



Analysis of Cash Expenditure Accounting Information Systems to Improve Internal Control Activities at Medan Plus Rehabilitation Center Foundation

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ABSTRACT: This study aims to analyze the accounting information system for cash disbursements in enhancing the effectiveness of internal control activities at the Medan Plus Rehabilitation Foundation. Financial management, particularly in cash disbursement, is a crucial aspect in ensuring accountability and operational efficiency within the organization. The current financial recording system, which relies on Microsoft Excel, has several limitations such as a high risk of input errors, absence of audit trails, weak access controls, and delays in financial reporting. This research uses a qualitative approach with descriptive analysis methods. Data collection was conducted through interviews and documentation involving four key respondents in the foundation's finance department. The results indicate that the current accounting information system for cash disbursement does not fully support optimal internal control activities. Authorization, segregation of duties, supervision, accounting records, access control, and independent verification still require improvement. An integrated and automated accounting information system is needed to enhance transparency, accuracy, and reliability of financial information, as well as to strengthen the overall internal control system.

KEYWORDS: Accounting Information System, Cash Disbursement, Internal Control, Rehabilitation Foundation

INTRODUCTION

In the dynamic landscape of modern organizational management, competition among business entities has intensified significantly. Entities—both profit-oriented and nonprofit—are under increasing pressure to operate efficiently, transparently, and accountably. One of the essential mechanisms that supports these goals is the implementation of a robust internal control system. A sound internal control structure not only assists management in safeguarding assets but also ensures the reliability of financial and managerial reporting, strengthens compliance with regulations, and mitigates the risk of losses and irregularities that may arise from poor governance practices (Phapros, 2020).

Internal control is particularly critical in nonprofit institutions, where public trust and the accountability of donor funds are vital. Nonprofits often operate with limited resources while striving to meet high expectations from stakeholders, including regulators, donors, and the communities they serve. In this context, accounting information systems (AIS) play a strategic role in enabling organizations to process, manage, and report financial transactions accurately and efficiently. A well-designed AIS supports operational continuity, decision-making, compliance, and transparency.

The objectives of AIS vary depending on the organization's size, sector, and operational complexity. Zamzami et al. (2021) assert that AIS aims to support day-to-day operations, inform managerial decision-making, reduce uncertainty in business processes, and ensure accountability for financial obligations. In a similar vein, Krismiaji et al. (2021) emphasize that AIS should be capable of collecting and processing financial information efficiently to support strategic decisions and monitoring, while ensuring the integrity and protection of company data. These perspectives align with the broader purpose of AIS as a tool for achieving organizational effectiveness through enhanced internal control.

One of the most vulnerable assets that necessitates rigorous internal control is cash. Due to its liquid nature, cash is highly susceptible to misappropriation and misuse (Romney & Steinbart, 2018). Internal control over cash disbursements is thus a critical aspect of financial governance. Such controls are intended to secure the organization's funds, reduce inefficiencies, and ensure that all expenditures are authorized, documented, and properly recorded (Arens, Elder, & Beasley, 2017). The cash disbursement accounting information system provides a structured mechanism for recording, monitoring, and managing cash transactions. It also serves as a tool to prevent fraud, errors, and unauthorized transactions (Amalia & Siahaan, 2024).

A cash disbursement AIS that is designed and implemented effectively can greatly enhance the financial accountability of an organization. It ensures that disbursement activities are conducted systematically and that accurate, timely information is available



for decision-making and external reporting. Furthermore, such systems allow organizations to establish clear procedures, allocate responsibilities, and implement checks and balances within financial operations (Zahara et al., 2024). In practice, this includes the use of pre-numbered documents, segregation of duties, supervisory approval, and periodic reconciliation of accounts—all of which are core elements of internal control.

The Medan Plus Rehabilitation Foundation provides a relevant context for examining the practical implementation of a cash disbursement AIS in a nonprofit setting. The Foundation is a social and health-focused institution that offers rehabilitation services and HIV treatment. In managing its operational and donor funds, the Foundation has adopted a computer-based recording system using Microsoft Excel. While this approach demonstrates an initial step toward computerization, it also presents a number of operational and control-related challenges.

Microsoft Excel, although widely used for its accessibility and flexibility, has significant limitations when used as a primary accounting system. The most prominent issues include a lack of data integration, manual input dependency, inadequate access control, and the absence of audit trails. Errors in data entry, incorrect formulas, and accidental overwrites are common risks in Excel-based systems. These risks are compounded in environments with multiple users and limited oversight. Furthermore, changes made to financial records in Excel are difficult to trace, which undermines the accountability and reliability of the data.

