

INTERNAL CONTROL ON THE REVENUE CYCLE AT DISCUSS SPACE & COFFE CAFE JEMBER

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Abstract

Discuss Space & Coffee is a cafe that not only provides a place to gather but also to work. This research was conducted to evaluate the implementation of the accounting system in the revenue cycle and identify weaknesses and limitations of existing internal controls. The research method used was qualitative, incorporating interviews and direct observation as data collection techniques. The results show that although the accounting system in the revenue cycle has been implemented, there are still some obstacles, especially those originating from bugs in the majoo application. These obstacles interfere with the process of recording revenue in real-time. However, the owner of Discuss Space & Coffee has overcome this problem in an effective and efficient way, namely by adding additional alternative tools to ensure smooth operations. To overcome bugs in the majoo application, it is recommended that the application manager immediately make regular updates and improvements. In addition, technical training for cafe staff can also help reduce the impact of technical glitches that may occur in the future.

Keywords: system, evaluation, revenue cycle.

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Introduction

The growth rate of gross domestic product / gross regional domestic product at constant 2010 prices by business field, namely the provision of transportation and eating and drinking in Jember Regency in 2018 was 9.03% and in 2019 was 9.89%. Based on these data, it can be illustrated that there was an increase in the provision of transportation and eating and drinking from 2018 and 2019 by 0.86% (bps.go.id, 2025). The increase in the number of restaurants in Jember is driven by several factors, namely changes in people's lifestyles that are increasingly practical and modern, strategic location, increased income per capita, effective marketing carried out by business actors providing food and drink and the development of diverse culinary trends.

The process of business development can be influenced by one of which is structured internal control. One of the food and beverage service providers in Jember Regency, namely Café Discuss Space & Coffee, is a culinary business that was started in June 2019 and was completed in 2020. However, in 2020, during the COVID-19 pandemic that hit the world, the owner of Discuss Space & Coffee decided to postpone the opening until the situation was more conducive. During the postponement period, the owner utilized the time to refine the concept of the cafe and complete the needs in accordance with the desired vision. After much consideration, especially regarding the impact of the pandemic, Discuss Space & Coffee officially opened on August 21, 2022. In the early stages of operations, the cafe owner worked with students who have expertise and experience in coffee and cafe kitchen management. The main concept promoted by Discuss Space & Coffee is a working space, which is designed to meet the needs of visitors who want to work or study comfortably. The promotion of Discuss Space & Coffee is done through various strategies, one of which is working with the Instagram account "Makanan Anak Kos". This strategy succeeded in attracting interest and building a solid customer base.

In May 2024, Discuss Space & Coffee held an event titled "Local Support Local", a bazaar that took place on the second floor of the café. The purpose of this event was to support local micro, small and medium enterprises (MSMEs) in Jember. Seeing the development of Discuss Space & Coffee since its opening, it is important to evaluate the revenue cycle accounting system applied. According to (Soraya, 2022), the revenue cycle is an important cycle for companies because this cycle contains information that will be used in subsequent cycles. Nainggolan (2018) in his research explains that this good system is one of the keys to internal control. Effective and efficient internal control can be realized in the presence of a good monitoring system, a clear control environment, information and communication, and appropriate risk assessment. The owner of Discuss Space & Coffee always evaluates the internal controls that have been carried out to develop the business so that it can continue to survive in the era of globalization with many competitors in the field of eating and drinking service providers. This evaluation aims to ensure that every transaction is recorded accurately and financial management runs efficiently. A good accounting system will help the owner control cash flow, identify weaknesses, and improve the cafe's overall financial performance. Thus, Discuss Space & Coffee can continue to grow and provide the best service for its customers.

Discuss Space & Coffee has operational activities and transactions that occur on a daily basis are very diverse. The increase in sales at the cafe requires the need for an accounting information system and proper control of sales so that sales that occur are in accordance with procedures and are able to generate maximum revenue for the company. Therefore, an adequate accounting information system is needed in processing data in order to produce useful information for the users.

Literature Review

The accounting information system

Accounting Information System is a system in an organization that is responsible for the preparation of information obtained from the collection and processing of transaction data that is useful for all users both inside and outside the company ([Jeni, 2023](#)). Accounting Information Systems can also be interpreted as a collection of activities of the organization responsible for providing financial information and information obtained from data transactions for internal and external reporting purposes of the company. Accounting information system is defined as an integrated tool in the field with information systems and technology of a company ([Nani, 2020](#)).

