

# Purchasing Cycle Analysis: A Case Study of PT Sri Rejeki Isman Tbk

Syahqim Sudarpo<sup>1\*</sup>, Firmansyah<sup>2</sup>, Thytis Hidayah<sup>3</sup>, Fara Husni Fadhillah<sup>4</sup>

<sup>1</sup> Fakultas Ekonomi Akuntansi Universitas Pandanaran, Indonesia: [syahqimsudarpo@yahoo.co.id](mailto:syahqimsudarpo@yahoo.co.id)

<sup>2</sup> Fakultas Ekonomi Akuntansi Universitas Pandanaran, Indonesia: [firmansyah@unpand.ac.id](mailto:firmansyah@unpand.ac.id)

<sup>3</sup> Fakultas Ekonomi Akuntansi Universitas Pandanaran, Indonesia: [lthytis@gmail.com](mailto:lthytis@gmail.com)

<sup>4</sup> Fakultas Ekonomi Akuntansi Universitas Pandanaran, Indonesia

\*Author correspondence: Syahqim Sudarpo

**Abstract.** The role of Accounting Information Systems in a company is to provide accurate and appropriate information to support company management in processing decision making to control and supervise the company's operational activities. This study was conducted with the aim of analyzing and understanding the purchasing cycle running at PT. Sri Rejeki Isman Tbk, and assessing whether there are weaknesses in the system. After the analysis is carried out, if weaknesses are found, a solution will be made in the form of a manual system design proposal. This research is a qualitative descriptive study. Based on the research that has been done, the results show that there are problems, problems that exist in the purchasing cycle of PT. Sri Rejeki Isman are the accumulation of debt to suppliers, weak internal controls in the purchasing process. Poor financial management can affect the company resulting in the company being unable to purchase materials ideally, resulting in a negative impact, namely a decrease in operational performance and production disruptions. This study shows that weaknesses in the purchasing cycle contribute to the company's operational instability and worsen conditions leading to bankruptcy. These weaknesses need to be improved by carrying out the effectiveness of the purchasing cycle and internal controls in maintaining the company's sustainability.

**Keywords:** Accounting Information System; Financial Management; Internal Control; Operational Performance; Purchasing Cycle.

## 1. Background

A company is a large entity consisting of several main parts to help gain profits. The formation of a company always has a vision and mission that becomes the foundation for the company to be successful and grow. In a company there are several fields, such as service companies, trading companies, and manufacturing companies. (Setiawan et al., nd) PT. Sri Rejeki Isman Tbk is a manufacturing company in the fashion sector, this company integrates the entire production process of yarn, fabric, and garments with a fairly large export market throughout the world. Large-scale manufacturing companies depend on the purchasing cycle to ensure the availability of raw materials needed in the production process. An appropriate and effective purchasing cycle includes planning, supplier selection, ordering, receiving goods, and accounting records. Weaknesses in one of the processes can affect production, quality, and the stability of the company's operations as a whole. Therefore, an accounting information system supporting the purchasing cycle has an important role in maintaining business continuity, especially for companies with large operational scales such as the textile industry. PT. Sri Rejeki Isman Tbk has an integrated cycle that requires large and continuous raw materials, the smoothness of the purchasing cycle has become very careful. However, in recent years, PT. Sri Rejeki Isman Tbk is under serious financial pressure, marked by declining production capacity and rising accounts payable, while the company is unable to meet its debt obligations. This situation indicates fundamental problems that extend beyond its financial aspects to its purchasing cycle.

