

Cost Accounting System Practices: A Case Study of Graha Aryata Surabaya Construction Services Business

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ABSTRACT

Purpose: This study was conducted to analyze the application of cost accounting practices of Graha Aryata Surabaya construction business. This business is engaged in building construction services. In this business engaged in building construction services and has had internal control procedures starting from the initial process of establishing relationships with clients until the project is completed.

Method: The research method used is a qualitative description method with a case study method. The object of this research is the internal control system on construction service project costs collected through interviews, direct observation, and managed documentation.

Findings: The results of this study indicate that Graha Aryata's individual construction business has implemented basic elements of cost accounting, with the application of information technology that supports accurate cost recording, such as recording raw material and direct labor costs. However, there is no special function that handles cost recording and budgeting, so the recording process does not run optimally and less effectively.

Implication: This finding suggests the importance of establishing a clear structure of the accounting function as well as developing a more systematic and efficient budgeting system. The findings emphasize the importance of establish a clear accounting function structure and developing an integrated budget system. With these improvements, financial control can be enhanced, project management becomes more effective, and cost monitoring can be done more accurately. This research also provides practical recommendations for small and medium-sized construction businesses that want to strengthen their internal control and cost management.

Originality: This research makes an important contribution to the existing literature by presenting concrete evidence on the deficiencies in internal control and cost management, while providing insights that can be directly applied by similar businesses seeking to improve their financial and operational efficiency.

Keywords: Budgeting System, Case Study, Construction Services, Cost Accounting, Internal Control, Qualitative.

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INTRODUCTION

Internal control is an important way to improve accuracy and reliability while promoting efficiency in operational activities (Andhaniwati, 2022; Wahida & Suryaningrum, 2023). In the construction service business, a strong internal control system is essential to prevent theft, fraud, and other forms of misuse. Additionally, this system plays a key role in overseeing and ensuring the accuracy of financial reporting. Reliable financial reports provide relevant and easy-to-understand information, which supports effective decision-making. Internal control is especially crucial because projects tend to be complex, long-term, and require careful coordination in budgeting, project execution, and cost reporting (Dirani et al., 2024). In research by Iskandar (2015) the internal control system for project terms is carried out in accordance with elements to facilitate the administration of internal control and support the presentation of project terms in the financial statements.

A study of Cost Accounting System (CAS) practices reveals a dynamic evolution shaped by technological advancements, organizational needs, and external pressures. Recent literature emphasizes that the quality of CAS in manufacturing firms significantly influences managerial decision-making and operational efficiency. Saleh et al. (2023) conducted a systematic literature review of 170 articles published between 2015 and 2023, highlighting that traditional CAS remains prevalent but is increasingly being challenged by the need for more sophisticated, real-time systems that align with modern business environments. Their findings underscore that high-quality CAS enhances financial reporting, supports strategic planning, and improves cost control mechanisms, especially when integrated with digital tools and skilled personnel. Meanwhile, Roffia et al. (2024) explored CAS implementation in small and medium-sized enterprises (SMEs), identifying barriers such as limited resources, lack of training, and organizational inertia. Their study found that despite the recognized benefits of CAS, many SMEs still struggle with adoption due to perceived inefficiencies and complexity. These insights suggest that while CAS practices are advancing, their effectiveness hinges on contextual factors like firm size, industry dynamics, and the adaptability of accounting professionals.

Previous research by Iskandar (2015) explained the importance of implementing an appropriate internal control system in the construction business to ensure the reliability of financial reporting. This is in line with the phenomenon in construction companies that are the object of research where projects and long processing times often pose challenges in budget management and cost reporting. These companies face high risks related to potential irregularities such as fraud and theft that can be detrimental both financially and reputationally. In Iskandar's findings the implementation of strong internal control elements can help companies identify and prevent such risks while improving transportation and accountability on projects. Therefore, this study examines how the internal control system implemented by the company is able to support operational effectiveness and the reliability of financial statements in accordance with the framework that has been considered.

The subject of this study is Graha Aryata Construction, a business located in Perum YKP I, Surabaya. This company has been operating since June 1999 and specializes in construction services, including building, renovation, architectural design, and property buying and selling. According to an interview with the owner, who also serves as the contractor, customers interested in purchasing services must follow the company's established procedures. First, the contractor creates a project design and presents it to the client. If the client approves the design, the contractor then prepares a Cost Budget Plan (RAB) and finalizes the agreement.