Specific internal control weaknesses observed at the Medan Plus Foundation include prolonged reporting timelines, difficulty in tracking transactions across periods, and inconsistencies in data consolidation. Excel does not support real-time data integration across functions, resulting in delays in compiling financial statements and making informed decisions. Additionally, the system lacks robust security features such as user-based permissions, role-based access control, or encrypted databases. These deficiencies expose the Foundation to risks such as unauthorized access, data tampering, or intentional misreporting—each of which can compromise stakeholder trust and operational integrity.

The absence of a proper audit trail is another significant limitation. An audit trail refers to the ability to track every transaction back to its origin, along with information on who initiated or modified it and when. This feature is essential for both internal audits and external reviews. Without it, detecting fraud or errors becomes a highly manual and time-consuming process. In Excel, this level of traceability is either unavailable or must be manually maintained, which reduces the reliability of financial records.

Several empirical studies reinforce these observations. Sewa (2021), in a study on CV. Kombos Tendean Manado, identified that although a Dealer Management System (DMS) was used, issues such as input errors and network problems forced the company to revert to manual recording, thereby compromising internal control. Similarly, Astuti (2021) explored the internal control practices at the Medan Plus Rehabilitation Foundation and found that improvements could be achieved by separating duties between the treasurer and cashier, and by introducing supporting documents such as receipts and payment recapitulations. Carolina (2021) examined internal cash control at PT. Embrio Biotekindo and reported that the disconnection between cash receipt and disbursement systems resulted in an incomplete audit trail, weakening decision-making and internal oversight.

Given the weaknesses associated with Excel-based AIS at the Medan Plus Foundation, there is a clear need to transition toward a more integrated and automated accounting system. A system that provides real-time data integration, secure user access, automated journal entries, and built-in audit trail functionalities would significantly improve the quality of financial reporting and strengthen internal control. Such a system should also support the preparation of dynamic financial reports, timely reconciliations, and accurate budgeting—all of which are critical for nonprofit accountability and sustainability.

In light of the above background and problem context, this study aims to analyze the effectiveness of the current cash disbursement accounting information system in improving internal control at the Medan Plus Rehabilitation Foundation. The research seeks to identify existing system limitations, evaluate their impact on financial governance, and offer recommendations for improvement. The findings are expected to contribute to the broader discourse on financial system design in nonprofit organizations and provide practical insights for institutions facing similar challenges in financial transparency and control.

This study also holds significance for multiple stakeholders. For the Foundation, it offers an opportunity to assess and enhance their financial management practices. For researchers and academics, it contributes to the body of knowledge on AIS implementation in the nonprofit sector. For policymakers and donors, the research provides a framework for evaluating financial accountability in recipient institutions, thereby promoting greater trust and transparency in nonprofit operations.



THEORETICAL FOUNDATION

AGENCY THEORY

The Technology Acceptance Model (TAM) is a theory developed by Davis (1989) as an extension of the Theory of Reasoned Action (TRA) introduced by Ajzen and Fishbein in 1980. TRA posits that individuals perform behaviors based on their intention, which is influenced by attitudes and subjective norms. TAM adapts this concept to explain the acceptance of information systems by emphasizing two main constructs: perceived usefulness and perceived ease of use. Perceived usefulness refers to the belief that a system will enhance job performance, while perceived ease of use relates to the belief that using the system requires minimal effort. These perceptions influence user attitudes, which in turn affect behavioral intention and actual system usage. TAM also recognizes the role of external variables, such as system characteristics or organizational support, which shape user perceptions. In the context of accounting information systems, particularly cash disbursement systems, TAM is relevant to understand user acceptance and support successful implementation. By improving system functionality and user-friendliness, organizations can increase the likelihood of adoption. In nonprofit institutions, where accountability and transparency are critical, TAM serves as a valuable framework to reduce resistance, enhance user confidence, and ensure that new systems effectively support financial reporting and internal control activities.

ACCOUNTING INFORMATION SYSTEM

An accounting information system is a structured mechanism that serves to collect, process, and present financial data to support organizational decision-making. According to Maknunah (2015), an accounting information system is designed to organize forms, records, and reports in an integrated way to produce financial information essential for leadership and management in controlling and operating a company effectively. This view aligns with the American Accounting Association, which defines the accounting information system as a process of identifying, measuring, and communicating economic information that enables users to make clear and informed judgments. Krismiaji (2015) emphasizes that the accounting information system is built to produce necessary financial reports, derived from the systematic collection and processing of financial data, thereby serving as a reliable foundation for achieving organizational goals.