The core objective of the purchasing cycle is to ensure that the goods and services required by the organization can be obtained efficiently, on time, and at the right price. Problems in the purchasing cycle of PT. Sri Rejeki Isman Tbk are evident in the company's

Received: August 16, 2025;  
Revised: October 20, 2025;  
Accepted: December 18, 2025;  
Published: February 12, 2026;  
Curr Ver: February 12 2026



Copyright: © 2025 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA) license (<https://creativecommons.org/licenses/by-sa/4.0/>)

operational instability, accumulating debt to suppliers that results in supply interruptions, resulting in high dependence on raw materials. Poor financial conditions lead to purchasing delays, emergency purchases at higher costs, and decreased effectiveness of internal controls. Disruptions in the purchasing cycle have a direct impact on the cessation of some production processes and the company's decreased ability to meet market demand. (Afif & Hestiany, 2021)

Based on such situations and conditions, the analysis of the purchasing cycle of PT. Sri Rejeki Isman Tbk is an important analysis to identify system weaknesses that occur before and during the company's financial and raw material difficulties. This study not only provides an overview of how purchasing cycle damage can contribute to a decline in the company's operational performance, but also becomes a lesson for other manufacturing companies regarding the importance of internal control, purchasing management, and raw material requirements planning.

## 2. Theoretical Study

### Accounting Information System

An Information System (AIS) is a system within an organization responsible for preparing information obtained from the collection and processing of transaction data that is useful for all users, both domestically and internationally. The AIS serves to provide timely and relevant information, support company operations, and improve internal control. In the context of the purchasing cycle, (Limba & Sapulette, 2023) the AIS plays a role in ensuring that purchasing is carried out effectively, efficiently, and according to procedures. The Accounting Information System is designed to support operational activities, financial reporting, and internal control through integrated and well-documented data processing.

#### Objectives of Accounting Information Systems

The objectives of the accounting information system according to (Desa et al., 2022), are divided into 3, namely:

1. *To support the day-to- day operations*
2. *To support decision making by internal decision makers* (to support decision making by internal decision makers)
3. *To fulfill obligations relating to stewardship* (to fulfill obligations relating to providing information of a mandated nature to external parties of the company, also providing information to shareholders)

#### The Role of Accounting Information Systems in the Purchasing Cycle

In the purchasing cycle, an Accounting Information System (AIS) manages the transaction flow, from purchase requisitions and supplier orders to receipt of goods, accounts payable, and payment. An effective AIS helps companies ensure that purchases are made based on operational needs and financial capabilities. (KRISNADINATA, 2025).

Implementing a robust Accounting Information System in the purchasing process can improve production efficiency and reduce the risk of raw material supply delays. Conversely, a weak system can potentially lead to ecosystem disruption and operational disruptions. (Putra & Nuryatno, 2022)

#### Purchasing Cycle

Purchasing is the process of acquiring goods or services for use or resale. The purchasing cycle is a series of company activities in obtaining goods or services from suppliers, starting from identifying needs, ordering, receiving goods, and paying debts. (Mulyadi, D. et al., 2025) This cycle is a crucial part of a company's operating cycle, especially in the manufacturing sector, which relies on the availability of raw materials. (Wahyuni, 2025)

The purchasing cycle includes ordering, receiving, approving invoices, and paying, and focuses on exchanging information with suppliers. The Purchasing Cycle is a series of activities. There are at least five (5) inventory management methods commonly used by companies to manage raw material inventory, such as the *EOQ (Economic Order Quantity)*, the *MRP (Material Requirement Planning) method*, the *JIT (Just in Time) method*, and the *Safety Stock method*. This cycle aims to control and monitor the purchasing process, starting from identifying needs, selecting suppliers, determining prices, receiving goods, to paying suppliers. In addition, the purchasing cycle aims to ensure that purchased goods and services meet established quality standards and are in accordance with the organization's operational needs. (Pamungkasari, 2024)

Purchase Request: At this stage, the inventory control division will order raw materials based on requests from the warehouse. The inventory control division will also summarize data regarding items that need to be purchased, recently purchased, and those that have been used. These records will later be used to verify compliance with warehouse records. (Caesar & Sulistyowati, 2023)

### **Internal Control in the Purchasing Cycle**

According to COSO (*Committee of Sponsoring Organizations*), internal control is a process designed to provide reasonable assurance regarding the effectiveness of operations, financial reporting, and compliance with regulations.