In practice, the Cost Budget Plan (RAB) serves not only as the basis for client payments, but also as a tool for recording and controlling costs (Yanti et al., 2024). This is because the RAB includes detailed prices for building materials and labor wages, which are the main components of cost accounting. At Graha Aryata Construction, there is still no systematic bookkeeping system in place. As a result, key documents involved in the process include contract agreements, work orders, and handover letters. This study aims to investigate internal controls in managing corporate finance, where companies manage budgets for materials and services from the beginning to the end of a project of the Graha Aryata Surabaya construction services business. The main research question (RQ) in this study is:

RQ: How is internal control in the practice of the cost accounting system in the Graha Aryata construction services business?

The results of this study are expected to improve the internal control system and financial accountability in similar construction service businesses. This research focuses on the internal control and cost

accounting system applied in Graha Aryata's construction services business. This paper is organized as follows: introduction, literature review, research methods, results and discussion, and conclusion.

This research focuses on a small and medium-sized construction business in Surabaya, Graha Aryata, which has not been studied much before. This research explores how they implement internal control systems and cost accounting in their daily activities, especially in recording material and labor costs. The results show that there are still shortcomings, such as the absence of a dedicated function for recording and budgeting costs, which makes the process less than optimal. From here, the research provides practical recommendations for similar businesses to improve their corporate financial management and cost control, making operations more efficient and accountable. With a case study approach and direct data from the field, this research provides useful insights for both academics and small until medium-sized construction business.

LITERATURE REVIEW

Internal Control

Internal control is a process shaped by both people and information technology systems, designed to help an organization achieve its specific goals (Lestari & Dewi, 2020). According to Budiman et al. (2020), internal control is influenced by human resources and supporting systems such as information technology used by the company so that it achieves its goals. Lusiana & Arfamaini (2022) cited that internal control is part of every system that is used as a guideline or operational procedure for a particular company or organization. This control is essential for ensuring the organization's long-term success by making sure operations run smoothly and efficiently, financial reports are trustworthy, and policies and regulations are properly followed. According to Paramitha & Budiasih (2024), a well-designed and effective internal control system can protect an organization from fraud. The more effective the internal controls are, the lower the likelihood of accounting fraud occurring. Conversely, if internal controls are weak or ineffective, the risk of accounting fraud increases significantly.

Meanwhile, Mufidah & Masnun (2021) define internal control as an organization's plan and methods designed to safeguard assets, produce accurate and reliable information, improve efficiency, and promote compliance with management policies. This view is supported by Asril et al. (2024), who emphasize that implementing a strong internal control system can significantly reduce the risk of fraud. In the study by Gunadi et al. (2020), the focus is on Islamic principles, particularly the concepts of *Habluminallah* and *Habluminannas*. *Habluminallah* refers to the relationship between humans and God Almighty, while *Habluminannas* relates to the relationships among people. Both principles come from the Qur'an and serve as a foundation for ethical behavior. This research was conducted at Masjid Nurul Iman Pemaron, where these principles are practiced by the congregation to strengthen internal control in the mosque's reporting. These principles teach us to always follow rules, act honestly and transparently, and reduce the risk of fraud.

Internal Control System

An Internal Control System consists of an organizational structure, methods, and various coordinated steps designed to protect company assets, ensure accounting data is accurate and reliable, improve work efficiency, and guarantee that management policies are properly implemented. This definition focuses more on the objectives that the internal control system aims to achieve, rather than its individual components. Therefore, it applies to all types of companies, whether they manage information manually, use bookkeeping machines, or rely on computer systems (Mulyadi, 2016).

The implementation of control within a company is essential to help identify potential deviations and minimize or prevent fraudulent actions. When internal control operates effectively, it positively influences management decisions. According to Mulyadi (2016), the internal control system includes the organizational structure, methods, and coordinated measures and reliability of accounting data, promote efficiency, and ensure compliance with management policies. The objectives of internal control, according to Mulyadi (2016), are to provide reasonable assurance in achieving three main goals: the reliability of financial information, compliance with applicable laws and regulations, and the effectiveness and efficiency of operations.