The accounting information system is more than just a technological tool; it is a set of interdependent elements that work in harmony to transform raw financial data into structured outputs. These outputs enable decision makers at all levels to evaluate performance, control operations, and plan for the future. The system integrates various components including human resources, procedures, data, software, and the necessary technological infrastructure, which together ensure the continuity and reliability of financial information. Seprida (2016) describes a system as a group of closely linked elements that function collaboratively, where each activity within the system is inseparable from established procedures, reflecting the integrated nature of an accounting information system.

Furthermore, Hanum (2015) explains that the accounting information system acts as a core functional system supporting other operational systems such as finance, marketing, production, and human resources. Each of these functional domains relies on the financial data processed and delivered through the accounting system. Thus, AIS plays a fundamental role in organizational coordination and decision-making. In practice, the system also enables the delegation of authority by facilitating accountability across all levels of management. It allows operational personnel to record and document transactions consistently and systematically, which in turn supports the overall transparency and traceability of financial operations.

Romney and Steinbart (2018) assert that an accounting information system is a complete structure that gathers, stores, and processes data to provide meaningful information to decision makers. The system includes individuals who operate it, procedures that guide data processing, data itself as the foundation, software for processing, and technological infrastructure such as hardware and networks. Together, these elements ensure that the accounting function supports the broader business objectives. The accounting information system, when effectively managed, can streamline the recording of financial events and translate them into comprehensive reports for management and external stakeholders.

The system's primary objective is to provide relevant and timely financial information that enhances decision-making processes. It supports daily operational needs by processing transactions efficiently and enables managerial planning and monitoring through the provision of accurate data. Zamzami (2016) outlines several key objectives of accounting information systems, which include supporting routine business operations, offering data to assist managerial decisions, improving financial accountability, and helping prevent fraudulent practices. The emphasis is not merely on the volume of data collected, but rather on its accuracy, reliability,

and relevance. High-quality information fosters confidence among users, whether they are internal decision-makers such as managers and accountants, or external stakeholders such as investors, creditors, and regulators.

The performance of an accounting information system can also be gauged by user satisfaction and the extent to which it is effectively utilized. Shahara (2021) states that system performance is closely linked to its usability, relevance, and the level of satisfaction experienced by its users. This satisfaction directly influences the extent to which a system becomes embedded in routine operations and contributes to better outcomes for the organization. Setiawan (2014) adds that corporate managers, as primary users of transactional data, rely on the accounting system to coordinate resources and guide strategic actions. Decision quality improves when reliable data is readily available, and the system plays a critical role in ensuring that.

Beyond these managerial uses, the accounting information system is also essential for operational control. It provides mechanisms for ensuring that every financial transaction is authorized, documented, and appropriately recorded. Internal controls embedded within the system help safeguard organizational assets and reduce the risks of error or fraud. Romney (2018) emphasizes the system's role in transforming raw transactional data into actionable insights while also protecting the integrity of financial information. The system creates a trail of records that can be audited, reviewed, and verified, which is essential for accountability and compliance with standards.

The benefits of an accounting information system are diverse and impactful. According to Romney and Steinbart (2018), one of the major advantages is the improvement in the quality of goods and services by reducing associated costs. The system enhances operational efficiency by automating data collection and processing, which minimizes redundancy and error. It facilitates knowledge sharing by ensuring that all relevant stakeholders have access to accurate and timely information. Furthermore, the system supports the optimization of supply chains, improves the internal control environment, and enables more effective decision-making at all organizational levels. When well-implemented, the system aligns financial data with strategic planning and enhances the ability of management to respond to changes in the business environment.

In an increasingly data-driven economy, the need for reliable accounting information systems is becoming more pronounced. Organizations face growing demands for transparency, efficiency, and regulatory compliance. A well-functioning AIS not only supports these demands but also provides a competitive advantage by enabling better insights into financial performance and resource allocation. As businesses evolve and expand, the complexity of financial operations increases, requiring systems that are both robust and adaptable. The accounting information system, by integrating various organizational functions and ensuring data integrity, serves as a strategic tool for navigating this complexity.

INTERNAL CONTROL SYSTEM

The internal control system is a crucial element in the overall governance and management framework of an organization. According to the Committee of Sponsoring Organizations (COSO), internal control consists of five interrelated components, all of which must be present and functioning effectively to ensure that internal control objectives are achieved (Tunggal, 2013). These components include the control environment, risk assessment, control activities, information and communication, and monitoring. The control environment serves as the foundation for all other components and reflects the organization's culture, ethical values, and the commitment of management and the board of directors to integrity and accountability. The effectiveness of internal control is closely linked to the ethical values and integrity of the individuals who design, implement, and oversee the control system. Ethical standards and codes of conduct must be established, communicated, and demonstrated in daily practices to cultivate a sound control environment. Moreover, management's commitment to competence must be evident in the qualifications and training of personnel entrusted with financial responsibilities. Resource policies, including hiring, training, and performance evaluation, also affect the strength of the control system. Delegation of authority and clearly defined responsibilities help ensure that every individual understands their role within the organization and supports accountability.

