

ANALYSIS OF THE IMPLEMENTATION OF SAK EMKM IN THE PREPARATION OF FINANCIAL REPORTS ON MSMEs

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ABSTRACT

Seeing the importance of applying accounting for MSMEs, IAI as a professional organization as well as as a compiler of Financial Accounting Standards (SAK) through the Financial Accounting Standards Board (DSAK) compiles accounting standards that are consistent with the characteristics of MSMEs. The application of SAK EMKM in MSME Financial Reports is expected to increase the interest of Banyumas MSME entrepreneurs. To be able to achieve this goal, this research uses exploratory descriptive qualitative research methods. With this analysis, it is expected to identify strategies to grow and develop Banyumas MSME entrepreneurs.

Keywords: Application of SAK EMKM, Financial Report, MSME Banyumas.

1. Introduction

Micro, small and medium enterprises, commonly abbreviated as MSMEs, are independent and small-scale populist economic activities whose management is carried out by community groups, families, or individuals. In fact, MSMEs have a great influence on the national scale economy, because they can absorb the number of unemployed and contribute quite high to the Gross Domestic Product (GDP). Data shows that in 2013 the number of MSMEs in Indonesia was more than 50%. MSMEs are also able to absorb productive workers as much as 97% of the total existing workforce for MSME businesses that are currently available in Indonesia.

Together with Cooperatives, MSMEs are also able to make a positive contribution of 5% to GDP in Indonesia. Therefore, it is not wrong if someone states that MSMEs play a role as the backbone of the national economy. To develop a larger business, MSMEs are always constrained by the problem of how to obtain working capital. Seeing the importance of applying to account for MSMEs and taking into account the characteristics of MSME transactions, the Financial Accounting Standards Board (DSAK) under the auspices of the Indonesian Institute of Accountants (IAI) seeks to issue an appropriate accounting standard. In 2009, DSAK has ratified the SAK-EMKM (Micro, Small, and Medium Economic Accounting Standards) and since January 1, 2018, this standard has been declared effective. SAK-EMKM is an accounting standard for entities that do not have accountability to the public. With this standard, small and medium-sized companies are able to compile their financial reports to obtain funds and business development (Hetika & Nurul Maheasy, 2017).

2. Literature Review

2.1. Financial Accounting Standards for Micro, Small and Medium Entities

Financial reports issued by business actors in Indonesia must comply with financial accounting standards prepared by the Financial Accounting Standards Board (DSAK) under the auspices of the Indonesian Institute of Accountants (IAI). IAI is the only professional organization in Indonesia consisting of accountants who are authorized by the state to prepare and publish the said standards.

SAK should be used as a reference in the preparation and presentation of financial statements. IAI compiles and prepares Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM). Thus, MSMEs do not need to issue financial reports in accordance with SAK with the issuance of SAK-EMKM. The financial accounting standard for business fields categorized as entities without public accountability is SAK-EMKM.

2.2. Micro, Small and Medium Enterprises (MSMEs)

Law Number 20 of 2008, precisely stated in article 1, MSMEs can be explained as follows:

- Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law.
- Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly of Medium Enterprises or Large Businesses that meet the criteria Small Business as referred to in this Law.
- Medium Enterprises are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly with Small Businesses or Large Businesses with total net assets. or annual sales proceeds as regulated in this Law.

2.3. Financial Report

According to (Indonesian Institute of Accountants, 2017) in PSAK No. 1 it is stated that the financial statements aim to be compared with the financial statements of the previous period and financial statements for other similar businesses. According to (Kasmir, 2014:112) in his book *Financial Statement Analysis*, there are seven reasons why business units must issue financial reports, namely:

- Displays information about the type and amount of debt and capital currently owned by the company
- Displays information about the company's current assets
- Displays information about changes that occur to the company's assets, liabilities, and capital

- Displays information about the type and amount of income earned by the company in a certain period
- Displaying information about the notes to the financial statements
- Displays information about the performance of the company's management resources in a certain period
- Displaying other financial information deemed necessary

The explanation above shows that shareholders, lenders, investors, and the government need information from the company in the form of performance and an overview of the company presented in financial statements that are presented in full by the company's management. This information will be used by all users of financial statements in determining future economic decisions.