The company must identify and analyze the factors that cause risks to the company and how to manage these risks (Lusiana & Arfamaini, 2022). As a result, companies must establish a robust internal control system to identify and manage potential risks (Prayitno & Astuti, 2018). The implementation of controls in a company is very necessary to help find out the deviation plan and

minimize or suppress fraudulent actions from occurring (Pratiwi & Priono, 2021). Internal control plays a crucial role in a company by overseeing all activities to prevent possible irregularities in daily operations improve operational efficiency (Azra et al., 2024). In the construction services business, good financial management is essential to ensure sustainability and stakeholder confidence.

Success in financial management and accountability is highly dependent on the effectiveness of the internal control system and cost accounting system. Internal control systems, Cost accounting systems, and financial management and accountability must operate in an integrated manner to create financial governance that is transparent, accountable, and supports the optimal achievement of organizational goals. A schematic of the relationship between these three things is attached in Figure 1.

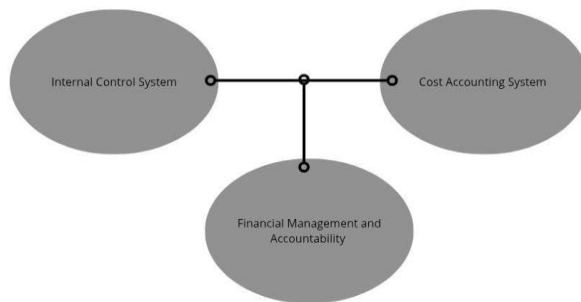


Figure 1. Schematic of The Relationship between Internal Control Systems, Cost Accounting Systems, and Financial Management and Accountability.

The relationship between Internal Control Systems (ICS), Cost Accounting Systems (CAS), and Financial Management and Accountability (FMA) in Figure 1 is interconnected, forming the backbone of sound organizational governance. Internal Control Systems provide the structural framework that ensures the reliability of financial reporting, compliance with laws, and the safeguarding of assets. These controls directly influence the effectiveness of CAS by promoting accurate cost tracking, preventing misstatements, and enhancing the integrity of financial data. In turn, a robust CAS supplies detailed cost information that supports strategic financial decisions and resource allocation, thereby reinforcing financial accountability. Eton et al. (2022) found that ICS significantly impact financial accountability, particularly through the control environment and monitoring activities, which accounted for over 55% of the variation in accountability outcomes in local government settings. Similarly, Rahayu et al. (2024) emphasized that the synergy between ICS and financial reporting systems enhances transparency and accountability in public sector financial management. Together, these systems create a feedback loop where strong internal controls bolster cost accounting accuracy, which in turn supports transparent and accountable financial management.

Cost Budget Plan

The Building Budget Plan (RAB) is a calculation of the estimated costs required for the expenditure of materials, tools, and labor wages in implementing a development project. According to Bachtiar Ibrahim's book, "Plan and Estimate Real Cost" (1993), RAB is the total cost that includes materials, wages, and other costs directly related to the implementation of the project work. The preparation of RAB is very important to anticipate the need for cost expenditure during the construction process. Costs that are usually taken into account include materials, tools, and workers' wages. How to calculate RAB can be done by multiplying the building area or volume by the unit price that has been determined according to the Indonesian National Standard (SNI) for the price of wages and materials used in the project.

RESEARCH METHOD

This study uses a qualitative approach through field research. Field research involves investigating real-world phenomena directly in their natural setting and compiling scientific reports based on the findings.

In this case, the data was collected from a construction business, GA Surabaya. Qualitative research to understand unique and in-depth object phenomena, the process is not standardized and depends on the research objectives (Zakaria et al., 2019). A narrower definition of qualitative research describes it as “a repetitive process through which the scientific community gains a deeper understanding by generating new, meaningful distinctions derived from the approach to the studied phenomenon (Aspers & Corte, 2019). Qualitative data focuses on understanding the value of one or more variables without making comparisons or linking them to other variables.

Data collection was carried out through observation, interviews, and documentation (Hawa et al. (2023). The data gathered during observation helped to directly understand the cost accounting system as well as the calculation of materials and construction services for clients at GA Surabaya construction business. In-depth qualitative interviews provided deeper insights into specific issues by conducting face-to-face conversations with the owner of GA Surabaya. Documentation involved collecting data from the owner’s records, including documents, notes, procedures, and internal controls related to costs.