The philosophy and operating style of management significantly influence how internal controls are developed and applied. An engaged board of commissioners and an independent audit committee provide vital oversight, ensuring that policies and procedures are designed and implemented with transparency and accountability. These governance bodies must be composed of individuals with sufficient independence and expertise to objectively assess the organization's financial reporting and control processes. The effectiveness of the audit committee also depends on its active involvement in discussions with management and external auditors, as well as its understanding of the organization's operations and potential risks.



Control activities are the specific policies and procedures established to ensure that management directives are carried out and that risks are mitigated effectively. These activities may involve performance evaluations, information processing, and physical controls over assets and data. Risk assessment, another essential component of internal control, involves the identification and analysis of potential risks that could affect the achievement of financial reporting objectives. It requires management to consider both internal and external factors that may influence the organization's ability to process and report accurate financial information. Information and communication systems support internal control by facilitating the flow of data necessary for planning, controlling, and evaluating the organization's activities. A reliable accounting information system records, processes, and reports financial transactions while maintaining accountability for assets and liabilities. Clear communication ensures that all personnel understand their roles and responsibilities in the internal control system and how their actions impact others within the organization.

Monitoring is the continuous process of assessing the effectiveness of internal controls over time. This involves periodic evaluations and reviews of control activities to determine whether they function as intended and whether any adjustments are needed in response to changes in operations or risks. Effective monitoring can be achieved through built-in operational activities, management supervision, and independent internal audits. The overall purpose of internal control is to protect organizational assets, ensure the accuracy and reliability of financial records, improve operational efficiency, and promote compliance with policies and regulations. Control functions as a proactive mechanism to prevent irregularities and guide individuals to act in accordance with organizational standards and expectations.

In a business context, internal control is a widely recognized and vital element in achieving organizational objectives. It assists leadership in assessing the structure and execution of activities, as well as in directing and supervising staff toward desired outcomes. Internal control plays a critical role in preventing fraud and safeguarding both tangible assets such as equipment and inventory, and intangible assets such as brand reputation and intellectual property. Mulyadi (2016) defines internal control as a coordinated set of organizational structures, procedures, and practices designed to protect assets, ensure data accuracy, promote efficiency, and encourage adherence to policies. Similarly, Anastasya (2015) describes internal control as all plans and actions adopted by management to secure assets, verify accounting data, improve operational performance, and support compliance with internal guidelines and regulations.

Based on these definitions, internal control can be understood as a structured set of policies and procedures designed to protect company resources, ensure the availability of accurate financial information, and guarantee that employees comply with legal and managerial expectations. A well-established internal control system aims to help organizations operate effectively, in accordance with laws and internal policies, and minimize errors and losses. According to Mulyadi (2016), the objectives of internal control include safeguarding assets from misuse, verifying the accuracy and reliability of accounting data, enhancing operational efficiency by eliminating waste and redundancy, and ensuring compliance with management directives. To support these objectives, internal control systems must be supported by an organizational structure that clearly defines functional responsibilities and separates key duties to avoid conflicts of interest and fraud opportunities.

The authority system and procedural documentation are also fundamental elements in protecting organizational resources. Transactions should only be authorized by designated officials and must be properly documented to ensure accountability and traceability. Forms used in the accounting process must be monitored, sequentially numbered, and stored securely to maintain data integrity. Reliable recording procedures contribute to the production of accurate financial information and enhance the credibility of financial reports. In this regard, effective internal control not only prevents errors but also enables timely detection and correction.

Good control practices are reinforced by behavioral and procedural standards. The use of pre-numbered forms, unannounced audits, job rotation, mandatory leave, and physical verification of assets are measures that ensure control procedures are followed consistently and reduce the opportunity for misconduct. Internal checks between individuals or departments involved in a single transaction foster transparency and accountability. Surprise audits and role rotations further promote adherence to ethical standards and operational consistency, thereby strengthening the overall control environment.

A critical factor in the success of internal control is the quality of personnel. Even the most well-designed control systems will fail without competent and honest individuals to implement them. Employee recruitment must be based on the qualifications necessary for the roles they will fill, and ongoing training should be provided to develop skills in line with evolving organizational needs. Competence and trustworthiness are fundamental to the efficiency and effectiveness of internal control systems. Organizations



must invest in continuous professional development and performance management to ensure that employees remain capable of fulfilling their responsibilities.