3. Research Methods

3.1. Research Sites

This research was conducted in micro, small and medium enterprises in Purwokerto because this location can support researchers to test the concept to be studied. The partners of this research are MSME actors in Purwokerto.

3.2. Research Methods

The method used in this research is the descriptive exploratory qualitative research method. The use of this method will produce descriptive data in the form of written or spoken words from people and observed behavior (Moleong, 2009). This study aims to describe the state of a phenomenon and is not intended to test certain hypotheses but describes what a variable, symptom, or situation is (Arikunto, 2002). The phenomenon in this study is the application of SAK EMKM in the preparation of financial reports on MSMEs in the Banyumas Regency. In-depth interviews are conducted by giving open questions flexibly and loosely in order to obtain more detailed information from informants. The technique of determining informants uses snowball and leads to purposive, namely with certain considerations to achieve research objectives. The criteria for informants are MSME owners in Purwokerto. Data analysis was carried out based on the interactive model of Miles and Huberman (Sugiyono, 2012) which consisted of 4 stages, namely: data collection, data reduction, data presentation, and conclusion verification. The validity of the data was tested using triangulation techniques and expert judges.

Figure 1. Implementation Flow of SAK EMKM

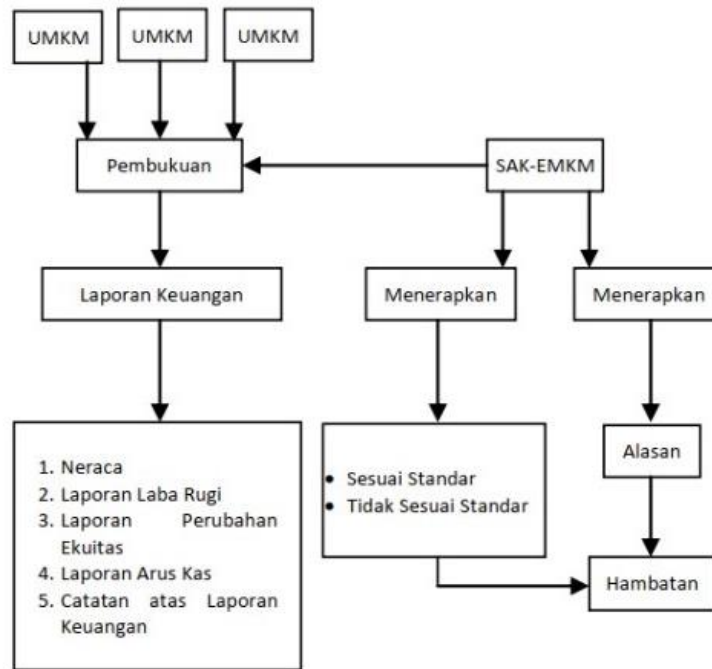
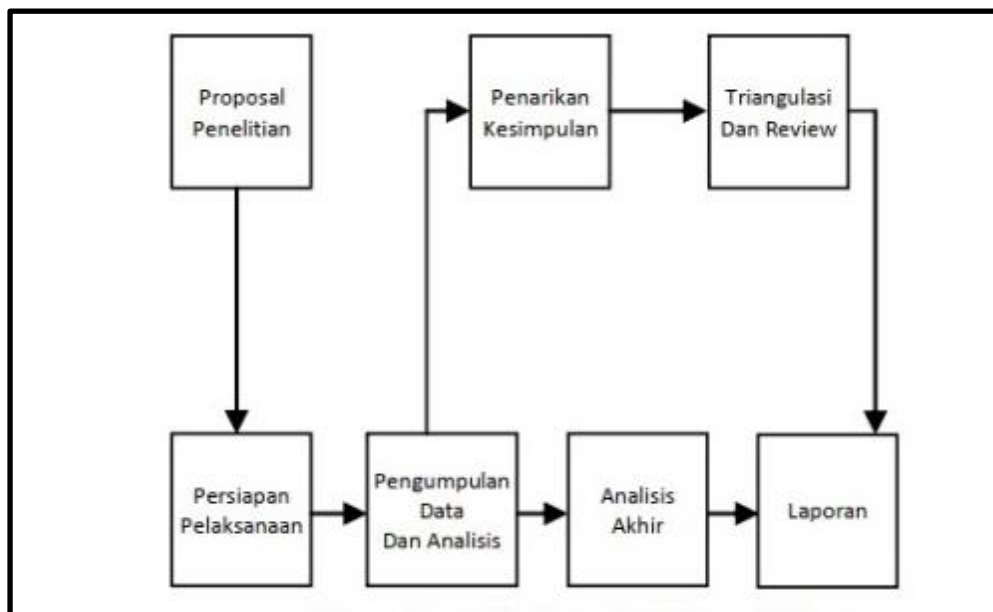


