

THE ANALYSIS OF ACCOUNTING SYSTEM FORMULATION BASED ON SAK EMKM

Aprilia Cintya Dewi
Suparti,
Nurika Restuningdiah

ABSTRACT

SMEs has become the backbone of the Indonesian economy in the recent time. The development of SMEs does not escape the various obstacles faced. This study aims to describe the current condition of SMEs and the constraints faced. This research is a qualitative research. Data collection was carried out by interview, observation and documentation to RM. Ayam Ingkung Bu. Sutini. The results showed that the condition of RM. Ayam Ingkung Bu Sutini does not have an accounting system that complies with the standards. The accounting system required consists of classifying account numbers, initial balance sheets, journals, ledgers, financial statements consisting of financial position reports, income statements and notes to financial statements referring to SAK EMKM.

Keywords: Accounting System, SMEs, SAK EMKM

INTRODUCTION

During an international seminar on economic empowerment of Small/Medium/Micro Enterprise Industry (SMEs) in the Asia Pacific region which took place on 28-29 November 2017, Asia Pacific became the most dynamic region that will be the determinant of global development, where the role of SMEs in the Asia Pacific will be increasingly important to be empowered for the future. This activity is a form of active contribution from the world of academia for the development of global business, especially in the context of empowering the SMEs business community in Indonesia in order to create a strong SMEs businessman in this new era. According to Prof. Margono Setiawan as Chair of the International Seminar Steering Committee, the SMEs sector in Indonesia is the backbone of the economy and has created employment as many as 107.6 million people (kompas.com).

SMEs play a very significant role in the economy in Indonesia. SMEs is the backbone of the national economy because it is a dominant business actor population (99.9%), contributing to export volume reaching 14.06% (Rp 166.64 trillion) of national total exports, national Gross Fixed Capital Formation is 52, 33% (Rp. 830.9 trillion), as well as the contribution of SMEs to Indonesia's gross domestic product of 59.08 (Rp. 4,869.57 trillion) with a growth rate of 6.4% per year (Indonesian Mining Development Agency, 2015). This fact positions SMEs as a strategic business sector that needs serious attention from the government to be developed consistently. Even according to BPS data (2004, 2006), there are 99% of total national businesses are businesses that are categorized as UMKM (Laily, 2013).

SMEs is currently a special concern, especially from the government and academics. The development of SMEs does not always run smoothly. Various obstacles are often faced by SMEs, such as limited accounting, capital, marketing, technology and human resources systems. Most SMEs only use funds or personal capital in running their businesses, and there is no separation between personal money and company money (Trisomantagani, 2017). In addition, SMEs are also faced with various challenges in the global era, such as wide open market opportunities, the entry of new technologies, efficiency and productivity, and competition with very tight competitors. One of the problems that is currently the focus of researchers is related to accounting systems (Laily, 2013).

Study of the Management Institute of the Faculty of Economics, University of Indonesia indicates that SMEs players are identical with the lack of awareness to carry out bookkeeping well in the business world. Small and medium entrepreneurs generally assume that accounting information is not important, besides being difficult to implement, it also wastes time and money. The most important thing for business managers is how to generate large profits without the hassle of applying accounting (Pinasti, 2007). The same thing is also shown by the results of research conducted by David et al. (2011) that 65% of SMEs in Kenya showed low bookkeeping by SMEs. This is the cause of the failure of some of these SMEs.

The accounting system is one aspect that must be done in an effort to assist in making decisions both strategic decisions and long-term decisions. Most businesses consider accounting systems to complicate their work because the accounting system will calculate the financial details. In addition, the lack of knowledge they have about the accounting system is an obstacle faced by most SMEs. Jumingan et al. (2012) which proves that most entrepreneurs cannot understand accounting. They do not understand what to do, what to prepare, and how to implement it. Therefore the Indonesian Accounting Association (IAI) has formulated a system that is focused on recording and financial management for SME's. The system is regulated in one of the applicable financial standards in Indonesia, namely the Micro, Small and Medium Entity – Financial Accounting Standards (SAK EMKM).

SAK EMKM is arranged in a simple manner so that MSME actors can apply it easily to run their businesses. SAK EMKM starts in January 2018. SAK EMKM has three financial reports, namely financial position reports, income statements, and notes to financial statements. The Government of Indonesia through IAI collaborated with the Office of Cooperatives & MSMEs for socialization and financial management assistance that referred to the EMKM SAK.

Furthermore, based on data from the East Java Office of Cooperatives and SMEs, it shows that Malang is one of the regions that have the most SMEs. Statistical data from 2018 shows the number of SMEs in Malang has reached 113 thousand units. This amount consists of 87% including micro businesses and the remaining 13% consists of small and medium enterprises (Suryamalang, 2018). Various types of SMEs are spread in Malang, for example culinary business, furniture, rattan, tempeh chips, pottery, ceramics, sanitary and many others.

One business that is booming in Malang is culinary business such as restaurants, shops, cafes, and other types of culinary. Some restaurants in Malang have implemented an accounting system in an orderly manner. One of them is RM. Ayam Ingkung Bu. Sutini. This restaurant owner understands the importance of accounting for the business, but is constrained by his human resources who do not understand accounting so far only records expenses and receipts. In the manual recording, there are several obstacles such as the absence of classification of accounts and sometimes forgetting to record daily expenses because it is an iterative activity. Besides, this restaurant still has not separated personal wealth with the results of its business. To overcome the problems being faced, it requires an accounting system for decision making and is a record of the financial facts of the business. The use of accounting information affects the success of SMEs. In producing accounting information, SMEs can start by recording all their business activities even in a simple way. If the record is managed properly, it will produce information that is useful in decision making (Wibowo et al, 2014: 1941-1942).