CASH DISBURSEMENT

Cash disbursement is a fundamental component of an organization's financial management process. It refers to transactions that result in a reduction of the company's cash or bank balances, commonly due to activities such as cash purchases, payment of debts, or other financial obligations that lead to a cash outflow (Maknunah, 2015). Given the sensitivity and liquidity of cash, the disbursement process must be governed by a robust internal control framework to prevent misuse, fraud, and error. An effective cash disbursement system typically includes mechanisms such as executing large expenditures through bank transfers, handling small expenditures through petty cash funds, requiring prior authorization from designated personnel, and maintaining clear separation of duties among those who approve, handle, and record cash transactions. These procedures are designed not only to protect cash assets but also to ensure accountability and the accuracy of financial reporting.

Mulyadi (2016) emphasizes that cash disbursement involves recording financial activities executed either by check or physical cash for the organization's operational needs. These may include vendor payments, procurement-related transactions, or other expenditures in the normal course of business. Sujarweni (2015) further defines the cash disbursement accounting system as a structured method of managing outflows through both cash and credit purchases, and any other forms of payments. This system encompasses various interrelated procedures such as receiving, storing, depositing, authorizing, and recording cash disbursements, which together constitute the cash disbursement accounting information system. The goal is to ensure that cash movements are systematically managed, fully documented, and traceable within the organization's internal records.

A proper internal control system in the cash disbursement cycle is crucial to achieving financial discipline. Saad (2020) outlines six major control activity groups within the expenditure cycle, which include payroll processing, cash disbursement, transaction authorization, personnel-related authority delegation, separation of duties, and supervision. Within these categories, specific internal controls are applied to strengthen the integrity of each process. For example, the accounts payable department holds the authority to authorize payments based on verified documents. In terms of separation of duties, there should be clear boundaries between the functions of cash disbursement, accounts payable processing, and ledger maintenance. This minimizes the risk of collusion or manipulation, as no single individual should have full control over all phases of a transaction. Proper supervision, such as oversight of the timekeeping and voucher approval processes, reinforces the application of procedures and ensures that employees act within defined protocols.

The accounting records generated during the expenditure cycle are also integral to the control structure. These include time cards, job cards, cash disbursement receipts, journals, subsidiary ledgers, and the general ledger. In the accounts payable process specifically, vouchers and supporting documents such as purchase requisitions, purchase orders, receiving reports, and invoices are used to verify the validity of the transactions before any disbursement is made. These documents are reviewed not only by the accounts payable department but also by the cash disbursement and general ledger sections, ensuring layered verification.

Access control is another key component in safeguarding cash assets. Physical security measures are enforced to restrict access to cash and financial records to authorized personnel only. This involves secure storage facilities, controlled access systems, and monitoring mechanisms. Furthermore, independent verification is a standard control practice within the disbursement cycle. Before a liability is recorded, the accounts payable department must reconcile source documents to ensure their completeness and accuracy. Subsequently, the general ledger team performs a broader reconciliation to verify the accuracy and consistency of recorded entries, including a final review by the cash disbursement unit. Periodic bank reconciliations conducted by the controller function provide additional assurance that recorded cash outflows match actual bank transactions.

The procedural flow of cash disbursements begins with the accounts payable department, which is responsible for initiating the disbursement process. Administrative staff in this department review open vouchers to identify payments due and assemble a voucher package comprising all necessary supporting documents. This package is then forwarded to the cash disbursement department, while accounting entries are made in the subsidiary ledger, and account summaries are sent to the general ledger department. Upon receiving the voucher package, the cash disbursement staff reviews the documentation for completeness and administrative accuracy. This step is critical to preventing payment errors and unauthorized transactions. Finally, the general ledger department receives cash disbursement journal vouchers and supporting account summaries to record and reconcile the overall financial impact of the transactions.

This integrated flow between accounts payable, cash disbursement, and general ledger ensures that all payments are justified, accurately recorded, and properly reported in the organization's financial statements. When implemented effectively, the cash disbursement accounting information system not only enhances financial transparency but also supports broader organizational objectives such as regulatory compliance, operational efficiency, and stakeholder confidence. As one of the most sensitive areas in financial management, cash handling must be reinforced by stringent controls, clear documentation, and periodic evaluations to detect anomalies and make continuous improvements.