In this control, the objectives are:

1. To ensure purchases are made according to needs, avoid fictitious purchases or transaction manipulation.
2. Ensure the accuracy of recording the receipt of goods, protect company assets from conversion
3. And reduce the risk of delays or shortages of raw materials.

## **2. Research Methods**

This research uses a qualitative descriptive approach with a case study design. The case study design allows researchers to explore in-depth how the purchasing cycle is implemented and controlled in the company, as well as identify weaknesses in internal controls that impact operational and financial performance. (Oktaviani & Santi, 2023)

This method is relevant to previous research on internal control in the purchasing cycle. For example, research on the raw material purchasing cycle in a manufacturing company used a qualitative and descriptive case study approach, with data collection through observation and interviews. The research location was at PT. Sri Rejeki Isman. The research subjects included the purchasing department (purchasing), the warehouse or goods receiving department, and the accounting/finance department. These subjects were selected because they are directly involved in the purchasing process, raw material receipt, debt recording, and company financial management.

In analyzing internal control across the cycle, this study uses the COSO *Internal Control – Integrated Framework* (the version applied to the study of manufacturing and *supply-chain companies* ). This framework outlines five key components of internal control: the control environment , risk assessment , control activities, information and communication, and monitoring.

## **3. Results And Discussion**

The purchasing cycle at PT Sri Rejeki Isman Tbk (Sritex) plays a vital role in supporting the production process, given the significant demand for textile raw materials such as cotton, yarn, dyes, and other supporting materials. In general, Sritex's purchasing cycle includes

- a. Purchase request from production department
- b. Supplier selection and assessment
- c. Creating a Purchase Order (PO)
- d. Receipt of goods and quality check
- e. Transaction recording
- f. Payment to suppliers.

Following is the Purchase :

