibly. Accountability can be carried out to parents of students, the community, and the government, depending on where the funds are obtained from. Financial management can be said to meet the principle of effectiveness if the activities carried out can finance the activities that have been planned to achieve the goals of the institution that have been set in the college budget plan. With a high level of efficiency and effectiveness, it is possible for the implementation of services to the community to be more satisfying by using the available resources in an optimal and responsible manner.

b. Eligible for Audit

Auditing in higher education is very useful in relation to accreditation. Audits are carried out not only academically but also non-academically. This finance is an example of a non-academic audit but plays a very important role in increasing accreditation. This audit can be done easily if academic and non-academic activities are documented through a computerized information system. If the data required for the audit is well documented, it can be said that the university is eligible for an audit.

c. Upgrading Accreditation

External Quality Assurance better known as Accreditation. One indicator of the quality of a study program is whether the study program's accreditation score describes the study program. The implementation of study program accreditation which is an external quality assurance system continues to develop from time to time and the applicable system. Regarding the feasibility of audits, one of the assessments is that universities can achieve superior accreditation if they are balanced with good financial audits as well.

CONCLUSION

From the discussion, it can be concluded that there is a positive impact from the Accounting Information System in the form of Academic Applications and Financial Applications which include recording, management, and financial reporting in the object of this research, namely private universities in Surabaya. This impact can be seen in the financial sustainability of the university due to well-scheduled billing, so that students can pay on time, and an impact on timely financial reporting so that it is worthy of an audit so that it has a good impact on the value of accreditation.

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