RESEARCH METHODS

The type of research employed in this study is a qualitative approach, which involves a series of activities or processes to obtain reasonable data or information regarding a particular issue within specific conditions, aspects, or fields of the object under study. The theoretical framework serves both as a guide and a basis for discussing the research findings. This research is categorized as field research, aimed at exploring how the internal control system for cash receipts and disbursements is implemented at the Medan Plus Rehabilitation Foundation. The qualitative approach is considered more effective in acquiring in-depth and contextual data, especially through the direct involvement of the researcher in the field. In qualitative research, the researcher functions as the main instrument in data collection, establishing direct engagement with the research object.

The research was conducted at the Medan Plus Rehabilitation Foundation, located at Jalan Pasar VII No. 45, Medan Beringin Village, Medan Selayang District. The respondents involved in this study included the Chairperson of the Medan Plus Rehabilitation Foundation, who is responsible for overseeing the organization's internal control system, along with three staff members working in the finance department. Thus, a total of four individuals participated in providing relevant data and insights for this study.

The data collection techniques applied in this research follow the approach outlined by Abdurrahman (2006), namely interviews and documentation. The interview technique was implemented through direct discussions with authorized and knowledgeable parties, while the documentation technique involved gathering primary data in the form of supporting documents, such as organizational structures and Standard Operating Procedures (SOPs), to provide evidence of existing phenomena.

The data analysis technique used is descriptive analysis, which involves collecting, classifying, and interpreting data to provide a comprehensive understanding of the research problem. The descriptive method includes collecting data from the research object and related literature, then presenting the findings in detail to identify the problem and propose a solution (Dina, 2017). The analysis process began by examining the internal control objectives of the Medan Plus Rehabilitation Foundation, gathering data through interviews and documents, reviewing and analyzing the data, and comparing it with relevant literature. The final step involved drawing conclusions from the overall data and analysis, resulting in an overview of the internal control system for cash disbursements implemented at the Medan Plus Rehabilitation Foundation.

OPERATIONAL DEFINITION AND VARIABLE MEASUREMENT SCALE

The operational definition in this research serves to clarify how each variable is measured and interpreted, providing a foundation for evaluating the quality of the study and facilitating understanding throughout the research process. The internal control system for cash disbursements refers to a set of procedures established by an organization's leadership to guide and supervise subordinates, ensuring that outcomes align with expected standards. This system aims to safeguard the organization's assets while enhancing the efficiency and effectiveness of all operations. Six dimensions of internal control activities within the expenditure cycle—namely transaction authority, segregation of duties, supervision, accounting records, access, and independent verification—are used as key indicators. Each dimension is measured through structured interviews and direct observation of practices at the Medan Plus Rehabilitation Foundation.

Transaction authority ensures that only authorized personnel initiate or approve financial transactions. Segregation of duties involves distributing financial responsibilities among different individuals to reduce the risk of fraud. Supervision entails the oversight of employee activities to ensure compliance with internal procedures. Accounting records must be accurate and timely to support audit trails and managerial decisions. Access control ensures that sensitive information and resources are only available to authorized individuals, while independent verification provides objective checks to validate the integrity of financial processes.

In parallel, the cash disbursement accounting information system is evaluated as a structured mechanism for collecting and processing financial data. Based on Pella's model (2015), five components are examined: people, data, procedures, software, and



infrastructure. These components are assessed through indicators such as staff competence, data quality, software reliability, and IT infrastructure support. Together, the internal control system and the accounting information system provide an integrated framework to ensure effective cash disbursement management and financial accountability within the organization.

RESEARCH RESULT

The Medan Plus Rehabilitation Foundation was born out of a shared experience and mutual concern among a group of former drug users, some of whom were living with HIV, in Medan in 2002. This meeting was facilitated through collaboration among the Galatea Medan Foundation, the Bethesda Pool Medan Foundation, and the Spiritia Jakarta Foundation. These individuals, despite facing stigmatization and marginalization, were moved by a sense of empathy and a desire to empower themselves and others. As a result, on September 23, 2003, they established a community organization for drug victims and people living with HIV/AIDS (PLWHA), known as Medan Plus.

During that period, society and the government were largely unprepared to accept or support the presence of individuals living with HIV or recovering from drug addiction. Discrimination and social stigma were prevalent, contributing to increased morbidity and mortality within these communities. Rejection from families and communities posed additional obstacles for Medan Plus, which was further exacerbated by inadequate access to quality and compassionate healthcare services. This marginalization was rooted in limited public knowledge and information about HIV and drug abuse. Despite these hardships, many affected individuals managed to survive and persevere, which inspired Medan Plus to strive for positive change.

