

The Influence of Internal Control Systems and Understanding of Accounting Information Systems on Financial Performance

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Abstract: This study aims to analyze the influence of internal control systems and accounting information systems on financial performance. The object of the research is the management of the Muhammadiyah Banten regional leadership. This study was conducted on 78 respondents using a quantitative descriptive approach. The data collection method uses the survey method with research data collection instruments are questionnaires through Google Form. The approach used in this study is the Structural Equation Model (SEM) with Smart Partial Least Square (PLS) analysis tools, validity tests, reliability tests and hypotheses of all scales are declared valid. This study proves that the internal control system has a significant effect on financial performance, the accounting information system has a significant effect on financial performance.

Keywords: Internal Control System, Accounting Information System, Financial Performance

Abstrak: Penelitian ini bertujuan untuk menganalisis pengaruh sistem pengendalian internal dan sistem informasi akuntansi terhadap kinerja keuangan. Objek penelitian adalah pengurus pimpinan wilayah muhammadiyah Banten. Penelitian ini dilakukan terhadap 78 orang responden dengan menggunakan pendekatan deskriptif kuantitatif. Metode pengumpulan data menggunakan metode survei dengan instrumen pengumpulan data penelitian adalah kuesioner melalui *Google Form*. Pendekatan yang digunakan dalam penelitian ini adalah *Structural Equation Model* (SEM) dengan alat analisis *Smart Partial Least Square* (PLS), uji validitas, uji reliabilitas dan hipotesis semua skala dinyatakan valid. Penelitian ini membuktikan bahwa sistem pengendalian internal berpengaruh signifikan terhadap kinerja keuangan, sistem informasi akuntansi berpengaruh signifikan terhadap kinerja keuangan.

Kata Kunci: Sistem Pengendalian Internal, Sistem Informasi Akuntansi, Kinerja Keuangan

INTRODUCTION

One of the critical aspects that is the main focus of organizations, both private, public, and non-profit sectors, is Financial Performance. Organizations view financial performance as an indicator of success in managing resources, achieving strategic goals, and creating value for stakeholders. Finance is also seen as a function that plays a role in organizational decision-making (Waal et al., 2025).

Financial performance is one of the important indicators in assessing the success of an organization, including companies and non-profit companies. Financial performance can be observed through the prospect of financial growth or development (Sembiring et al., 2025). Good financial performance reflects the efficiency and effectiveness of resource management, which can ultimately increase the company's value and stakeholder trust. However, the achievement of optimal financial performance is inseparable from supporting factors, such as an effective Internal Control System (SPI) and adequate accounting understanding by the parties involved in the preparation of financial statements. Therefore, financial management is inseparable from the role of the individual in it (Annundi & Ahmad, 2025).

A lack of understanding of accounting principles can result in errors in the recognition, measurement, and presentation of financial statements, which ultimately impacts financial performance. In this case, the existence of system design is important in facilitating and automating management (Sastrawan et al., 2024). This is because the quality of financial quality depends on the existing information system (Saraswati et al., 2024).

A phenomenon that often occurs in organizations, including non-profit organizations, is the challenge in maintaining financial performance stability and growth. Issues such as asset abuse, operational inefficiencies, or inaccuracies in financial statements can hinder the achievement of organizational goals. This problem is often rooted in weaknesses in the internal control system (SPI). In an organization, internal control is a process of supervision and direction over the course of organizational operations (Aidah & Rahmawati, 2024). Good internal control can also make it easier for stakeholders to make decisions (Ardelia et al., 2024).

A strong SPI can prevent fraud, errors, and inefficiencies, which in turn will have a positive impact on financial performance. Conversely, a weak SPI tends to open up loopholes for financial and operational risks that can harm the organization (Ikatan Akuntan Indonesia, 2015). In the context of PWM Banten as an organization with a complex structure and a variety

of business units or charities, the comprehensive implementation of SPI is increasingly urgent to ensure transparency and accountability in the management of people's funds.