Revenue Cycle

The revenue cycle is a set of repetitive business activities and information processing operations associated with providing goods and services to customers and receiving cash as payment for the sales. In the revenue cycle, the main external parties involved are customers. General and reporting ledgers use the information generated by the revenue cycle to prepare financial statements and performance reports. [Romney \(2021\)](#) states that the main purpose of the revenue cycle is to provide the right product, in the right place, at the right time, and at the right price. An organization performs four basic activities in the revenue cycle which are:

1. Sales order.

The revenue cycle begins with the receipt of an order from a customer. The sales order entry process entails three steps, viz: receiving a customer order, checking and approving customer credit, and checking inventory availability.

2. Shipments.

The second basic activity in the revenue cycle is fulfilling customer orders and shipping the desired merchandise. This process consists of two steps namely, order picking and packing, and order shipping.

3. Billings.

The third basic in the revenue cycle involves the billing of customers.

4. Cash receipt.

The final step in the revenue cycle is to collect and process payments from customers.

Purpose and Functions of the Revenue Cycle

The main purpose of the revenue cycle is to provide the right product at the right place and time at the right price (Nurul, 2021). The other objectives are::

1. Collect the proceeds of sales thoroughly and in a timely manner
2. Investigate that buyers have the ability to pay their credit
3. Deliver goods or work on their services to consumers at the agreed time.
4. Protect goods and cash until they are shipped
5. Preparing various documents and reports related to the sale of goods and services
6. Recording and classifying cash receipts thoroughly and promptly.
7. Correctly book sales and cash receipts to the buyer's account.

The revenue function is as follows (Kurnianingtyas, 2018):

1. Provide the right products/services at the right time and place at the right price. This is achieved through activities such as accurately receiving and processing sales orders, ensuring sufficient inventory, and competitive pricing.
2. Record sales transactions quickly and accurately. The revenue cycle ensures that all sales activities are properly recorded, including items sold, selling price, and customers who purchased.
3. Manage trade receivables effectively. Accounts receivable are invoices that have not been paid by customers. Revenue cycle functions include issuing sales invoices, timely collection and management of accounts receivable.
4. Recording and classifying cash receipts accurately. This includes cash receipts, checks, and electronic payment of credit sales.
5. Provides accurate and timely financial information. Data generated from the revenue cycle forms the basis for the preparation of the company's financial statements, such as the income statement and balance sheet.

Performing these functions effectively, the revenue cycle can help a company achieve several important goals, such as:

1. Improve profitability, By ensuring that sales run smoothly and accounts receivable are well managed, companies can increase revenue and cash flow.
2. Improve customer satisfaction, Timely and accurate delivery of goods and efficient invoicing will improve customer satisfaction.
3. Make better business decisions: The accurate information generated from the revenue cycle can be used to make better decisions regarding pricing, marketing strategies, and inventory management.

The revenue cycle plays a vital role in the smooth operation of a company. The functions performed in this cycle ensure that the company can generate revenue, manage accounts receivable effectively, and provide accurate financial information for decision making.

Internal control and the COSO Framework

According to [Adagye \(2015\)](#) internal controls are designed by the management of the organization for the growth and survival of the organization. [Akinleye \(2020\)](#) explains that the internal control system is a set of organizational procedures and policies that ensure the processing of transactions in such a way as to avoid theft, waste and abuse of organizational resources. According to an integrated framework (COSO, 2013), every good internal control system must have five components, namely:: Control environment, risk assessment, control activities, information and communication and monitoring of internal control. This control system can affect the internal company as a whole through each of these five components which has its own effect ([Chan, 2021](#)).

Research Method

The type of research used in this research is qualitative research. Qualitative approach according to [Corbin and Strauss \(2015: 5\)](#) is a form of research in which researchers in collecting and analyzing data become part of the research process as participants with informants who provide data. This research analyzes the application of the Accounting Information System (AIS) of the revenue cycle at Discuss Space & Coffee Cafe Jember. The type of data used in this study is qualitative data, namely data that is presented descriptively or in the form of descriptions. Qualitative research tends to use an inductive approach, where the theory is developed based on the data collected, rather than testing previously made hypotheses (Niam, 2024).