The foundation's initial journey was marked by hardship, but it served to strengthen the commitment and resolve of its members. Over time, a collective spirit of resilience, health consciousness, and compassion emerged among its community. This became the core strength that propelled Medan Plus forward, helping it grow into a structured and well-organized institution.

The organizational structure of Medan Plus is a comprehensive framework that delineates roles and responsibilities. It consists of supervisors, management, and support staff, all working in harmony under a defined hierarchy. Key personnel include mentors who establish the foundation's vision, mission, and policies; managers who oversee daily operations and resource management; supervisors who perform audits and evaluate performance; and program directors who design and monitor community initiatives.

Various departments support the foundation's programs, including Community Empowerment, PLWHA Support, and Narcotics Rehabilitation. Each unit designs and implements specialized interventions, conducts counseling, manages resources, monitors progress, and collaborates with stakeholders. The Finance and Administration department oversees budgeting, reporting, and compliance. Staff includes accountants, finance officers, and procurement personnel, all of whom ensure the foundation operates within regulatory standards.

Human Resources manages employee welfare and training, while the Security and Maintenance division ensures the safety of the foundation's assets. The Technical Implementation Unit coordinates program execution, while the Drug Rehabilitation Center provides counseling, medical services, and educational workshops. The Psychology Bureau delivers therapeutic services, and the Legal Bureau handles all legal matters involving the foundation.

The study conducted on the Medan Plus Foundation assessed internal control activities and the cash disbursement information system. Data collection was carried out using structured interviews, focusing on six internal control parameters: Transaction Authority, Separation of Duties, Supervision, Accounting Records, Access, and Independent Verification. The study also examined five components of the accounting information system: People, Data, Software, Infrastructure, and Security.

For Transaction Authority, all five respondents confirmed that the authorization system was consistent with the company's procedures. Regarding Separation of Duties, three affirmed proper authorization of check withdrawals, while two indicated issues. In terms of Supervision, four agreed that internal audits were performed by independent parties.

Accounting Records were positively rated by five respondents, who confirmed that transactions were properly recorded and documented. In the area of Access, four affirmed the presence of access controls and supporting documentation for cash disbursements. All five respondents verified the practice of Independent Verification.

The People component was unanimously supported, with all respondents stating that employees received relevant training. The Data component was also positively evaluated, with all five confirming that financial documents were checked, and safes were available for secure storage. Regarding Software, three respondents acknowledged the use of a computer system for cash



disbursement, while two did not. The Infrastructure component was equally split, with three affirming the presence of specialized units for control evaluation.

These results suggest that the Medan Plus Rehabilitation Foundation has established effective internal controls and an accounting information system for cash disbursements. However, improvements can still be made, particularly in the areas of system infrastructure and software implementation to ensure comprehensive data management and operational efficiency. The foundation's organizational strength, combined with continuous evaluation, positions it to further advance its mission of empowering vulnerable communities and improving public health outcomes.

RESEARCH DISCUSSION

This study was conducted to analyze the cash disbursement information system at the Medan Plus Rehabilitation Foundation, with the primary aim of assessing the effectiveness of internal control activities. By using interview data and comparing it against theoretical standards, the study provides a comprehensive overview of the foundation's financial control mechanisms and identifies areas of conformity and potential improvement. One of the key aspects analyzed is transaction authority, which refers to the necessity of approval by authorized individuals for all financial transactions. The foundation has consistently implemented this principle, ensuring that all cash inflows and outflows are authorized by both the Finance Department and the Foundation Leader. This alignment with best practices received the highest assessment score, indicating a strong control in this area.

Another essential aspect is the separation of duties, which aims to divide responsibilities between departments to minimize risk and prevent fraud. Theoretically, the Finance and Accounting departments should operate independently. However, the foundation still practices role duplication between these two units, potentially exposing itself to operational risks. This condition resulted in a moderate assessment score, indicating that further efforts are needed to improve role separation. Supervision is also a critical control parameter, where no single function should manage all stages of a transaction. At the foundation, division heads are tasked with supervising their team members' performance, providing a form of oversight. However, without an independent audit unit, the supervision lacks full objectivity. Still, the current practice was rated positively, acknowledging the effort to monitor financial activities.

Accuracy in accounting records plays a central role in internal control. According to theory, routine checks must be conducted to ensure alignment between recorded data and actual assets. The Accounting Department of the Medan Plus Rehabilitation Foundation carries out daily verification of financial records to prevent discrepancies, a practice that reflects a high standard of control and earned the top evaluation rating. Access control, another significant component, requires that no individual or single unit should manage an entire transaction process. The foundation ensures shared responsibilities between the Finance and Accounting departments, encouraging a cooperative environment. This arrangement, while beneficial for transparency, still requires clear boundaries to avoid collusion risks and was rated slightly below maximum.