In addition to SPI, a good understanding of the accounting system is also a determining factor in financial performance. In for-profit or non-profit organizations, SIA or Accounting Information System has a role as a control (Istiqomah et al., 2023). In addition, SIA also has a function as a tool in producing reliable information (Hajar & Pratiwi, 2023). Because the function of the information system is not only to collect data, process and store information (Putri & Pravitasari, 2023). Adequate understanding by the relevant leadership and staff of the system will improve the quality of the financial information generated, enable more informed decision-making, and facilitate accurate reporting. A lack of understanding of accounting can lead to recording errors, report mismatches, and ultimately, distortions in the actual assessment of financial performance. This is relevant for PWM Banten, where leaders and financial managers are required to have accounting competencies in order to be able to manage resources optimally and report accountability to the public.

Based on the above background description, this study aims to test the financial performance of the accounting information system, the internal control system as a continuation and novelty of previous research. With the title of research on the influence of the Internal Control System and the understanding of the accounting system on the performance of empirical studies on the Regional Executive of Muhammadiyah Banten

LITERATURE REVIEW

Stakeholder Theory

In its implementation, stakeholders are components that have limited time to be in the organization or company (Pramono et al., 2022). In non-profit organizations, organizations also have responsibilities to stakeholders. This means members, supporters, recipients, volunteers, partners and other parties involved in and related to the organization (Wardoyo et al., 2023). Therefore, stakeholders are those who hold authority or responsibility in an organization and have the task of carrying out the organization's goals.

Financial Performance

Financial performance is one of the benchmarks in decision-making by stakeholders (Oktavianus et al., 2022). Financial performance is one of the important points in seeing developments and efforts in achieving existing goals (Pramono et al., 2022). Financial

performance is presented by an organization as a form of accountability for existing programs (Anwar & Malikah, 2021). Therefore, financial performance is an important factor in all organizations, as it is closely related to the goals and running of the organization.

Accounting Information System

An accounting information system is a comprehensive system for collecting, analyzing, organizing and presenting financial data that is useful for decision-making (Sultana et al., 2025). Accounting information systems have a role in creating timeliness and accuracy in responding to decision-making steps (Huong & Dinh, 2025). Information is the most important asset for an organization. As information becomes more and more difficult to control, information systems emerge as pillars that support organizations at all levels (Belhaj & Meriouh, 2024). Because information systems are not only useful in the field of accounting, but also play a role in improving, controlling and assessing in the organization (Nurrasyidin et al., 2023). Therefore, an accounting information system is a system that functions a large number of effective and efficient decision-making based on data sets related to finance.

Internal Control System

The internal control system is one of the crucial points in the financial management of an organization, as it is designed to oversee the organization's goals of success effectively and efficiently (Sukmawati & Susilo, 2023). Internal control consists of organizational structures, techniques and measures that are arranged to maintain organizational strength (Saputra & Novita, 2023). Internal control systems have an important position in a company or organization, as they help in achieving the desired goals (Permana et al., 2023). An internal control system is intended by an organization to prevent fraud (Pratopo & Wuryani, 2023). Therefore, an internal control system is a form of control from the organization to oversee the course of the organization in achieving the set goals.

METHOD

This study uses a quantitative research design with a causal associative approach. Because in the process, researchers use numbers to find research findings (Hidayat et al., 2023). The main purpose of this design is to test the cause-and-effect relationship between independent variables, namely the Internal Control System and the Understanding of the Accounting Information System on Financial Performance in non-profit organizations, especially in the Muhammadiyah Banten Regional Executive.

In this context, the variables studied have been predetermined, with standardized indicators based on relevant theories and previous research results. The data source was obtained by the researcher through a questionnaire. Data were collected using questionnaires arranged based on research variables. This questionnaire contains closed-ended questions with a Likert scale of 1-5 to measure respondents' responses related to the Internal Control System, Understanding of Accounting Information Systems, and Financial Performance which are disseminated through an online method to the administrators of the Muhammadiyah Banten Regional Executive. Furthermore, data is collected from financial documents, financial statements, and other relevant documents from the Muhammadiyah Banten Regional Executive.

This research will be carried out for 1 month, starting from the preparation of instruments, data collection, to analysis and writing reports. The research place is in the Banten area, especially in the Muhammadiyah Banten regional office. With the design of this research, it is hoped that a deep understanding of the influence of the Internal Control System and the Understanding of the Accounting Information System on Financial Performance in the Muhammadiyah Banten Regional Executive can be obtained. Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS software version 4.