Discussion

Accounting Information System at Discuss Space & Coffee Cafe

Advances in information technology Discuss Space & Coffee Cafe changed the manual Accounting Information System to a computerized one in order to support company activities. This is done in order to access any information in real time and precisely. The Accounting Information System used by Discuss Space & Coffee Café can be categorized based on the parts that need this information. In the revenue cycle, the accounting information system is managed by the following parts:

1. Service section which consists of cashiers and waiters

In this section, Discuss Space & Coffee Café uses the Majoo app to quickly process transactions, manage raw material stocks, analyze sales performance, and maintain good customer relations. It also offers effective employee management and integration with online ordering platforms, making Majoo a complete solution to optimize all aspects of cafe operations.

2. Accounting/Finance Section

The use of the accounting information system used in this section aims to record financial transactions. Along with the times, the accounting section uses majoo software to facilitate recording all sales transactions automatically through the Point of Sale (POS) system. Every transaction, both cash and non-cash, is recorded in detail, which helps to maintain the accuracy of financial data, and excel to process revenue

data exported from Majoo. Using functions such as sum, average, and vlookup, the team was able to conduct in-depth analysis of the revenue data.

Unit/Division functions involved in the revenue cycle at Discuss Space & Coffee Café :

1. Customers.
2. The Customer Service section is the waiters division.
3. The Payment section is the cashier division. POS Software A specialized application that helps manage transactions, orders, stock items, and sales reports. An example used by Discuss Space & Coffee Café is majoo.
4. The order processing section, namely the kitchen and barr, responsible for managing food and beverage raw materials, and other materials so that they are ready to be cooked.

Documents used in Revenue Cycle :

1. Ordering and Transaction Documents
2. Inventory Documents
3. Operational Documents
4. Promotion Documents

Revenue Cycle Accounting System at Discuss Space & Coffee Cafe

The owner of Discuss explained in detail the sales flow at Discuss Space & Coffee which uses a semi-self-service system. In this system, customers who come will order the available menu at the cashier, then pay either in cash or non-cash, such as using a debit card or QRIS. To facilitate the payment and order process, Discuss Space & Coffee implements the majoo application on its computerized cashier system. Once a customer has placed an order and made a payment, the food and beverages will be prepared by the relevant division. The bar division will handle drinks, while the kitchen division will prepare the food. There is a special exception for food or dessert cake coming from the kitchen, where the food will be delivered directly by Discuss waiters to the customer's table. Meanwhile, for drinks coming from the baristas, a semi-self-service system is implemented using advanced technology such as the Wireless Calling System.

The first objective of implementing this semi-self-service system is to speed up service to customers. With the speedy serving of drinks, customers who come to work or relax at the café can enjoy their drinks immediately. This creates an impression of efficient and responsive service, which is crucial in increasing customer satisfaction. From the company's perspective, the second goal of the semi-self-service system is labor efficiency. Given that the prices offered by Discuss Space & Coffes are very affordable for students, the café strives to minimize the number of workers and operational costs. By implementing a semi-self service system, the café can reduce the need for many waiters, so the budget for employee salaries can be reduced without sacrificing service quality.

In addition, the third purpose of the semi-self service system is to ease the workload of Discuss' waiters. If all orders have to be delivered by waiters, they can quickly become tired and overwhelmed, which can ultimately affect the quality of service. By adopting a semi-self service system for drinks, the waiters can focus more on completing other tasks that require more attention. Overall, the semi-self service

system implemented by Discuss Space & Coffee not only aims to improve operational efficiency and effectiveness, but also to ensure that customers receive prompt and satisfying service. With the utilization of good technology and systems, Discuss Space & Coffee strives to create a comfortable and efficient visiting experience for all its customers.

Although the majoo application used by Discuss Space & Coffee Café provides many conveniences in the transaction process, there are several obstacles that can hinder service. One of the main obstacles faced is when the majoo application is updated. Every time there is a system update, this application often experiences bugs that result in the inability to connect with receipt printers. This obstacle has a significant impact on the transaction process because payment and order receipts cannot be printed. This results in customers not receiving proof of their payments and bookings. In situations like this, besides affecting customer satisfaction, it can also cause confusion and slow down the service flow, as staff must find alternative ways to record and provide proof of transactions.

