

Internal Control System for Cash Purchases of Merchandise at ArfapuriMart

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DOI: <https://doi.org/10.61656/ijospat.v3i1.323>.

ABSTRACT:

Purpose: This study aims to examine the cash purchase procedures at ArfapuriMart, a small retail business in Indonesia, and assess how effectively internal control elements are implemented. It also seeks to uncover weaknesses arising from the absence of formal documentation and the centralization of authority.

Method: A qualitative approach using a case study method was applied. Data were gathered through interviews with staff and management, supported by document reviews. The evaluation was conducted using internal control theories from Mulyadi and other accounting information systems literature to assess the effectiveness of internal controls in practice.

Findings: The analysis indicates that although both manual and electronic processes are used in purchasing, critical control elements are lacking. Key documents like purchase requisitions and goods receipt forms are not in use. The purchasing authority is centralized in the owner's hands, and roles are not clearly separated, increasing the risk of error or fraud. The digital system in place aids transaction recording and inventory tracking but lacks features like access restrictions and activity monitoring, limiting its reliability and transparency.

Implication: These findings emphasize the importance for MSMEs to introduce structured documentation, formal procedures, and clear role distribution. Doing so will improve internal control, reduce risks, and support more accountable and efficient operations.

Originality: This research adds unique insights into the internal control challenges faced by informal small businesses in Indonesia. It provides applicable recommendations for MSMEs aiming to strengthen their purchasing systems and internal governance structures.

Keywords: accounting information system, cash purchases, internal control, retail stores.

Article info: Received: 14 May 2025; Revised: 25 May 2025; Accepted: 28 May 2025

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Recommended citation:

Aurellia, N.R., Ramadhan, H. A., Aini, D. A. N., Prasetya, A. D., Ahmada, K. I., & Atho' Urrohman, W. (2025). Internal Control System for Cash Purchases of Merchandise at ArfapuriMart, *Indonesian Journal of Sustainability Policy and Technology*, 3 (1), pp 36-49.

INTRODUCTION

In carrying out its daily activities, a company certainly cannot be separated from purchasing activities, both for goods and services needed to support the production process or other operational activities. One form of purchase that is quite often done is cash purchases. According to Mulyadi (2016), the purchase accounting system is a system designed to record, control, and report all transactions for purchasing goods and services carried out by the company. Although it looks simple, cash purchases have a significant impact on the company's financial condition, especially on cash flow. Therefore, a neat, systematic, and procedural recording system is needed so that there are no errors in financial reporting (Mulyadi, 2016).

The cash purchase accounting system plays an important role in recording and controlling every purchase transaction that is carried out directly. The process involves several stages, such as



purchase requests, orders, receipt of goods, and cash payments recorded with valid transaction evidence (Mulyadi, 2016). The success of this system is greatly influenced by the existence of a clear separation of duties between sections, the use of valid and sequentially numbered printed documents, and the implementation of strict internal controls to prevent misuse.

In today's digital era, a cash purchase accounting system must go beyond merely documenting transactions—it should deliver timely, accurate, and reliable information to support managerial decision-making (Mulyadi, 2016). This necessity underscores the importance of evaluating how such systems function in practice, especially in terms of their alignment with accounting standards and principles of good governance. The speed and quality of information flow are critical in enabling businesses to respond quickly to market demands and maintain transparency in financial management (Andhaniwati, 2022; Wahida & Suryaningrum, 2023). Micro, Small, and Medium Enterprises (MSMEs), particularly within the retail sector, the adoption of well-structured inventory purchasing systems remains inconsistent. These businesses often lack formal standard operating procedures, resulting in recurring challenges such as critical stock shortages that lead to missed sales and customer dissatisfaction, or excessive inventory that immobilizes working capital and escalates storage costs (Scott-Joseph, 2023). Such inefficiencies highlight the urgent need for improved control mechanisms and systematized purchasing processes within MSMEs.

The absence of controls also often contributes to pervasive errors in recording purchases, creating discrepancies between physical inventory and accounting records, which further complicates accurate financial reporting and decision-making (Dirani et al., 2024). These pervasive issues can severely hinder operational efficiency, erode profit margins, and ultimately jeopardize the long-term viability of the business which will pull more issues on operational efficiency and profitability (Yosephine et al., 2025). The selection of ArfapuriMart as the research object is based on its consistent practice of cash purchasing without a debt system and the use of an electronic recording process, which makes it an interesting case study for evaluating how medium-scale retail business applies a cash purchase accounting system in practice.

