Understanding of Accounting and Training for the Development of MSME's Financial Statements Based on Sak Emkm

Darto Dengi Bokol
Accounting Study Program Student
Faculty of Economics and Business
Wisnuwardhana University Malang, Indonesia
Email: DartoDengi@gmail.com

Ratnawati
Accounting Study Program,
Faculty of Economics and Business,
Wisnuwardhana University Malang, Indonesia
Email: ratnawati_unidha@yahoo.com

Sukma Perdana
Accounting Study Program
Faculty of Economics and Business
Wisnuwardhana University Malang, Indonesia
Email: sukmaperdana07@yahoo.com

Abstract
The purpose of this study was to determine the Effect of Accounting Understanding on MSME Financial Reporting Based on SAK EMKM, Effect of Training on Financial Report Preparation on MSME Financial Reporting Based on SAK EMKM. Study at Sanan Tempe Chips Industry Center in Blimbing District, Malang City. The sample of this research is 65 MSME centers of Sanan Tempe Chips Industry in Malang City Blimbing District. Hypothesis testing uses a regression test that is preceded by a normality test, a multicollinearity test, and a heteroscedasticity test. Furthermore, hypothesis testing is done by using multiple regression tests. The results of the study indicate that accounting understanding has no significant effect on MSME financial reporting based on SAK EMKM. Training on the preparation of financial statements has no significant effect on MSME financial reporting based on SAK EMKM.

Keywords: Understanding of Accounting, Training on Financial Report Preparation, MSME Financial Reporting Based on SAK EMKM.

I. Introduction

The Indonesian government's policy on Micro, Small, and Medium Enterprises (MSMEs) aims to grow and develop businesses to build a national economy based on a just economy. From these objectives explained that MSMEs greatly influence the economy. But there are still some challenges and problems faced by MSME owners. Small Medium Enterprise is the foundation of the economy in a country, which can save the economic system of a country in an economic crisis. In the last decades, small and medium industries are growing very rapidly in some areas, in the sector of food, craft, furniture, until convection or textiles, which become one of the solutions to overcome the unemployment
rate and to run the economy of an area (Ratnawati, 2017).

Small and medium businesses (SMEs) are the most numerous business groups. The challenges and problems faced by MSMEs according to Kuncoro (2003) are as follows: (1) Weaknesses in gaining market opportunities and enlarging market share. (2) Weaknesses in the capital structure and limitations in obtaining a path for capital sources. (3) Weaknesses in the field of organization and human resource management. (4) Limitations of cooperative business networks between small entrepreneurs or marketing information systems. In line with this understanding, it can be concluded that the understanding of accounting for MSME financial reporting is not easy to find problems faced such as in the capital sector. In understanding accounting for MSME financial reporting, it certainly goes through several stages such as capital readiness.

The Indonesian Accounting Association (IAI) in its position as a professional organization as well as a constituent body of financial accounting standards through the financial accounting standards board prepares regulations to help MSMEs,

these regulations are SAK EMKM (Small and Medium Micro Entities). This SAK EMKM has a difference with other regulations, wherein this SAK EMKM the regulation on cost recognition is based on historical, regulates transactions that are common in MSME transactions, simpler forms of regulation in recognition, measurement, presentation, and disclosure and are relatively unchanged in the year.

As a way to make it clear that not all business entities carry out small and medium enterprises, on January 1, 2018, the Financial Accounting Standards Question (PSAK) established Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) to help simplify the accounting process. SAK EMKM is used on entities that do not have significant small and medium enterprises such as MSMEs and cooperatives. According to SAK EMKM is generally acceptable because it uses simpler guidelines and makes it easier for the wider community (Sariningtyas & Diah, 2011). A good company financial report should be able to present information about the condition, performance, and changes in the cooperative's financial position that is useful for economic decision making. Studies at the SME Center for Tempe Sanan Chips Industry in Blimbing Subdistrict, Malang City, an increase in the business centers of Sanan Tempe chips industry. Based on 2019 data from the Office of Cooperatives and Micro, Small and Medium Enterprises, the number of MSME entrepreneurs in the Tempe Sanan Chips Industrial Center in Blimbing District of Malang City is 93 MSMEs.