After all the data was collected, a descriptive analysis method was used. This approach aims to provide a systematic and factual overview of the facts related to the phenomenon being studied. During the analysis, the data was carefully examined, organized, and broken down into clear, understandable parts that could be easily explained to others. The data and information analyzed in this study came from all statements provided by the research subject, the owner of GA Construction Company. To see the validity of the data, triangulation techniques are needed by comparing information obtained from interviews with observations and documents (Siahaan & Suryaningrum, 2024).

RESULTS AND DISCUSSION

Information and Communication

Providing relevant information plays an important role in making effective decisions. Information is data that has been organized so that it has use value and benefits where the higher the quality of information, the better the decisions made (Rasefta & Esabella, 2020).

The owner’s interview stated:

“I present the design of the front and inside, then the advantages and disadvantages. If the customer agrees, I will make an overall work contract agreement. And for communication, it can be via WhatsApp or meet in person, or usually customers know this business by word of mouth.”

This information and communication support the company’s internal control as explained by Lestari & Dewi (2020), that internal control involves people and systems to ensure organizational goals. Then, accurate information and effective communication play a role in preventing error and fraud (Paramitha & Budiasih, 2024).

Documents Used and Related Functions in The Cost Accounting System

In the construction services business, the documents used are different from manufacturing companies because the main focus is recording the costs and revenues of the services provided. Based on Mulyadi’s literature, important documents commonly used include production orders, material requirements list, working hour cards, finished project reports, memorial evidence and proof of cash out.

From the interview results, the business owner stated that the document was adjusted to the needs of the project:

“For the first document, I make a sketch of the floor plan, then if approved, I make a letter of agreement for piecework, a schedule of payment terms, a draft of cost budget plan (RAB) containing a list of needs and activities, and a table of workers’ salaries. After completion, I will make a handover document.”

This document supports the main function of monitoring and managing project costs for materials and labor for optimal use of resources and avoiding waste.

In the interview, the owner stated:

“This system helps monitor the cost of materials and labor to avoid waste. Contractors are responsible for planning, budgeting, supervision related to RAB and salaries. The foreman oversees supervising and recording attendance, while the builders work according to their expertise.”

This function is in line with the role of the cost accounting system which is not only a recording tool but also a strategic control and decision-making tool (Mulyadi, 2016), to increase efficiency and profit.

The Network of Procedures that Make Up the Cost Accounting System

The network of procedures in this system is interconnected and designed to collect, classify and present cost information accurately. This procedure includes receiving project orders or design services, submitting and issuing materials, recording attendance to handover and project guarantees.

In the interview, the owner stated:

“The procedures applied in this business are to manage the entire project accurately, starting from receiving orders, organizing materials, recording attendance, to the handover process. I am also responsible for coordinating between myself, the foreman and the workers so that the work runs smoothly. I also calculate the total cost from the beginning to the end of the project, so that regular expenses are controlled.”

From the results, the cost accounting system is also a supervisory tool in implementation and good coordination and allows the owner to calculate the total cost thoroughly.

Ordering Cycle in GA Construction Services Business

Based on the flowchart in Figure 2, the initial process flow of the construction service order cycle at Graha Aryata is presented, showing the flow from consultation to price agreement. However, when viewed from Mulyadi (2016) internal control system, this flow still shows weaknesses. There is no separation of functions between planners, implementers, and recorders, making it prone to conflicts of interest and errors. Additionally, formal authorization and documentation systems have not been implemented. There is no use of work orders, expense receipts, or other official documents supporting transaction accountability. Healthy practices such as document numbering, cost reconciliation, and physical inspections are also absent from the process.

Therefore, the internal control system in this flowchart (Figure 2) is still weak and does not align with the principles outlined by Mulyadi. Improvements are needed through the separation of functions, the implementation of tiered authorization, and more systematic and well-documented documentation. The internal control system illustrated in the current flowchart remains inadequate and fails to meet the foundational principles articulated by Mulyadi. According to Mulyadi (2016), an effective internal control system must incorporate several key elements, including a clear separation of functional responsibilities, a structured system of authorization and recording procedures, and the implementation of sound practices in executing organizational duties. The absence of these components can lead to vulnerabilities such as asset misappropriation, unreliable financial data, and operational inefficiencies. Specifically, the lack of functional segregation increases the risk of errors and fraud, as it allows a single individual to control multiple stages of a transaction. Furthermore, without tiered authorization, there is insufficient oversight to ensure that transactions are properly reviewed and approved. Lastly, the current documentation practices appear unsystematic and poorly maintained, which undermines accountability and traceability. To strengthen the internal control system, it is essential to redesign the workflow to reflect these principles—ensuring that duties are divided among personnel, approvals are layered according to risk levels, and all processes are supported by comprehensive and accessible documentation.