This study examines the implementation of the cash purchasing system at ArfapuriMart. The discussion focuses on the process of checking stock, ordering goods, and receiving and recording incoming goods, from the perspective of employees and owners. At ArfapuriMart, all purchasing transactions are carried out without a debt system, therefore payments are made directly in cash or transfers depending on the agreement between the owner and the supplier. The owner fully determines the selection of suppliers based on the price list, quality of service, and how obstacles such as non-conformity of goods delivered are handled. All recordings are done electronically, and the owner directly monitors them. This study provides an overview of the implementation of an efficient cash purchasing system in a medium-scale retail environment. Therefore, the main research question (RQ) is:

RQ: How is the cash purchase accounting system implemented at ArfapuriMart, and to what extent does it align with accounting systems and internal control standards?

This study offers a fresh perspective by examining a real-world case where electronic processes are implemented despite the absence of a formal credit system. The novelty lies in the intersection of cash-based purchasing and digital documentation within a medium-sized business—an area that is rarely documented. By focusing on ArfapuriMart, this research captures the nuanced practices and decision-making processes that govern supplier selection, transaction authorization, and the monitoring of stock flows, offering insights into how digital tools can enhance transparency and control in cash-based retail systems. The contribution of this study is, first, it extends the literature on cash purchase accounting systems by providing empirical evidence from a sector that is often informal and undocumented. Second, it offers practical guidance for MSMEs seeking to optimize their purchasing practices through electronic record-keeping and clear governance procedures. By revealing the mechanisms that underpin successful cash purchase management, this research supports the broader objective of improving financial accountability and operational efficiency in emerging retail enterprises.

LITERATURE REVIEW

Purchasing Accounting Information System

The purchasing accounting system is a system used to purchase goods to meet the company's needs (Mulyadi, 2016). To ensure that this process runs orderly and efficiently, the company needs a good

purchasing accounting information system. This system is part of the overall accounting information system, which is designed to record, control, and manage every purchase transaction made by the company (Romney & Steinbart, 2021).

The purchasing accounting information system not only facilitates transaction recording, but also plays an important role in maintaining the integrity of the purchasing process. Through this system, companies can track every stage of the purchasing transaction starting from the request for goods, ordering from suppliers, receiving goods, to payment. With clear and documented procedures, this system helps reduce the risk of errors and fraud that may occur (Mulyadi, 2016).

Components of Purchasing Accounting Information System

The purchasing accounting information system consists of several key components that support effective procurement process, understanding these components is essential for maintaining a reliable purchasing function that aligns with organizational goals. The main components include:

1. Requesting and Ordering Goods
The purchasing process usually begins with a request for goods by the department in need. This request is then reviewed and forwarded to the purchasing department to create a purchase order. This order document becomes the basis for making transactions with suppliers (Amengual et al., 2020).
2. Receiving and Verifying Goods
When goods arrive at the warehouse or receiving area, the clerk will match the goods with the order documents and invoices from the supplier. This process is often called three-way matching, because it compares three documents: the purchase order, the goods receipt, and the invoice (Singh & Abhinav, 2021).
3. Internal Control
To ensure the security and reliability of the process, companies need to implement internal controls, such as the separation of duties between those who order, receive, and pay for goods. In addition, the use of sequentially numbered documents and hierarchical approvals are also important parts of controlling the purchasing system (Mulyadi, 2016).
4. Recording and Reporting Transactions
After the transaction is completed, all purchase data is recorded in the accounting system. This recording is not only used for accounting purposes, but also to prepare purchasing reports, cost analysis, and supplier evaluation (Achmad et al., 2020).

Benefits of Purchasing Accounting Information System

A well-designed purchasing accounting information system provides numerous strategic advantages for an organization. By automating and integrating purchasing-related activities, the system helps improve operational efficiency, reduce errors, and ensure accurate financial reporting. The system has a number of strategic benefits, including:

1. Improve Recording Accuracy
2. With a structured system, transaction recording becomes more accurate and less error-prone.
3. Drive Process Efficiency
4. The purchasing process becomes faster as the system enables workflow automation and real time data tracking.
5. Strengthen Internal Control
6. The system also helps companies keep expenses within budget and prevent unauthorized transactions.
7. Supports Decision Making
8. Well-documented purchasing information becomes the basis for management in developing better procurement strategies (Laudon & Laudon, 2020).