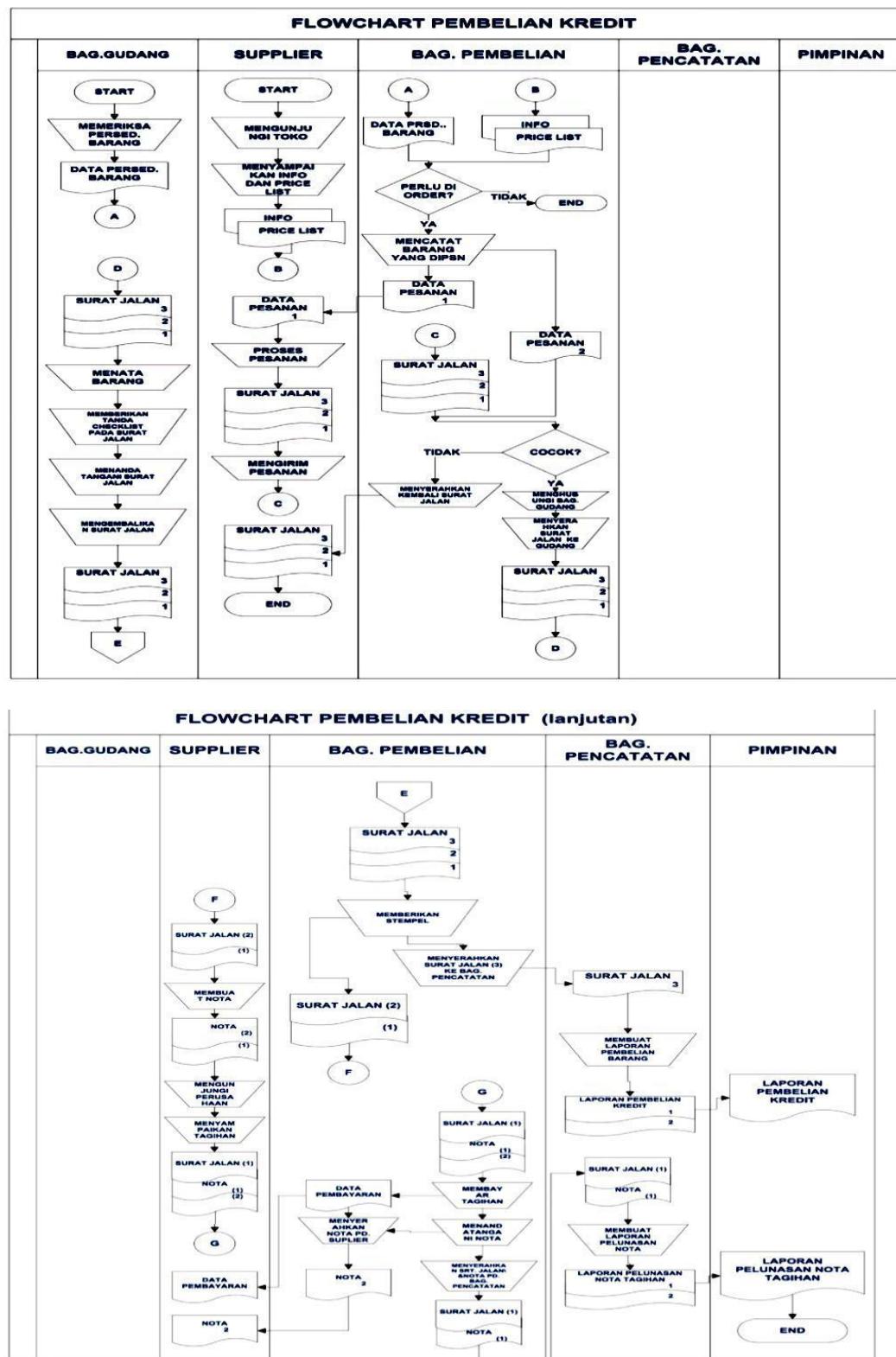


Figure 1. Cycle Flowchart.

### Purchasing Cycle Analysis Results

Based on research conducted on the accounting cycle of PT. Sri Rejeki Isman Tbk, several problems were found, namely the accumulation of debt to suppliers, weak internal controls in the purchasing process which affected the effectiveness of the purchasing process on the company's operational performance.

Research at PT. Sri Rejeki Isman shows that the company's purchasing process is experiencing several issues that impact operational stability. Initial findings reveal supplier debt arising from a mismatch between material purchasing schedules and the company's ability to meet payment obligations. This situation reflects inefficient debt and cash flow

management, as explained by the theory that suboptimal financial management can hamper a company's operational stability. (Putri & Nugroho, 2022)

Furthermore, the study also found weaknesses in internal control at each stage of the purchasing cycle. Several procedures, such as authorization, verification, and functional verification, were not performed according to standards. This finding is consistent with internal control theory, which emphasizes that weak internal controls increase the risk of recording errors, purchasing inaccuracies, and process inefficiencies. (Rahmawati & Prasetyo, 2022)

Ineffective financial management also prevents companies from purchasing raw materials effectively. This disrupts production processes, reduces operational capacity, and reduces the company's ability to meet market demand. Putri and Nugroho (2022) state that smooth purchasing is crucial for smooth production in manufacturing companies. Overall, the research results show that weaknesses in the purchasing cycle significantly impact the sustainability of company operations and increase the risk of financial instability, as described by Nengsih et al., 2024.