Figure 2. Research Design



4. Result

4.1. Overview of Respondents

Respondents who were successfully analyzed in this study were 270 respondents. Sources of data used in this study are primary sources obtained directly from respondents through filling out a questionnaire with closed questions which are divided into several parts. The object of this research is the perpetrators of SMEs. The average age of the respondents is 30 years with various types of businesses.

4.2. Discussion

Respondents' responses to the closed questionnaire regarding the application of SAK EMKM in the preparation of financial statements are divided into four parts, namely as follows.

- In part I, it can be seen that the socialization of financial standards in financial reports has been provided through seminars or accounting training as evidenced by 63% of respondents who agree with this. This socialization was held to find out the latest information on applicable financial accounting standards and training on the preparation of financial reports in accordance with SAK EMKM and applicable regulations. Unfortunately, the data shows that around 51.1% of respondents felt that this socialization did not provide benefits in understanding financial statements and 53.3% of respondents found it difficult to accept an understanding of accounting standards if they studied it through other media such as the internet, television, and others.
- In part II regarding the understanding of accounting, it can be seen that some MSME actors still find it difficult to understand accounting transactions or accounting standards and implement them in the preparation of financial reports. However, some respondents already understand accounting records according to standards, understand the preparation of financial statements, and understand the documentation of each transaction as evidenced by the percentage in the pie chart which shows the percentage is more than 50%.
- In part III, the questions asked in the questionnaire are about the level of readiness of MSME actors. Some respondents still do not realize the importance of accounting standards to improve financial statement information and are less able to understand SAK EMKM. Some respondents also feel that they are not able to improve their business financial performance by implementing SAK EMKM. But on the other hand, as many as 45.9% of respondents have understood the importance of carrying out structured accounting records using accounting software and around 64.8% of respondents have realized an increase in quality and reliability if implementing Financial Accounting Standards for Micro, Small and Medium Entities (EMKM). on their financial statements.
- In part IV regarding the implementation of SAK EMKM, it can be seen that there are differences in answers from respondents regarding recording accounting books using SAK EMKM as a standard, some respondents have not implemented SAK EMKM in their financial statements, while some other respondents have implemented this standard routinely in their financial statements. preparation of their financial statements. Although more than 50% of respondents find it difficult to understand and apply SAK EMKM, some of them agree that overall SAK EMKM is useful in their work and can improve their performance.

5. Conclusion

Based on the results of the analysis described previously, the following conclusions can be drawn:

- Socialization in the form of seminars or training regarding the preparation of accounting reports using SAK EMKM has been held several times. However, respondents still find it difficult to accept an understanding of SAK EMKM so that the implementation of this standard in their business financial statements is still minimal. In its implementation, some respondents admitted that they had not used SAK EMKM in their financial statements, while others had routinely used these standards in their bookkeeping records for one year. However, most of the respondents agree on the usefulness of SAK EMKM in supporting their work and improving their performance.
- Most respondents are still not ready to apply SAK EMKM in their financial statements. This is evidenced by the lack of awareness of respondents regarding the importance of accounting standards to improve financial statement information. Respondents also still have difficulty understanding accounting transactions or accounting standards and implementing them in making financial statements.

Based on the results of this study, research suggestions that can be carried out are the need to increase the understanding of MSME actors regarding the preparation of financial reports using SAK EMKM in the form of counseling. In addition, training is also needed to help SMEs implement what has been learned in their business financial statements.

This research still has shortcomings and limitations. This research was made during the COVID-19 pandemic and data collection was limited to closed questionnaires so that answers based on the respondents' views could not be explored further.

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