RESEARCH METHOD

Field research is research conducted directly at the location that is the object of study, with the aim of obtaining objective information based on phenomena that occur in the field. This research was conducted in a minimarket not far from the National Development University "Veteran" East Java, the location of the object is ArfapuriMart, a minimarket located on Jalan Jimbaran, Gunung Anyar District,

Surabaya, East Java. The research was conducted on May 19, 2025 through direct visits to the location to explore actual data related to the system and procedures for purchasing merchandise at the store.

The research method used is a descriptive qualitative method. This method is used to understand and describe the phenomena that occur in depth based on data obtained directly from sources and research locations (Putra, 2022). This approach aims to describe how the purchasing system is implemented at ArfapuriMart and evaluate the extent to which the system is in accordance with the theory of internal control systems.

Data Collection Techniques

Data collection was carried out using three main techniques, namely:

1. **Observation:** Researchers directly observe activities
This method is carried out by visiting the research location directly at ArfapuriMart to obtain real data related to procedures and their implementation. This technique helps in capturing the actual process and factual conditions in the field.
2. **Interviews:** Conducted with related parties at ArfapuriMart.
The author conducted a Q&A with sources who were directly related to purchasing activities at ArfapuriMart. The purpose of the interview was to obtain in-depth information regarding procedures, internal policies, and obstacles that occurred in the implementation of the purchasing system.
3. **Literature Study**
The author collected data from various references such as books, journal articles, and online sources that are relevant to the internal control system and purchasing cycle. This literature study is used as a basis for comparison between real conditions in the field and applicable theories (Rahmawati & Hidayat, 2021).

Data Analysis Method

The analysis method used in this study is descriptive analysis, which is a method that aims to describe, depict, and explain a situation based on collected data. The author not only explains real conditions, but also compares them with relevant theories to determine the extent of their suitability. The analysis steps taken are as follows:

1. Identifying purchasing procedures applied at ArfapuriMart through interviews and direct observations.
2. Analyzing the internal control system in the purchasing process by comparing the practice in the field with the theory obtained from the literature study.
3. Draw conclusions based on the results of the comparison, to find out whether the current system is in accordance with the principles of good internal control.

RESULTS AND DISCUSSION

Internal Control Elements According to Mulyadi

The elements of internal control that must be present in the purchasing accounting system are designed to achieve the main objectives of internal accounting control as follows: maintaining the company's assets (inventory) and liabilities (accounts payable or evidence of cash outflows that must be paid), ensuring the accuracy and reliability of accounting data (accounts payable and inventory), ensuring the accuracy and reliability of accounting data (accounts payable and inventory) (Mulyadi, 2016).

Organization

Based on the results of the interview, each employee has carried out their duties in accordance with the responsibilities given by the company. A clear division of tasks helps in the implementation of operational activities and supports the effectiveness of the internal control.

Authorization and Recording Procedures

In terms of authorization and recording procedures, the company has implemented certain mechanisms to ensure that each transaction is recorded properly and carried out with the approval of the authorized party. This procedure is important to ensure accountability and validity of the transactions that occur (Turnip *et al.*, 2021).

"The owner himself also gives permission or signs the purchase" (cashier).

This statement shows that the authorization process is carried out by the owner, without going through other internal system third parties.

"Before buying goods, usually an order is made first. Because the goods purchased are quite a lot, so you can't just buy them right away" (cashier).

This statement shows that the process of purchasing goods is carried out based on advance orders, not suddenly. This reflects the implementation of systematic and planned procedures according to the principles of authorization and recording in internal control.

Healthy Practices

The implementation of healthy practices in operational activities can be seen from habits and procedures that aim to minimize the risk of deviation, including separation of functions, routine inspection of goods, and adequate documentation. This practice is an important part of maintaining the reliability of the company's internal control system (Turnip et al., 2021).

"If the goods on display or stock for sale run out, usually they are immediately ordered again at that time. Don't wait until the end of the period, so it is immediately followed up so that the goods remain available". (cashier).

Regarding the statement, the process of ordering goods is carried out directly and quickly when the stock runs out without waiting for the end of the period. This shows that the company applies the principle of healthy practices in maintaining the continuity of stock so that operations are not disrupted.

"For the selection of suppliers, everything is determined by the owner. The supplier will provide a price list to the owner, and the owner will choose the one that is most suitable. But if the supplier often sends goods that do not match the order, the owner usually immediately stops using the services of that supplier" (owner).

From this statement, it can be concluded that all decisions related to the selection of suppliers are in the hands of the owner, including the evaluation of the quality of the supplier. This shows that the authorization function is centralized on one authorized party, namely the owner, as part of the control over purchasing.