SAK EMKM is still relatively new, the majority of SMEs have not been able to apply SAK EMKM in the preparation of the financial statements used. This has caused the perception of the implementation of SAK EMKM to be less good. The factors that are suspected to influence the perception of the implementation of SAK EMKM are the understanding of accounting, which has a non-accounting background, the work period of work is still not long and the lack of information and socialization is given from the Cooperative and MSME Office.

Understanding of accounting resources in MSME is caused by MSMEs employing resources of high school graduates who are equivalent, so understanding accounting in the management of MSMEs is very influential on MSME financial statements. In addition to the problem of understanding accounting, accounting background also influences the success of MSMEs. Micro, Small and Medium Enterprises (MSMEs) that have managers with high accounting backgrounds will be able to bring MSMEs to better progress, but that does not mean MSMEs that have managers with low accounting cannot progress, only that the rate of progress will be faster if MSMEs have resources with high accounting and have the ability in business management. MSME owners and resources managing MSMEs must understand the contents of SAK EMKM made by IAI. The SAK EMKM has brought MSMEs to better management. With the existence of SAK EMKM and the preparation of financial statements, MSMEs can apply for credit to creditors and if there is an audit at any time, the auditor refers to SAK EMKM to check the MSME financial statements.

Good financial reporting requires resources that have a minimum accounting understanding of high school / vocational/equivalent equivalents, more specifically have an adequate understanding of accounting and receive adequate financial statement preparation training. Micro, Small and Medium Enterprises (MSMEs) are small capital businesses, but if you want to apply for a loan from a creditor, you need the results of the financial statements so that the borrowed funds can be given by the creditor. The financial statements need to be made by experts who can make financial reports. But until now, one of the problems that are still often encountered is the problem of human resources that are still limited and do not have a good ability to prepare financial reports following accounting standards. Based on the results of interviews, most MSMEs have HR whose majority accounting background is Senior High School equivalent, and only a few are from accounting majors.

Tarmizi (2015) says that almost all in Indonesia only records finance from sources of entry and sources of money. In other words, MSMEs only record their business finances according to cash flow without being able to estimate reporting accruals. This causes MSMEs do not have a record of financial statements and difficulties when borrowing money from creditors, whereas creditors want every client borrowing money to have financial statements so that the client given the loan can return the amount of money borrowed. These problems occur because MSMEs are not accustomed to recording and compiling financial reports as a description of business activities and the financial position of the company.

The financial statements are useful for the owner to be able to calculate the benefits obtained, find out how much additional capital is achieved and also be able to find out how the balance of rights and obligations owned so that every decision taken by the owner in developing his business will be based on concrete financial conditions that are reported in full instead only based on assumptions alone. Besides, the preparation of financial statements following good accounting standards can make it easier for business owners to obtain additional capital from investors.

Accounting practices, particularly financial accounting at MSMEs in Indonesia are still low and have many weaknesses (Wahdini & Suhairi, 2006). That weakness is partly due to the lack of understanding of accounting for Financial Accounting Standards (SAK) Micro Small and Medium Enterprises (EMKM) from the owner-manager and because of the absence of regulations that require the preparation of financial statements for MSMEs. The owners of MSMEs and the human resources that manage finance at MSMEs must be able to prepare financial reports that bring MSMEs towards better financial management. The existence of the application of financial statements and the preparation of financial statements, the SMEs can apply for credit to creditors and if at any time there is an audit, the auditor refers to the examiner of the financial statements of the MSMEs.

In addition to the lack of understanding of accounting, MSME players also find it difficult to apply financial reports based on established guidelines because there are no guidelines or books that can be used as references to learn how to manage MSME finance. Training on a compilation of financial reports followed by Human Resources (HR) or business owners at MSMEs in Blimbing Subdistrict, Malang City will also be able to increase understanding of how to compile good financial accounting reports in managing the business being run. At present most of the owners of the Micro Small and Medium Enterprises (MSME) Tempe Sanan Chips Center in Blimbing District are still apathetic and ignore the training that is held because they consider the training to be a waste of time, sometimes after the training has been done by the owners of MSME also can not fully implement what has been taught because they consider that the things obtained are still too complicated to be done by the owners of the SME Center for Tempe Sanan Chips Industry in Blimbing District, Malang.