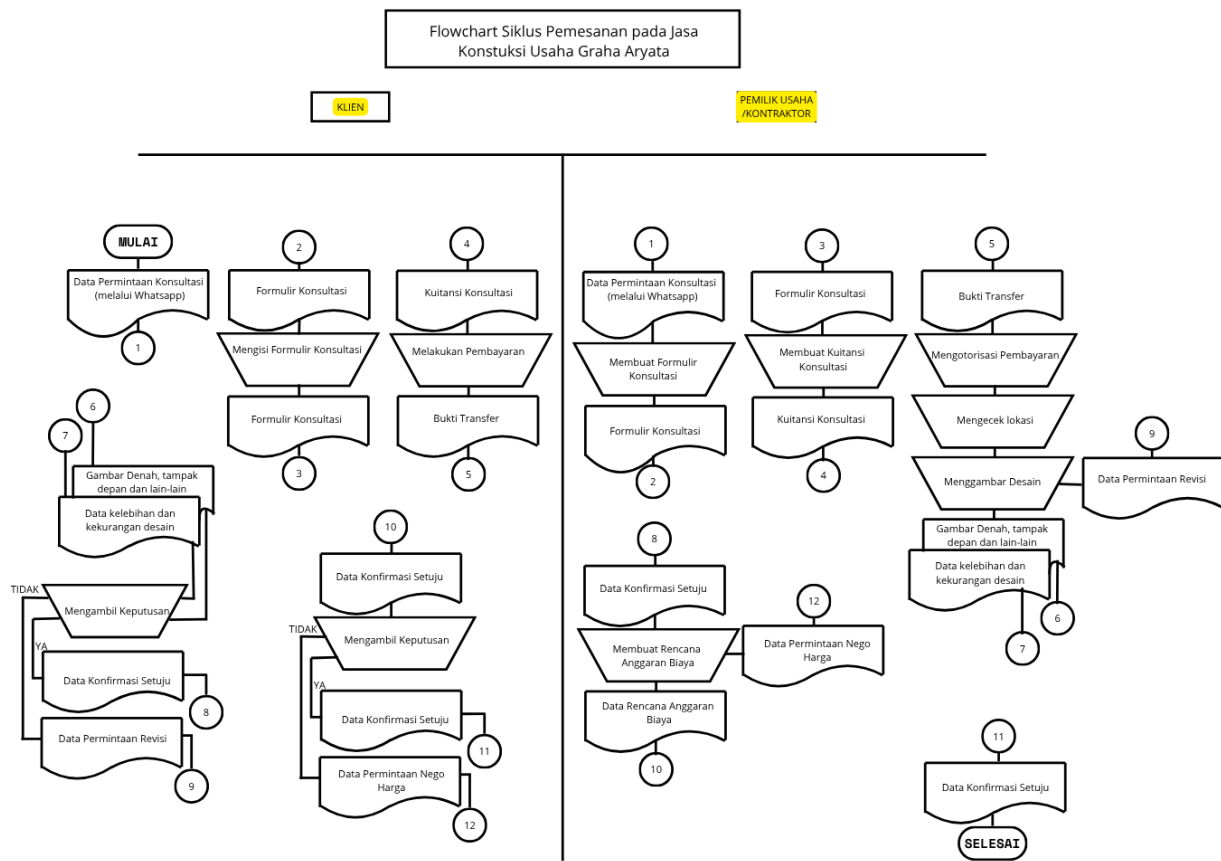


Figure 2. Ordering Cycle in GA Construction Services Business.
 Source: Interviews, observations, and documentations – processed (2025)

Procurement and Contracting Cycle in GA Construction Services

Figure 3 shows the procurement and contracting cycle in GA Construction Services. The flowchart of the procurement and contracting cycle at Usaha Graha Aryata illustrates the process from the preparation of work contracts to the procurement of materials and payments, involving four main parties: clients, project implementers, field workers, and suppliers. Although the workflow appears systematic, analysis based on Mulyadi's internal control system reveals a number of weaknesses.