Evaluation of the Revenue Cycle Accounting Information System at Discuss Space & Coffee Cafe

There are internal controls in the Discuss Space & Coffee Café revenue cycle accounting system but there are still weaknesses that still occur in the revenue cycle accounting system at kakafe discuss. It should be noted that the revenue cycle in a business is an important element for the smooth operation of the company, and is also a major focus because it is directly related to the company's income or revenue. One of the main problems that often occurs is that when the majoo application is updated, bugs often appear which result in the inability of the application to connect with the receipt printer. This condition causes payment and order receipts cannot be printed, so the kitchen and bar are hampered in preparing customer orders. To overcome this problem, the Owner of Discuss has given directions to all employees so that they can be solutive in dealing with these situations. Evaluation of the revenue cycle accounting system at Discuss Space & Coffee Café using the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework which consists of five components:

1. Control Environment

The control environment at Discuss Space & Coffee shows that the owner has a strong commitment to ensuring operations run smoothly despite technical constraints. The owner advised all employees to always be solutive, which reflects a work culture that is responsive and adaptive to problems. The use of HT and WhatsApp is proof that the organization is ready to take quick action to address any problems that arise.

2. Risk Assessment

Risk assessment is carried out by identifying potential problems arising from the use of the majoo application, especially when system updates occur. The owner and management realized that bugs in the application could disrupt the receipt printing process and the operations of the kitchen and bar division. Therefore, they took proactive measures by finding alternative solutions to ensure operations continued despite the technical risks.

3. Control Activities

Control activities include concrete actions taken to address issues. The use of HT for coordination and WhatsApp for sending digital receipts are two control activities implemented. Both of these solutions help to ensure that information regarding orders can still be relayed properly, and customers still get proof of their transactions even if they are not in printed form.

4. Information and Communication

Effective communication between divisions is crucial in this situation. The use of HT facilitated direct and quick communication between cashiers, waiters, kitchen, and bar. Meanwhile, the use of WhatsApp ensures that information to customers is still well conveyed. Both tools improve the flow of information within and outside the organization, ensuring all relevant parties get the necessary information on time.

5. Monitoring

Monitoring is done by periodic evaluation of the effectiveness of the implemented solution. Owners and management need to regularly evaluate whether the use of HT and WhatsApp has had a positive impact on operations and customer satisfaction. In addition, monitoring also involves continuing to communicate with the majoo application technical team to ensure that emerging bugs can be resolved immediately and do not recur in the future.

Conclusion

Based on the discussion and evaluation of the revenue cycle accounting system in *Discuss Space & Coffee Café*, it can be concluded that the implementation of the revenue cycle accounting system is already operating optimally. Using the Majoo application greatly simplifies the transaction process with customers, enabling fast and efficient transactions. Despite the obstacles faced, Discuss Space & Coffee cafe managed to find effective solutions to overcome these problems. The existence of a revenue cycle can provide optimal customer service because service is the main factor provided to customers for Discuss Space & Coffee Cafe. Therefore, improving service is a top priority for Discuss Space & Coffee Cafe in ensuring customer satisfaction and smooth business operations.

The evaluation also showed that the use of additional information technology tools such as handy talkies and WhatsApp applications were the best choices to meet customer demand. Implementation of this technology, Discuss Space & Coffee Café is able to provide better and more responsive service, thereby increasing customer satisfaction. The Majoo application is very helpful for owners in preparing financial reports and managing automatic data related to incoming and outgoing messages, inventory, and other functions. All processes related to the use of the Majoo application become more organized and efficient, so that owners can focus more on business development and customer service.

Recommendation

Internal Control over the Revenue Cycle at Café Discuss Space & Coffee Café experienced several obstacles, namely operational obstacles caused by the Majoo application. Discuss Space & Coffee Café needs to make improvements related to understanding in using the Majoo application through employee training and providing a guide to using the application in the form of a book. These efforts will be able to improve employee understanding and mastery of the Majoo application features better so that employees can operate the system more easily and can reduce errors in internal control over the revenue cycle.

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