The main problem of supplier debt provision illustrates the ineffectiveness of a company's financial management. (Yuliana & Setiawan, 2021) The company's inability to meet its obligations on time aligns with the concept that poor cash management can hinder raw material purchases and degrade operational performance. As debt accumulates, supplier trust can decrease, increasing the risk of supply delays. (Anisa et al., 2023)

The findings regarding weak internal controls indicate that purchasing procedures do not implement sound internal control principles. The success of the purchasing cycle depends heavily on the effectiveness of internal controls through the separation of functions, authorization, and transaction documentation. The absence of strict procedures increases the potential for unnecessary purchases, non-conforming goods, and recording errors. (Wijayanti & Lestari, 2023)

Problems in financial management lead to poor operational conditions. Poor financial control will disrupt a company's ability to maintain raw material availability, ultimately hampering production capacity. (Lasmana & Shodiq, 2024) This aligns with findings that suboptimal purchasing processes cause production disruptions and reduce company productivity. (Ambo, 2023)

The link between purchasing cycle weaknesses and company operational instability is further strengthened by research by Sari and Nurhayati (2020), who explain that internal controls play a crucial role in maintaining purchasing cycle effectiveness and mitigating operational risk. The situation at PT Sri Rejeki Isman exhibits a similar pattern, where weaknesses in the purchasing process impact business conditions and potentially push the company into an increasingly critical financial situation.

Taking into account research findings and supporting theories, improvements need to focus on increasing the effectiveness of the purchasing cycle, internal controls, and more stringent financial planning. A sound control structure and adequate accounting information system can minimize the risk of purchasing system failure. (Saragih & Harahap, 2023)

#### 4. Conclusion And Suggestions

##### Conclusion

Based on the results of research and discussion regarding the purchasing cycle at PT Sri Rejeki Isman, it can be concluded that the implementation of the purchasing cycle has not been running effectively and efficiently. The main problem found is the disruption of debt to suppliers caused by weak cash flow management and financial planning of the company. This condition has an impact on decreasing supplier trust and has the potential to disrupt the smooth supply of raw materials. In addition, this study found weaknesses in internal control in the purchasing process, especially in the aspects of authorization, function verification, and document verification. Weak internal control increases the risk of recording errors, purchases that do not meet needs, and late payments to suppliers. These conditions indicate that the internal control system has not been able to support the implementation of the purchasing cycle optimally. Ineffective financial management also affects the company's ability to purchase raw materials ideally. The company's inability to maintain the availability of raw materials has a direct impact on disruptions to the production process and decreased operational performance. Overall, weaknesses in the purchasing cycle contribute to the company's operational instability and weaken its financial condition, thus potentially

increasing the risk of business continuity. Thus, it can be concluded that the effectiveness of the purchasing cycle and strengthening of internal controls have an important role in maintaining the operational stability and sustainability of PT Sri Rejeki Isman.

### Suggestion

Based on the conclusions above, some suggestions that can be given are as follows:

#### 1. For Companies

PT Sri Rejeki Isman is advised to improve and tighten internal controls in the purchasing cycle, particularly through the implementation of clear authorization procedures, strict separation of functions between purchasing, receiving, and accounting, and increased oversight of accounts payable recording. Furthermore, the company needs to implement better financial planning and cash flow management to ensure timely fulfillment of supplier obligations and ensure a smooth supply of raw materials.

#### 2. For Management

Management is expected to develop more structured purchasing policies based on production needs and the company's financial capabilities. Regular evaluations of supplier performance, payment systems, and purchasing cycle effectiveness are also necessary to minimize operational and financial risks.

#### 3. For Further Researchers

Further research is recommended to expand the research object by adding other variables, such as accounting information systems, inventory management, or quantitative analysis of financial ratios. Furthermore, using a quantitative or mixed methods approach could provide a more comprehensive picture of the purchasing cycle's impact on financial performance and company sustainability.

### Reference

Afif, M. N., & Hestiany, E. (2021). Evaluation of the internal control system on the raw material purchasing cycle at PT XYZ. *[Nama Jurnal]*, 1, xx–xx.

Ambon, U. P. (2023). Research article. *International Journal of Current Development*, 1(3), 239–246. <https://doi.org/10.1215/9781478024194-009>

Anisa, P. R., Afif, M. N., & Melani, M. M. (2023). Analysis of the implementation of internal control systems for merchandise inventory at PT Indomarco Prismatama Bogor Branch 1. *Journal of Social Science Research*, 3(6), 1596–1605.