Purchase Control Process for Merchandise **Purchase Order Procedure**

The purchasing procedure begins with checking the inventory of goods by the owner or cashier. When the stock of goods is running low or out of stock, the shop owner places an order directly to the supplier by telephone, WhatsApp, or direct visit. The owner determines what goods are needed and the amount to be purchased based on the operational needs of the shop. In this procedure, the owner plays a direct role as the party who approves and issues the purchase request.

"There is no official form such as a purchase request letter. Usually, it is just a note of what goods are out of stock and need to be purchased." (cashier)

This statement shows that the purchase request procedure is carried out informally. Not using standard documents or forms such as a Purchase Request Letter, only in the form of makeshift manual notes from employees who found that the stock of goods is out.

"Goods that arrive not according to the order often happen. Usually, suppliers like this are immediately blocked or their cooperation with the owner is terminated" (cashier).

This statement shows supplier quality control carried out directly by the owner as a form of control over supplier reliability. However, without formal documentation or a written evaluation system, this action is reactive and not well documented. The purchasing accounting information system should have a

periodic and documented supplier evaluation procedure to support rational decision making (Romney & Steinbart, 2021).

“For purchasing goods, there is no need to ask for special permission because the owner is the one who buys it directly.” (cashier)

From this statement, it shows that there is no need for special permission if you want to buy stock that has run out. Employees will report to the owner if there is already.

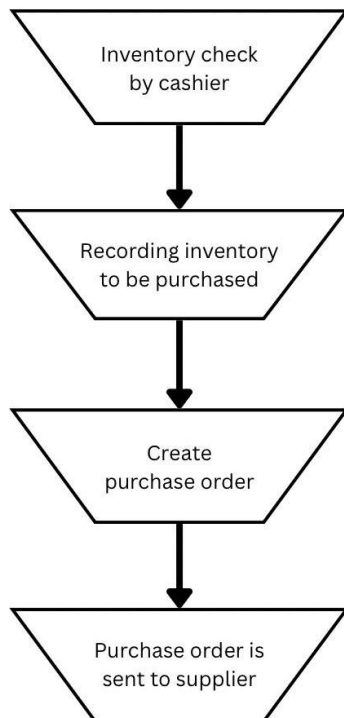


Figure 1. Flowchart of Purchase Order Procedure

Source: Interviews, Observation, and Documentation – processed 2025.

Figure 1 illustrates the procedure for creating a purchase order within an organization or company. The process begins with an inventory check conducted by the cashier. The result of this check is then recorded as purchase requirement data. Next, this data is used to prepare a purchase order document. Once the purchase order is completed and approved, the final step is to send it to the supplier. This flowchart highlights the importance of control from the early stages of the purchasing process, ensuring that purchases are made based on actual needs and with proper approval. It also reflects a separation of duties, which helps prevent unauthorized purchases.

Goods Receipt Procedure

In the process of receiving goods at the store, the cashier follows a straightforward procedure to ensure accurate delivery, as described in the following interview excerpt and detailed workflow.

“When the goods arrive, no special goods receipt report is made. But there is a purchase order letter as proof that the goods have been received and checked” (cashier).

After the supplier sends the goods, the cashier receives the goods and performs a physical check according to the order list. The goods are checked in terms of quantity, type, and condition. If the goods are appropriate, the cashier receives and stores the goods in the store's storage area. The purchase note from the supplier is kept as proof of purchase and confirmed by the owner.

"Yes, every time goods arrive, the quantity and quality are checked first. The person in charge of checking is the employee who works that day" (cashier).

This statement means that the goods inspection procedure is carried out routinely when the goods arrive, and the quantity and quality of the goods are checked. The person in charge of checking the conformity of the goods is the employee who works that day, not a special employee.

"The document used as proof of receipt of goods is a purchase order letter." (cashier)

Using only one document as proof of receipt reduces the effectiveness of internal control and increases the risk of non-conformity of goods. This is not in full accordance with the three-way matching principle in the purchasing accounting system, which ideally matches the purchase order, goods receipt document, and supplier invoice (Romney & Steinbart, 2021).