Independent verification refers to regular or unexpected audits conducted by parties who are not directly involved in financial operations. This approach helps identify discrepancies that might be overlooked in routine checks. The foundation carries out unannounced inspections of employee performance, demonstrating commitment to transparency and internal integrity. As such, this area received the highest rating. Human resources, or the people involved, also influence the internal control system's effectiveness. The foundation conducts regular seminars and training sessions to enhance staff skills and awareness, ensuring that employees are well-equipped to manage evolving responsibilities. This proactive development strategy is in line with control theory and contributes positively to the institution's operations.

Data management, encompassing data quality, accuracy, and timeliness, is another crucial pillar of financial control. The use of sequentially numbered and dated documents at the foundation ensures traceability and accountability. The cashier assigns unique identification to each transaction, which strengthens the integrity of the financial reporting system. This practice aligns perfectly with theoretical expectations and earned full marks. In contrast, the foundation's reliance on Microsoft Excel for financial documentation indicates a limitation in terms of software sophistication. Ideally, an organization should implement specialized accounting software with features that enhance system reliability, reduce error margins, and improve response times. The absence of such tools at the Medan Plus Rehabilitation Foundation resulted in a modest score for the software parameter (Scarano, 2022).

Infrastructure also plays a supporting role in maintaining effective internal control systems. According to theory, organizations should establish specialized units to periodically evaluate internal control mechanisms. At the foundation, no such unit



exists, and oversight responsibilities are handled directly by the Foundation Leader. While this provides some level of monitoring, it lacks the impartiality and depth of a dedicated control department. Thus, this parameter was also rated moderately. Based on the cumulative results from these various parameters, the foundation achieved a total score of 42 points. Using the Calesmart assessment model, this score falls into the category of “Quite Appropriate,” which suggests that while many control mechanisms are in place and functioning, some elements still require enhancement to reach optimal effectiveness.

To deepen the analysis, this study also incorporates the Technology Acceptance Model (TAM) as an evaluative framework. TAM posits that perceived usefulness and ease of use are critical to the successful adoption of any technological or system intervention. In this context, although the foundation has established several manual and procedural controls, the lack of automated software or digital systems may hinder overall efficiency and user satisfaction. Employees might find Excel-based systems cumbersome for large volumes of transactions, leading to potential inefficiencies or errors. Moreover, the absence of a specific internal audit or evaluation unit limits the system’s ability to evolve and adapt to future challenges.

Despite these constraints, the Medan Plus Rehabilitation Foundation demonstrates a commendable level of adherence to internal control standards, especially in areas such as transaction authorization, data management, recordkeeping, and staff training. The organization’s ability to implement surprise inspections and maintain detailed documentation further highlights its commitment to transparency and accountability. However, to strengthen its position and mitigate risks, the foundation is encouraged to invest in specialized financial software and establish an independent internal audit unit. These steps would enhance the organization’s control structure, reduce dependency on manual processes, and provide a foundation for scalable, technology-driven operations.

CONCLUSION

Based on the analysis and findings of the study regarding the implementation of internal control over cash disbursements at the Medan Plus Rehabilitation Foundation, it can be concluded that the foundation has generally established a solid internal control system. Many aspects of its control mechanisms are aligned with recognized theoretical frameworks, reflecting a commendable effort to ensure financial accountability. However, certain areas still require significant improvement. Issues such as overlapping duties between the Finance and Accounting Departments, the absence of surprise inspections, and the lack of a dedicated internal control unit highlight structural weaknesses that could affect the overall reliability of the system. These elements must be addressed to strengthen the integrity of financial operations.

To enhance its internal control practices, the Medan Plus Rehabilitation Foundation should take a firmer stance on segregating job responsibilities among staff members and ensure that roles are clearly defined and enforced to prevent dual functions. The foundation is also encouraged to implement unannounced audits, particularly in cash handling activities, to foster a culture of accountability and improve employee performance. Moreover, establishing a specialized unit focused on evaluating the effectiveness of internal control would provide continuous oversight and support the foundation in achieving consistent and transparent financial governance.

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Cite this Article: Sembiring, M.O., Nurlinda, Widia, R., Deliana (2025). Analysis of Cash Expenditure Accounting Information Systems to Improve Internal Control Activities at Medan Plus Rehabilitation Center Foundation. International Journal of Current Science Research and Review, 8(7), pp. 3262-3272. DOI: <https://doi.org/10.47191/ijcsrr/V8-i7-14>