To remind the ability of the compilers of financial statements, training is needed that can accommodate these needs. The training of financial statement preparation is very important for the perpetrators of financial statement preparation because it is useful to develop their capacity in the presentation of the company's financial statements under the accounting principles that apply in Indonesia. The understanding of MSME actors towards SAK EMKM is still lacking because the understanding of accounting and also socialization or training from the government and institutions that oversee MSMEs is still not optimal so that the understanding of the importance of training in preparing financial reports for SAK EMKM is still not understood by MSME actors.

Based on these problems, the government and several institutions conduct training activities on the preparation of financial reports for SMEs. The training program is in the form of a simple accounting training that is adjusted to the situation at MSME but does not deviate from existing standards and regulations. With this training, it is expected that SMEs can understand the development of their businesses and can use accounting as a support for their MSME progress.

2. Methods

In this study, the population is the MSMEs Center for Tempe Sanan Chips Industry, located in Blimbing District, Malang. The sampling technique in this study used a purposive sampling method, with the criteria for taking UMKM Sempe Tempe Industry Center in Blimbing District Malang, which were registered in the Cooperative Service as many as 93 MSMEs, while 28 were not registered at the cooperative service, so the samples in this study totaling 65 SMEs of Sanan tempe chips.

This study uses multiple regression analysis models, this shows the relationship (correlation) between one event with another event. The analysis can be used to see the effect of independent variables on the dependent variable, with multiple linear regression analysis models.

3. Results and Discussion
3.1 Results

The characteristics of the respondents in this study were 65 MSME entrepreneurs located in Sanan Village, Blimbing District, Malang. The data of this study were obtained using a questionnaire, while those contained in the questionnaire consisted of two parts, namely questions about the identity of respondents and questions about the two independent variables, namely the understanding of accounting and classification of financial statements training conducted on respondents in this study aimed to identify the object research.

A validity test is used to measure the validity of a questionnaire. A questionnaire is said to be valid if the statement on the questionnaire can reveal something that will be measured by the questionnaire.

Table 1. Test Validity of Instruments

Variable	Item	r	
Understanding of Accounting (X1)	X1.1	0.902	Valid
	X1.2	0.864	Valid
	X1.3	0.916	Valid
Financial Report Preparation Training (X2)	X2.1	0.907	Valid
	X2.2	0.931	Valid
	X2.3	0.964	Valid
SME Financial Reporting Based on SAK EMKM (Y)	Y.1	0.898	Valid
	Y.2	0.878	Valid
	Y.3	0.856	Valid

The results of testing the validity of the items submitted statements and the results of research that have been done using SPSS 21, above shows that the value of r arithmetic is greater than the value of stable (n-2) which (65-2 = 63) on r table obtained by r table value of 0.244, means that for the data quality test shown from the validity test that all variables are valid.

The reliability test is done by looking at the results of the calculation of the value of Cronbach Alpha (α).

Table 2. Reliability Tests

Variable	Cronbach's Alpha if Item Deleted	Reliability Standards	
Understanding of Accounting (X1)	0,866	0,12	Reliabel
Financial Report Compilation Training (X2)	0,926	0,12	Reliabel
SME Financial Reporting Based on SAK EMKM (Y)	0,837	0,12	Reliabel

The Cronbach's alpha value of all variables has a Cronbach's alpha value greater than 0.12, so it can be concluded that the indicators or questionnaire used for all variables are all declared to be reliable or can be trusted as a measurement tool. Data analysis was conducted aiming to determine the effect of accounting understanding variables and financial statement preparation training on MSME financial reporting based on SAK EMKM. Statistical Package For Social Science (SPSS) will be used to help the process of multiple linear analysis.

Table 3. Results of Multiple Linear Analysis

	Unstandardized coefficients		Standardized coefficients		
	B	Std.Eror	Beta	t sig	Sig
(Constant)	1.029	0.836		1.231	0.223
Understanding of Accounting	0.382	0.137	0.358	2.792	0.007
Financial Report Preparation Training	0.524	0.140	0.479	3.730	0.000

t count is 2.792 and for the t table value of the results of n-k-1 (n = respondents, k = independent variables) amounted to 1,670. Thus based on the t value of 2.792> 1.670 and the significance of t at 0.007 <0.05, it can be concluded that H0 is rejected and H1 is accepted, thus accounting understanding has a partially significant effect on MSME financial reporting based on SAK EMKM.

t count is 3,730 and for the t table value of the results of n-k-1 (n = respondent, k = independent variable) equal to 1,670. Thus based on the t value of 3,730> 1,670 and for a probability value of 0,000 <0.05, it can be concluded that H0 is rejected and H1 is accepted, thus training in preparing financial statements has a partially significant effect on MSME financial reporting based on SAK EMKM.