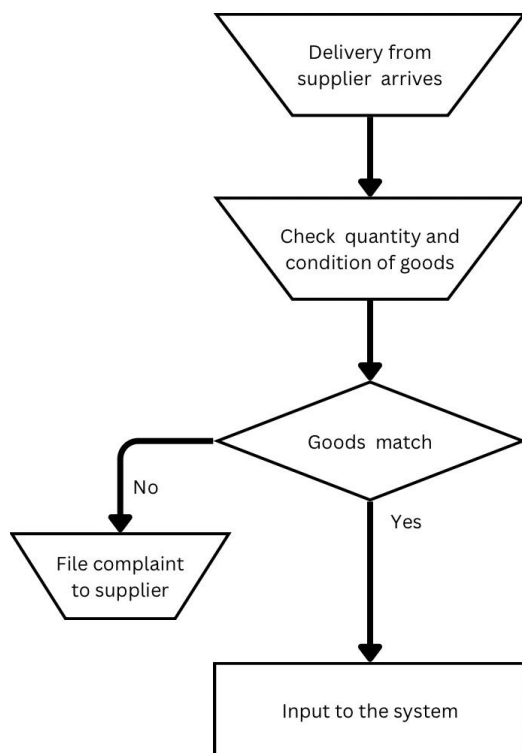


Figure 2. Flowchart of Good Receipt Procedure

Source: Interviews, Observation, and Documentation – processed 2025.

Figure 2 illustrates the procedure for receiving goods from the supplier. The process begins when the ordered goods are delivered by the supplier. The next step is to check the quantity and condition of the goods to ensure they match the order. If the goods received match the order (in both quantity and condition), the receipt data is entered into the system. However, if there are discrepancies or damages, the receiving staff will file a complaint to the supplier for corrective action. This flowchart emphasizes the importance of inspection as part of internal control to ensure that only valid and acceptable goods are recorded and processed further.

Purchase Transaction Recording Procedure

After the goods are received, the cashier records the purchase into the store's electronic system. The recording includes the date of purchase, name of the goods, quantity, unit price, total price, and name of the supplier. If the purchase is made on credit, the cashier also records the amount owed and the payment due date.

"After payment is made, proof of payment is kept in a special place by the employee on duty." (cashier).

Having one person handle all these functions poses a risk of fraud or errors. Although this sounds procedural, there is no separation of duties between the person receiving goods, recording transactions, and storing payment evidence, which is a fundamental principle in internal control systems (Mulyadi, 2016).

"For transaction recording, everything has been done electronically. From inputting goods to transactions at the cashier." (cashier)

To record transactions made from start to finish, ArfapuriMart Store records all transactions electronically, this will make it easier to recheck transactions because there must be a time, day, and date when the transaction was made.

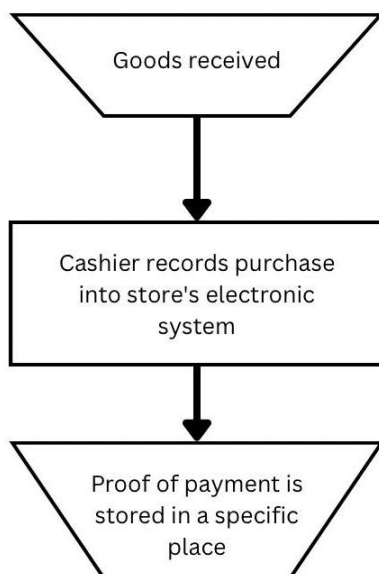


Figure 3. Flowchart of Purchase Transaction Recording Procedure
Source: Interviews, Observation, and Documentation – processed 2025.

Figure 3 illustrates the standardized procedure for recording purchase transactions within the store. The process is initiated upon the receipt of goods. Subsequently, the cashier inputs the purchase transaction into the store's electronic system. The corresponding payment receipt is then securely stored in a designated location. This flowchart outlines a straightforward yet essential process designed to ensure that all transactions are accurately recorded and systematically documented.

Purchase Payment Procedure

Payment is made in cash or bank transfer to the supplier. If payment is made in cash, then payment is made immediately when the goods are received. For credit purchases, the cashier makes payment at the agreed due date. Proof of payment such as receipts or proof of transfer are kept as archives.

"Because this shop doesn't use a debt system, so there is no special document to record purchase debts." (cashier)

This statement means that the store always pays cash when making purchases. There are no credit or debit purchase transactions, so no documents such as credit invoices, accounts payable reports, or proof of payment are required.

"Because it doesn't use a debt system, so there is no debt recording, and there is no special party that controls it." (cashier)

The absence of this record shows a weakness in transaction documentation and audit trail. From the statement, this indicates a lack of accounts payable monitoring function, which in an accounting information system should still be recorded even if no credit is used, for cash flow tracking and payment reconciliation purposes (Sarumi *et al.*, 2022).