One of the main weaknesses is the lack of a clear separation of functions between contract drafting, ordering, goods receipt, and payment. The entire process is still centralized in the project contractor, increasing the potential for abuse of authority. Additionally, the authorization and document recording systems are not explained in detail, and there is no evidence of the implementation of good internal control practices such as document numbering, reconciliation, and physical inspection. Therefore, although this flowchart has outlined the basic operational structure, a stronger internal control system is needed to ensure accountability and prevent the risk of errors or fraud.

Elements of Internal Control

Implementation of internal controls in GA to maintain the accuracy of information and the security of company assets. This element consists of separation of functions between foremen, workers, and technicians so that cost records are more accurate. Documents in this business are under the authorization of the owner. While the recording of attendance lists is done by the foreman. This authorization system is an important part of internal control.

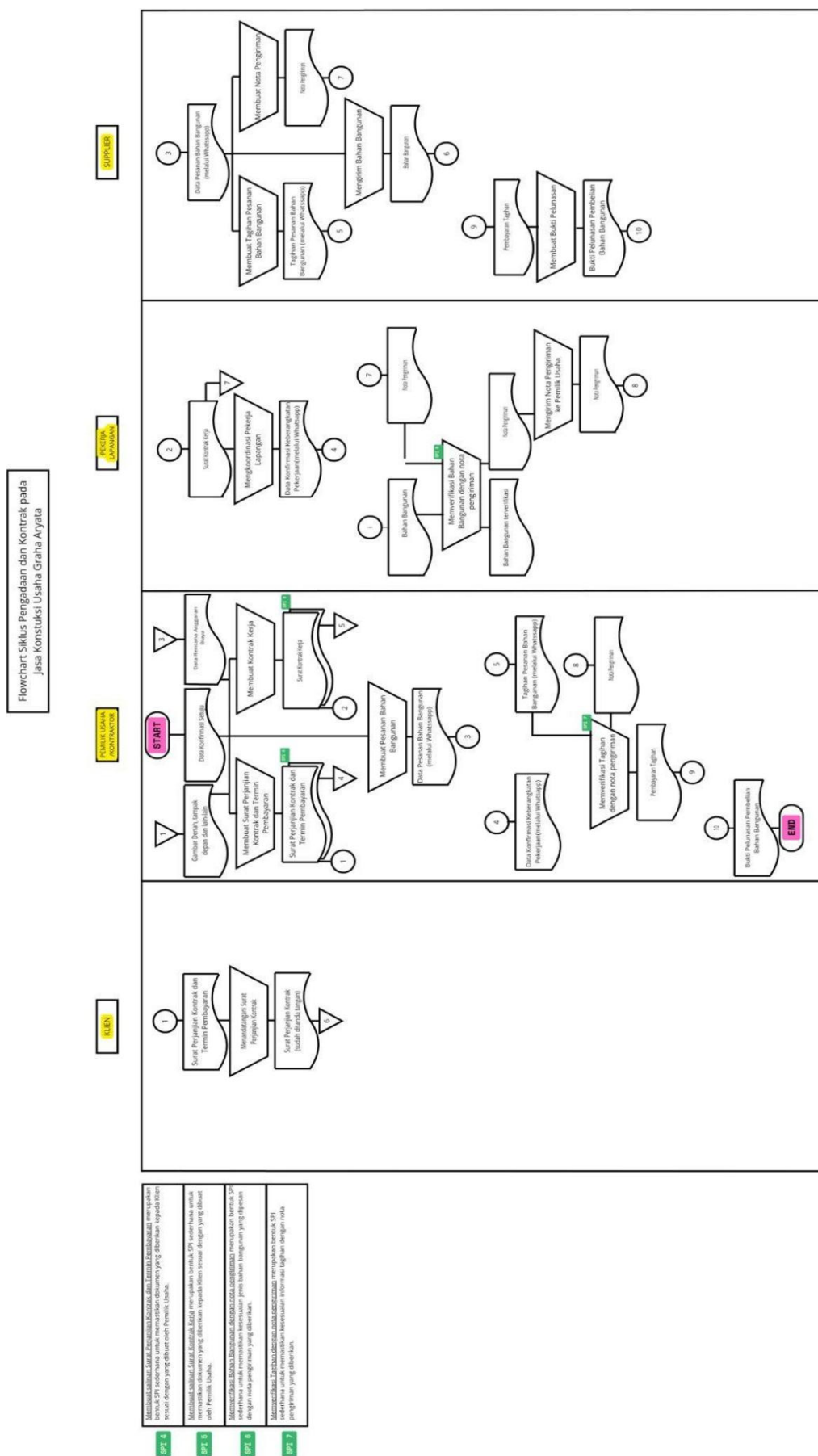


Figure 3. Procurement and Contract Cycle Flowchart

Table 1. Comparative analysis of Mulyadi's Internal Control System Literature with practice by GA