RESULTS AND DISCUSSION

Respondent Characteristics

Respondent's Position

Table 1. Responden Characteristic

Jabatan	Frequency	Percent	Valid Percent	Cumulative Percent
Pimpinan (Ketua, wakil ketua, Sekr etaris, Bendahara	50	64.100	64.100	64.100
Pengurus lainnya	6	7.695	7.695	71.795
Anggota	22	28.205	28.205	100.000
Missing	0	0.000		
Total	78	100.000		

Source : Data obtained by researchers, 2025

The respondents who played a role in this study were dominated by the majority of leaders. Where the number of leaders such as Chairman, Vice Chairman, Secretary, and Treasurer is 50 people. The other management is 6 people, and 22 members.

Length of Service

Table 2. Long Tenure

Long tenure	Frequency	Percent
< 1 tahun	2	2.560
1 – 3 tahun	39	50.000
3 – 6 tahun	32	41.030
> 6 tahun	5	6.410
Total	78	100.000

Source : Data obtained by researchers, 2025

Based on the data obtained in the table, the length of time since the respondent entered the management of Muhammadiyah Banten Region, the respondents who were <1 year were 2 people with a percentage of 2.56%, the respondents who were 1-3 years were 39 people with a percentage of 50.00%, the respondents who were 3-6 years were 32 people with a percentage of 41.03%, the respondents who were >6 years were 2 people with a percentage of 6.41%.

Areas of Work in the Organization

Table 3. Areas of Work in the Organization

Bidang	Frequency	Percent
Majelis-Majelis PWM	19	24.360
Lembaga-lembaga PWM	31	39.740
Ortom PWM	6	7.695
PDM-PCM	22	28.205
Total	78	100.000

Source : Data obtained by researchers, 2025

Based on the data obtained in the table of 3 respondents in charge of PWM Banten assemblies amounted to 19 people with a percentage of 24.36%, respondents in charge of PWM Banten institutions amounted to 31 people with a percentage of 39.74%, respondents in charge of Ortom PWM Banten totaled 6 people with a percentage of 7.69%, respondents representing PDM and PCM in PWM Banten totaled 22 people with a percentage of 28.20%.

Validity and Realibility

Table 4. Validity tes and Realibility tes

	Cronbach's alpha	Rho-a	Rho-c	Average variance extracted (AVE)
Financial Performance	0.923	0.929	0.938	0.685
Accounting Information System	0.930	0.934	0.944	0.708
Internal Control System	0.909	0.934	0.924	0.636

Source : Data obtained by researchers, 2025

The first step to consider in testing using Smart PLS is to look at the value of the Validity and Feasibility tests. In this section, the recommended value for a good Cronbach

Alpha is above 0.7 and the recommended AVE value is at least above 0.5 (Hair et al., 2017; Nawanir et al., 2018; Abubakar et al., 2025). If these two things are obtained, then the data obtained in this research has no problem (Subaki et al., 2023). In addition, a cronbach alpha value above 0.8 indicates good data reliability (Al-Hashimy & Yao, 2024).