"Payment to suppliers is usually made immediately after the goods are received. But it still depends on the agreement with the supplier. What is clear is that this shop does not implement a debt system." (cashier)

Such a system is suitable for small businesses, but should still include an approval layer and formal transaction evidence. This direct payment (cash) system has the advantage of avoiding the complexity of accounts payable recording. Still, it also creates weaknesses in liquidity and expenditure control if not accompanied by a strong authorization procedure (Laudon & Laudon, 2020).

"Payment to suppliers depends on the situation. If the goods arrive immediately, payment can be made in cash. But if the supplier asks for a transfer. When the goods arrive, ask whether the payment is made on credit or by check. If on credit, just sign it. If in cash, the money is taken from the cashier or ask whether it is transferred or in cash." (cashier)

From this statement, payment to suppliers depends on the request from the supplier. If the supplier wants to use cash, then it will be taken directly from the cash. If the supplier wants to use a transfer, then a tempo and a check will be made.

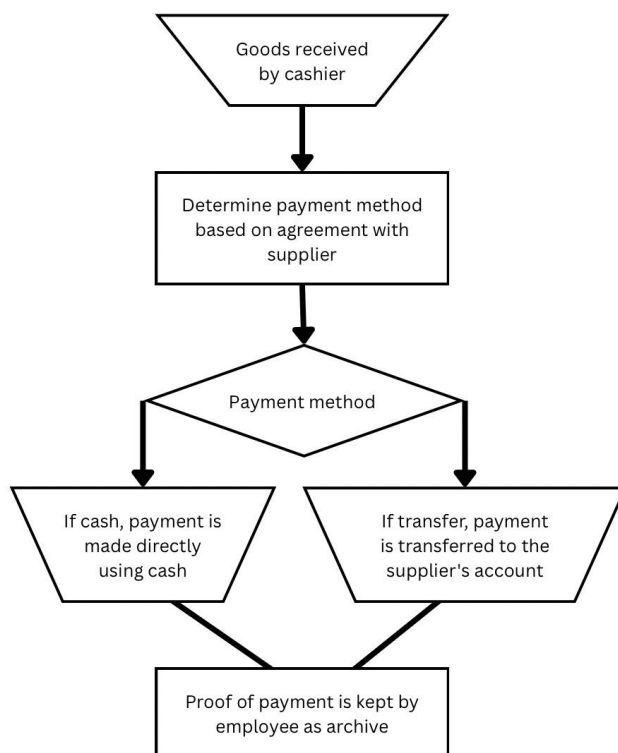


Figure 4. Flowchart of Purchase Payment Procedure

Source: Interviews, Observation, and Documentation – processed 2025.

Figure 4 illustrates the procedural flow of purchase payment. The process begins when the cashier receives the goods. The payment method is then determined following the agreement with the supplier. If the payment is made in cash, the funds are handed over directly. If payment is made via bank transfer, the funds are transferred to the supplier's account. Once the payment is completed, the proof of payment is archived by an employee. This flowchart emphasizes the importance of adhering to agreed payment procedures and maintaining organized documentation of payment records.

Employees According to Their Responsibilities

Based on the interview results, each employee has fulfilled their duties according to the responsibilities assigned by the company. A clear division of tasks helps in the implementation of operational activities and supports the effectiveness of the internal control system (Virshella et al., 2024).

"Employees who work that day will check the stock. If there is any empty, they will make a list of items to report to the owner. Later, the owner will order the items" (cashier).

Based on the statement, employees are only tasked with checking stock and making reports on the need for goods, while the decision to make a purchase is made by the owner. This shows that operational responsibilities (checking) and authorization (purchasing) are clearly separated according to the internal control principle.

"When the goods arrive, the ones who check are the employees on duty that day. They check whether the number and type of goods are correct" (cashier).

This statement indicates that the function of receiving and inspecting goods is carried out by the employees on duty. This responsibility is limited to the physical verification aspect of goods, not purchasing authorization. This is in accordance with the principle of separation of duties in internal control to prevent deviations.

Barriers to Purchasing Management

A good internal control system should be able to minimize errors and fraud in the purchasing process (Kusnadi & Kirana, 2023). However, in practice, the implementation of internal control often faces various obstacles, both from within and outside the company. Factors are conditions, things or events that influence or cause something to happen. While the word inhibit is generally negative, meaning something that can cause an activity to fail (Kemp et al., 2021). Based on the results of interviews conducted at ArfapuriMart, several problems were found that can be categorized into two main factors, namely internal factors and external factors.