The coefficient of determination is used in detecting how far the relationship and the ability of the model in explaining the dependent variable. In the data processed there are two independent variables. As in the following table:

Table 4. Determination Coefficients

Model	R	R. square	Adjusted R square	Std. An error of the Estimate
1	.795ª	.632	.620	1.106

In the table above it can be seen that R obtained a correlation value of R = 0.795 which means the correlation or relationship between the accounting understanding variables and financial statement preparation training has a relationship to MSME financial reporting based on SAK EMKM. Then the coefficient of determination or R Square of = 0.632, which means that 62.0% of the influence of MSME financial reporting based on SAK EMKM is influenced by variables of understanding of accounting and financial statement preparation training.

3.2 Discussion

3.2.1 The Influence of Accounting Understanding of MSME Financial Reports Based on SAK EMKM

The results of testing the hypothesis obtained partially (t-test) shows that the accounting understanding variable (X1) of financial reporting based on SAK EMKM (Y) is obtained count = 2.792 and table value of 1.670. Based on the partial hypothesis testing criteria, Ho is accepted, because the t count> table is 1.231> 1,670. These results indicate that accounting understanding is significant for MSME financial reporting based on SAK EMKM study at the Tempe Sanan Chips Industry Center in Blimbing District, Malang City.

The test results obtained partially (t-test) there is a positive and significant influence between the understanding of accounting by business people in the tempe sanan chips industry center in the process of managing business finances will positively affect the quality of the MSME financial statements of the tempe sanan chips industry center. This can also be seen from the R-value of 0.795. This value means the strength of accounting understanding in explaining MSME financial reporting based on SAK EMKM of 1,670. Understanding of accounting can be used as a reference in the presentation of quality financial statements, if all business operators of Tempe Sanan Chip Industry Center have a good understanding of accounting in preparing quality financial reports on the businesses they run, then the financial situation of MSMEs of Tempe Chips Industry Center will be clearer and can be used as business owners as a basis for making decisions. By having these thoughts, a high level of understanding of accounting can be created from business people in the Tempe Sanan Chips Industrial Center in Blimbing District, Malang, so business actors will influence the preparation of the quality of financial statements and apply accounting standards to their business.

3.2.2 Effects of Financial Report Preparation Training on MSME Financial Report Reporting Based on SAK EMKM

The results of the partial test (t-test) showed that the financial reporting preparation variable (X2) had an effect on and significant impact on MSME financial reporting based on SAK MSME (Y), namely the regression coefficient value of 3,730 t-value of 1,670 and a significance value of 0,000. This shows that the ability of financial statement preparation training in explaining the financial reporting of UMKM Tempe Sanan Chips Industry Center in Blimbing District Malang City is an R-value of 0.795. Based on the R-value between 0% to 1000%, the R-value greater than 0.795 is classified as low.

4. Conclusion

Based on the explanation and analysis of the data that has been conducted by the research that is about the Effect of Accounting Understanding and Financial Report Preparation Training on MSME Financial Reporting Based on SAK EMKM, (Study on the Sanan Tempe Chips Industry Center in Blimbing District Malang City). Then it can be concluded as follows: (1) Understanding of accounting has no influence on MSME financial reporting based on SAK EMKM studies at the tempe sanan chips industry center in Blimbing District, Malang. (2) Training on the preparation of financial statements has a significant effect on MSME financial reporting based on SAK EMKM. Study on Sanan Tempe Chips Industry Center in Blimbing District, Malang City. This shows that the higher the training in preparing financial statements, the higher the financial reporting of MSMEs based on SAK EMKM. The limitation in this study is only the tempe chips MSME in the area of the Blimbing sub-district, so it cannot be generalized with other food MSMEs. Besides the variables used in this study to measure the use of financial statements only with an understanding of accounting and financial statement preparation training.

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