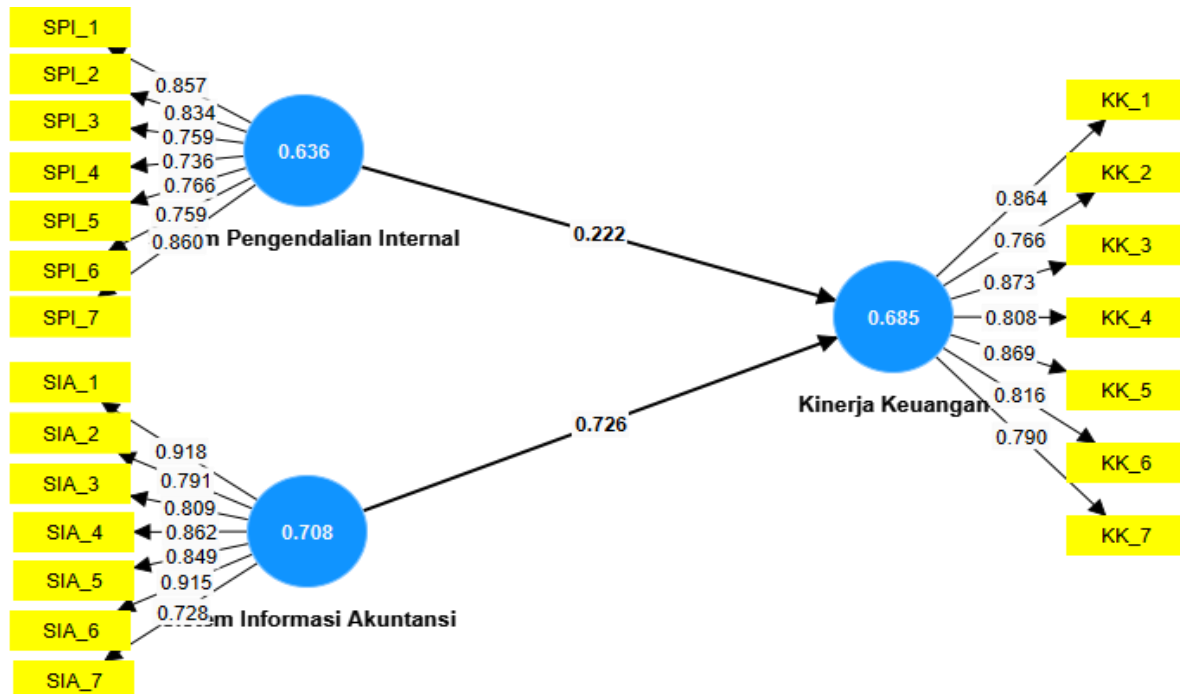


Figure 1. PLS Path Model

Hypothesis Test

Table 5. Hypothesis Test

	Original sample	Sample mean	Standard deviation	T statistics	P values
Accounting Information Systems - > Financial Performance	0.726	0.693	0.097	7.444	0.000
Internal Control System -> Financial Performance	0.222	0.261	0.099	2.237	0.025

Source : Data obtained by researchers, 2025

From the table displayed, it can be seen that each T-Statistic value is above 1.96 and the P value is also no more than 0.05. This result indicates that the overall independent variable has a positive and significant influence on the dependent variable.

Accounting Information Systems toward Financial Performance

Research on Accounting Information Systems toward Financial Performance in the Regional Executive of Muhammadiyah Banten shows that the accounting information system

(SIA) has a positive and significant influence on the financial performance of the organization. This indicates that the better the implementation and utilization of SIA, the more effective the financial management carried out by the institution. Accounting information systems help in presenting financial data that is accurate, timely, and relevant to leadership decision-making. With this system, financial recording, control, and reporting activities can be carried out more efficiently and transparently, thus supporting the accountability of non-profit organizations such as Muhammadiyah. In addition, the use of SIA also strengthens supervision of cash flows, budgets, and operational activities, which ultimately improves overall financial performance. These findings confirm that innovation in accounting information systems is not just an administrative tool, but also a strategic instrument in maintaining the sustainability and effectiveness of financial management within religious organizations.

Internal Control System toward Financial Performance

Research on *the Internal Control System toward Financial Performance* in the Muhammadiyah Banten Regional Executive shows that the internal control system has a positive and significant influence on the financial performance of the organization. This means that the better the implementation of the internal control system, the higher the level of effectiveness and efficiency of financial management achieved by the organization. A strong internal control system enables the realization of reliable financial statements, compliance with organizational policies, and prevention of errors and fraud in fund management. In the context of religious organizations such as Muhammadiyah, the implementation of good internal control also reflects the values of trust and transparency in managing financial resources from various donors and social activities. Thus, an effective internal control system not only strengthens financial accountability, but also increases public trust and supports the achievement of organizational goals in a sustainable manner.

CONCLUSION

Based on the results of research on the Muhammadiyah Banten Regional Executive, it can be concluded that both Accounting Information Systems and Internal Control System have a positive and significant influence on the Financial Performance of the organization. These findings show that the implementation of an effective accounting information system can improve the efficiency of financial recording and reporting, as well as strengthen the basis for more accurate and transparent managerial decision-making. On the other hand, a good internal

control system plays an important role in ensuring the reliability of financial statements, preventing irregularities, and ensuring compliance with organizational procedures. Theoretically, the results of this study strengthen management accounting theory and information systems theory which emphasizes the importance of technology integration and control in supporting organizational performance. Meanwhile, academically, these findings provide an empirical contribution that the implementation of SIA and good internal controls is not only relevant for business entities, but also significant in improving the accountability and financial sustainability of non-profit organizations such as Muhammadiyah.

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