Internal Factors

From the internal side, ArfapuriMart still faces several weaknesses in purchasing management that originate from the operational structure and division of employee tasks that have not been optimally organized. Based on the information from the source:

"So, employees have many tasks at once. They are the ones who check incoming goods, input them into the system, and also save proof of payment." (cashier)

In store operations, one employee handles several important functions simultaneously, such as checking incoming goods, inputting data into the system, and storing proof of payment. This shows that there is no adequate separation of responsibilities. This condition risks causing errors or even fraud that are difficult to detect because there is no cross-control system between functions. Separation of duties should be carried out to ensure effective internal supervision and clear accountability (Rosalina et al., 2022).

"If you want to buy something, usually you just write it down, without using an official form like a purchase request letter or a goods receipt report." (cashier)

The purchasing procedure is not supported by official documentation such as purchase requisitions or goods receipt reports. This poses risks in terms of accountability and verification, especially if there is a discrepancy between the order and the goods received. The absence of official supporting documents also complicates the audit process, tracking transaction history, and providing evidence in cases of disputes with suppliers. Formal documents are essential in maintaining transparency and integrity of the procurement process.

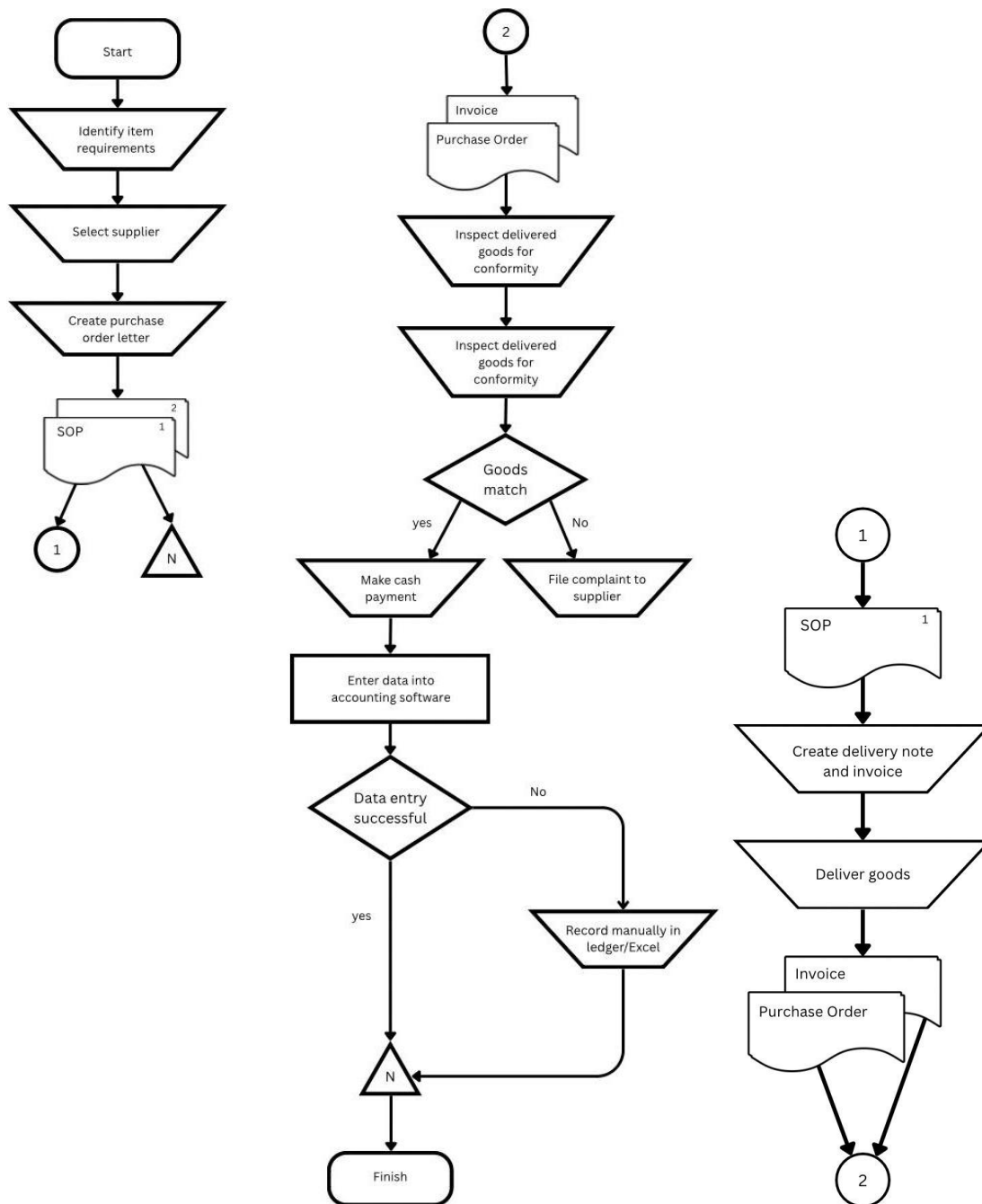


Figure 5. Flowchart of the Cash Merchandise Purchase System at ArfapuriMart

Source: Interviews, Observation, and Documentation – processed 2025.