Caesar, N., & Sulistyowati, E. (2023). Analysis of the internal control system for the raw material purchasing cycle using the COSO method at PT X from the perspective of an external auditor. *Majalah Ekonomi*, 28(1), 6–14. <https://doi.org/10.36456/majeko.vol28.no01.a7477>

Desa, D., Anggoro, B., & Ratu, L. (2022). Accounting information system for village fund management (Case study: Isorejo Village, Bunga Mayang District, North Lampung Regency). *Jurnal Ilmiah Sistem Informasi Akuntansi (JIMASIA)*, 2(2), 54–61. <https://doi.org/10.33365/jimasia.v2i2.2013>

Krisnadinata, I. P. (2025). *Compliance audit of the internal control system of the purchase cycle at the general store at Novotel Bali Ngurah Rai Airport* (Undergraduate thesis, Politeknik Negeri Bali). <https://repository.pnb.ac.id/id/eprint/16615>

Lasmana, A., & Shodiq, J. (2024). Evaluation of the internal control system for the imported goods purchasing cycle at PT Milko Beverage Industry. *Journal of Social Science Research*, 4(4), 11528–11541.

Limba, F. B., & Sapulette, S. G. (2023). *Accounting information systems*.

Mulyadi, D., Setiawan, A. B., & Susandra, F. (2025). Analysis of the implementation of the internal control system towards the finished goods inventory cycle at PT Golden Agin Nusa. *Jurnal Akuntansi Kompetitif*, 8(1), 108–115. <https://doi.org/10.35446/akuntansikompetif.v8i1.1992>

Nengsih, W., Setiawan, A., & Mukmin, M. N. (2024). Accounting system analysis of the purchase cycle of auxiliary materials at PT Yongjin Javasuka Garment I. *[Nama Jurnal]*, 3(11), 2953–2964.

Oktaviani, M., & Santi, C. (2023). Analysis of accurate software implementation in the processing cycle of goods at PT Sarana Nikoteknik. *Jurnal Ilmiah Riset Komputer (JIRK)*, 3(2), xx–xx. <https://doi.org/10.53625/jirk.v3i2.6221>

Pamungkasari, S. A. (2024). Analysis of internal control systems in the purchasing cycle in the food and beverage product department. *Neraca Ilmiah*, 3(2), 1–10. <https://doi.org/10.31253/ni.v3i2.3173>

Putra, A. P., & Nuryatno, M. (2022). Internal control system analysis of the cash disbursement cycle for trade debt payment (A study at PT OYO Rooms Indonesia). *Jurnal Pendidikan Indonesia*, 3(8), 697–711. <https://doi.org/10.36418/japendi.v3i08.1101>

Putri, A., & Nugroho, H. (2022). The influence of the purchasing process on production smoothness in manufacturing companies. *Indonesian Journal of Accounting Research*, 12(1), 55–56.

Rahmawati, N., & Prasetyo, H. (2022). Analysis of purchasing cycle weaknesses and their impact on the company's financial condition. *Journal of Contemporary Accounting*, 14(2), 55–67.

Saragih, F., & Harahap, R. D. (2023). Development of MSMEs in Indonesia: The role of accounting understanding, information technology, and internal control systems. *[Nama Jurnal]*, 7, 2518–2527.

Setiawan, A. B. (n.d.). Evaluation of internal control system on the cycle of purchase of raw materials. *[Nama Jurnal]*, 154–163.

Wahyuni, S. (2025). *The effect of profitability and leverage on company value at PT Indofarma Tbk 2019–2023* (Doctoral dissertation, IAIN Parepare).

Wijayanti, E., & Lestari, R. (2023). Financial management practices and their influence on purchasing power in manufacturing companies. *Indonesian Journal of Accounting and Governance*, 11(1), 44–59.

Yuliana, R., & Setiawan, D. (2021). Accounting information systems and their impact on manufacturing company operations. *Journal of Business Accounting*, 19(2), 101–112.