| Internal Control System Components | Internal Control System Elements according to Mulyadi | Practice In GA Construction | Appropriate/ Inappropriate |
|---|--|--|----------------------------|
| Organizational | Cost recording function must be separate from production function. | Separated | Appropriate |
| | The cost recording function must be separate from the function that budgets costs. | Not separated because the owner itself records and budgets the costs. | Inappropriate |
| | The warehouse function must be separate from the production function. | Not explained, as this is a service business. | Inappropriate |
| | Warehouse function must be separated from accounting function. | Not explained, as this is a service business. | Inappropriate |
| Authorization system and Recording procedures | Production order letter authorized by Head of Production Function. | Done, with a production order issued by the owner at the time of the agreement. | Appropriate |
| | Proof of requisition and release of warehouse goods authorized by the Head of relevant production function. | Not conducted, as it is a service business. | Appropriate |
| | Proof of cash out authorized by financial accounting function. | Done, but not by the accounting function but by the construction service business owner. | Appropriate |
| | Material requirement list and production activity list created by Production Planning and Supervision Function and Authorization by Head of Production Function. | Done because the owner doubles as the planning and supervision function. | Appropriate |
| | Working hours card authorized by the Head of relevant production function. | Not mentioned, because there is only a list of attendance hours authorized by the foreman. | Inappropriate |
| | Production order, warehouse goods requisition and release slip, cash out slip, and memorial slip, sequently numbered and their use accounted for. | Done, with all documents produced created from start to finish to prevent fraud. | Appropriate |
| Healthy practices | Periodically reconcile cost cards to cost control accounts in the general ledger. | Not mentioned | Inappropriate |
| | Periodically counting inventory in the warehouse to match with the inventory card. | Not mentioned | Inappropriate |

Source: Mulyadi (2016) and practice in GA – processed (2025)

The evaluation presented in Table 1 highlights the extent to which the Internal Control Structure (Struktur Pengendalian Intern or SPI) has been implemented in GA businesses, benchmarked against the elements proposed by Mulyadi. One of the most critical discrepancies lies in the organizational structure, particularly in the lack of segregation between the cost recording, production, and budgeting functions. According to Mulyadi (2016), effective internal control requires a clear separation of duties to prevent conflicts of interest and reduce the risk of errors or fraud. However, in GA's case, these functions are centralized under the business owner, justified by the small scale of operations. While this may seem practical, it undermines the integrity of financial data and increases the vulnerability to manipulation or oversight (Mulyadi, 2016; Hall, 2007).

Furthermore, the warehouse function is not distinctly separated from either the production or accounting functions. The business owner argues that due to the simplicity of raw material storage in small-scale operations, a dedicated warehouse function is unnecessary. However, this absence contradicts the principle of functional independence, which is essential for safeguarding assets and ensuring accurate inventory records. As noted by [Horngren et al. \(2005\)](#), even in small enterprises, basic inventory controls are vital to prevent loss, misappropriation, or misstatement of materials. The implementation of internal controls in GA plays a critical role in ensuring the accuracy of financial information and the safeguarding of company assets. One of the key elements of this system is the separation of functions among foremen, workers, and technicians. This division of responsibilities is essential to reduce the risk of errors and fraud, as it prevents any single individual from having unchecked control over multiple aspects of a transaction or process. According to [Mulyadi \(2016\)](#), effective internal control requires a clear delineation of duties to create a system of checks and balances that enhances accountability and operational transparency.

On a more positive note, the evaluation shows that GA businesses have implemented relatively sound practices in the areas of authorization and recording procedures. This suggests that there is a reasonable level of control over transaction approvals and documentation, which aligns with Mulyadi's emphasis on structured authorization systems to ensure accountability and traceability ([Mulyadi, 2017](#); [Kusnadi & Kirana, 2023](#)). The presence of these controls indicates an awareness of the importance of procedural compliance, even if other areas remain underdeveloped.