External Factors

External factors come from outside the organization and are often difficult for the company to control directly (Rahmawati & Hidayat, 2021). In ArfapuriMart, the most prominent external factors come from suppliers. Based on the information from the resource person:

"This often happens, suppliers send goods that do not match what was ordered."(cashier)

This statement shows that the discrepancy between the goods sent and those ordered still often occurs. This can certainly hamper the sales process, especially if the goods sent are of different types, qualities, or quantities. Although the owner immediately stops working with inconsistent suppliers, the process of finding new suppliers certainly takes time and can disrupt the supply chain.

In addition, the problem of late delivery is also a major obstacle:

"Because goods are usually ordered immediately when they run out, if the supplier is late in sending, the stock in the store can be empty."(cashier)

This condition indicates the absence of a buffer stock system or scheduled ordering that takes into account lead time. Reliance on fast delivery from suppliers risks causing stockouts in stores, which can ultimately reduce customer satisfaction and sales potential (Anozie et al, 2024). Another external factor is price instability from suppliers:

"The supplier's price list can change at any time, so sometimes we plan to buy a certain amount, but then the price goes up." (cashier)

This makes budget planning inaccurate and can affect the financial efficiency of the store. If prices suddenly increase, the store may have difficulty maintaining profit margins, especially if the selling price cannot be immediately increased due to customer purchasing power.

Figure 5 presents the flowchart of the cash-based merchandise purchasing system at ArfapuriMart. The process begins with the identification of inventory needs, supplier selection, and the issuance of a purchase order. The supplier then follows standard operating procedures (SOP) to prepare a delivery note and invoice, and proceeds to deliver the goods to ArfapuriMart. Upon receipt, a conformity check is conducted to verify the goods against the order. If the goods meet the requirements, cash payment is made and the transaction is recorded in the accounting system. In cases where entry errors occur, manual recording is performed. This flowchart illustrates a systematic workflow that ensures control over product quality, payment procedures, and financial documentation.

CONCLUSION

Based on the results of research conducted by the author at ArfapuriMart and analysis of the theory and practice of cash purchase accounting systems, it can be concluded that cash purchase procedures have been carried out operationally, although they are not yet fully in accordance with documented and structured accounting information system standards.

First, the purchasing accounting information system used is electronic and provides convenience in recording transactions and monitoring stock. However, the absence of official forms such as purchase request letters and goods receipt reports indicates a lack of formal documentation that can impact data accuracy and transparency. Second, the purchasing process is fully controlled by the owner, including ordering, supplier selection, and purchase authorization, so that the system becomes very centralized and risky if the owner cannot supervise directly. Third, internal control has been carried out through direct checking by the owner, but there is no clear separation of functions between receiving and recording goods, so that it can open up opportunities for errors or deviations.

Suggestions that can be given to ArfapuriMart are: First, create a formal documentation system such as a purchase request form and goods receipt report to improve accountability. Second, create written procedures and operational standards so that the purchasing process can run consistently even though it is carried out by different people. Third, clarify the division of tasks between employees who receive goods and employees who record goods so that a stronger control mechanism is created. Fourth, maintain the electronic system that is already in use, but develop it to be more integrated with access restriction features and user activity tracking to prevent fraud.

Acknowledgment

The authors would like to thank the owner of Pek Kau 89 Mie Ayam Pangsit, Rungkut Madya Branch, Surabaya, for providing the opportunity to conduct interviews at the shop.

Abbreviations

Micro, Small, and Medium Enterprises (MSMEs), Usaha Mikro, Kecil dan Menengah (UMKM).

Authors' Contribution

All authors contributed equally to the research and writing the manuscript.

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Conflict of Interest

The authors declare no competing interests.

Funding

This research received no external funding.

Availability of data and materials

The datasets used and analyzed during the current study are available from the corresponding author on reasonable request. Interview transcripts, field notes, and internal documents from ArfapuriMart used for analysis have been securely archived for reference.

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