However, the implementation of healthy practices—such as regular supervision, rotation of duties, and independent verification—remains suboptimal. These practices are crucial for maintaining the reliability of financial reporting and deterring fraudulent behavior. According to [COSO \(2013\)](#), a robust internal control system must include not only structural and procedural elements but also a culture of ethical conduct and continuous monitoring. The lack of such practices in GA businesses suggests a need for further development, particularly in reinforcing accountability and operational discipline. In GA's operational structure, the business owner retains control over document authorization, centralizing decision-making authority. While this may be practical in a small-scale business context, it also introduces potential risks if not supported by additional oversight mechanisms. The authorization of documents is a fundamental control activity that ensures only approved transactions are executed, thereby maintaining the integrity of financial records ([COSO, 2013](#)). However, best practices recommend that such authority be complemented by independent verification or periodic review to mitigate the risks associated with centralized control ([Hall, 2007](#)).

The recording of attendance lists by the foreman reflects a basic but important internal control related to labor cost tracking. Accurate attendance records are crucial for calculating wages, allocating labor costs to projects, and preventing payroll fraud. As noted by [Horngren et al. \(2005\)](#), reliable labor data contributes to more precise cost accounting and enhances managerial decision-making. The delegation of this task to the foreman introduces a layer of operational oversight, though it would be strengthened by periodic audits or cross-checks by another party.

In summary, while GA businesses demonstrate partial compliance with SPI principles—especially in documentation and authorization—there are notable deficiencies in organizational structure and healthy practices. To enhance the effectiveness of SPI, it is recommended that GA businesses gradually implement functional segregation, even within a small-scale context, and adopt routine control activities that promote transparency and accuracy in project execution and cost recording.

CONCLUSION

Based on the results of the discussion, it can be concluded that the cost accounting system applied to Graha's construction services business clearly shows efforts in recording and controlling costs, particularly those related to raw materials and labor. Information and communication carried out directly by the owner also plays an important role in operational decision-making, although not all of it is formally structured.

The use of documents such as lump-sum contracts, cost estimates, and payroll tables also indicates an awareness of the importance of cost recording, but these efforts are not yet supported by adequate authorization systems and functional segregation. An analysis of the flowchart in the project ordering and procurement cycle reveals that some elements of internal control are still weak, particularly

in terms of the separation of functions between planners, implementers, and recorders, which could potentially lead to errors or fraud on the part of the business owner.

A comparison between field practices and internal control elements according to Mulyadi also shows that most authorization and documentation systems are in place, but there are still weaknesses in organizational aspects and sound practices, such as the absence of systematic reconciliation and oversight. Generally, the cost accounting system at Graha Area Total has been functioning in accordance with the needs of a small-scale business, but it still requires improvements in terms of separation of functions, formal documentation, and strengthening of internal controls to enhance efficiency, accountability, and the reliability of information.

The findings from the analysis of GA's internal control practices carry important implications for both theory and practice. The observed weaknesses—particularly in the segregation of duties and the absence of a formal warehouse function—highlight the challenges faced by small-scale enterprises in implementing comprehensive internal control systems. These limitations suggest that while internal control frameworks such as those proposed by Mulyadi and COSO are widely accepted, their practical application in micro and small business contexts may require adaptation to fit resource constraints and operational realities. This underscores the need for scalable internal control models that maintain core principles while remaining feasible for smaller entities. By documenting the partial adoption of control practices—such as functional separation among operational staff and centralized document authorization—this research adds to the growing body of literature that examines internal control effectiveness. It also reinforces the argument that even minimal internal controls, when strategically applied, can enhance cost accuracy and asset protection. Furthermore, the study provides a practical reference for policymakers and practitioners seeking to strengthen governance in small enterprises, particularly in sectors like construction where project-based cost tracking is critical.

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Abbreviations

Graha Aryata (GA), Cost Budget Plan (RAB), Sistem Pengendalian Internal (SPI), Internal Control Systems (ICS), Cost Accounting Systems (CAS).

Authors' contribution

NFAS drafted the flow chart and double-checked the article, IAI and NSA drafted the article, collected data, checked and analyzed the article data, NSF and AMD searched for references, drafted the article.

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Conflict of Interest

The authors declare that there is no conflict of interest in writing this article.

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Availability of data and materials

Data can be obtained by providing the corresponding author with information on the reasons for needing the data via email.

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