Based on the problems described above, researchers are interested in formulating a simple accounting system to be implemented at RM. Ayam Ingkung Bu. Sutini. The accounting system that will be formulated refers to SAK EMKM that is suitable for SMEs. Financial statements in accordance with SAK EMKM consists of three components that is financial position statements, income statement and notes to financial statements. At least three components must be fulfilled in decision making and other financial information.

LITERATURE STUDY

1. Accounting System

The accounting system is the organization of forms, notes and reports that are coordinated in such a way as to provide financial information needed by management to facilitate the management of the company. Elements of the basic accounting system according to Mulyadi (2016) are forms, journals, ledgers, supporting books, and reports.

a. Form

Forms are documents used to record transactions. Forms are often referred to as documents, because with this form the events that occur within the organization are documented on a piece of paper.

b. Journal

The journal is the first accounting record used to record, classify and summarize financial data and other data. Sources of recording information in journals are forms.

c. Ledger

The ledger consists of accounts used to summarize the financial data previously recorded in the journal.

d. Helper Book

If financial data classified in general ledger requires further details, can a subsidiary ledger be formed. This subsidiary book consists of auxiliary accounts detailing the financial data contained in the ledger. For example, accounts receivable accounts that need to be detailed in the names of many debtors.

e. Financial statements

The final results of the accounting process are financial statements in the form of financial position reports, income statements, changes in capital statements, cash flow statements, notes to financial statements, reports on cost of goods manufactured, etc. The report contains information that is the output of the accounting system.

2. The Criteria of Small/Medium/Micro Enterprise Industry (SMEs)

The criteria of SMEs have been regulated in Law Number 20 of 2008 concerning SMEs, classified by assets and turnover owned by a business as presented in table 1 below.

Table 1. SMEs Criteria based on Law No 20 Year 2008

No.	Business	Criteria	
		Aset	Omzet
1	Micro Business	Max 50 millions	Max 300 millions
2	Small Business	> 50 millions - 500 millions	> 300 millions - 2.5 billions
3	Medium Business	> 500 millions - 10 billions	> 2.5 billions - 50 billions

3. Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM)

The issuance of SAK EMKM which was effective starting January 1, 2018, aims to be implemented in micro, small and medium-sized entities, which meet the criteria of SMEs as stipulated in Law Number 20 of 2008. (IAI, 2016) Information on entity's financial position consists of information about assets, liabilities and equity of the entity on a certain date, and are presented in the statement of financial position. These elements are defined as follows: a) assets are resources that are controlled by an entity as a result of past events and those of future economic benefits are expected to be obtained by the entity, b) liabilities are present obligations of the entity arising from past events that the settlement results in an outflow from the entity's resources containing economic benefits, c) equity is the residual right of the entity's assets after deducting all of its liabilities.

(IAI, 2016) stated that entity performance information consists of information about income and expenses during the reporting period, and is presented in the income statement. These elements include: a) Income is an increase in economic benefits during the reporting period in the form of flows cash in or increase in assets, or decrease in liabilities that result in an increase in equity that does not come from the contribution of investors; b) expenses are a decrease in economic benefits during the reporting period in the form of cash outflows or decreases in assets, or an increase in liabilities that result in a decrease in equity that is not caused by distribution to investors.

Basic measurement of the elements of the financial statements in SAK EMKM is historical cost. The historical cost of an asset is the amount of cash or cash equivalent paid to obtain the asset at the time of acquisition. The historical cost of a liability is the amount of cash or cash equivalents received or the amount of cash expected to be paid to meet liabilities in the normal course of business. Recognition of elements of financial statements is the process of establishing an item in the financial statements or loss statement that meets the following criteria: a) Benefits the economy related to assets, liabilities, income and expenses can be ascertained to flow into or out of the entity; b) These items have measurable and reliable costs. Disclosures are needed when compliance with certain requirements in the SAK EMKM is not sufficient for the user to understand the effects of transactions, events and other conditions on the entity's financial position and performance. Fair presentation of financial statements requires the entity to present relevant information, appropriately representative, comparability and understanding.

The entity presents a complete financial report at the end of each reporting period. The financial statements consist of at least: 1) Reports of financial position at the end of the period; 2) Income statement during the period; and 3) Notes to financial statements that contain additions and details of certain relevant posts. The entity's statement of financial position includes the following items: (a) cash and cash equivalents, b) accounts receivable, c) inventory, d) fixed assets, e) trade payables, f) bank loans, and g) equity. The entity's income statement includes the following items: a) income, b) financial expenses, and c) tax expense. The notes to the financial statements contain: a) A statement that the financial statements have been prepared in accordance with SAK EMKM, b) Overview of Accounting policies, and c) Additional information and details of certain posts that explain important transactions and material so that it is useful for users to understand financial statements.

RESEARCH METHOD

This study used qualitative research methods. Qualitative research according to Lexy J. Moleong (2009: 6) is research that intends to understand the phenomenon of what is experienced by the subject of research such as behavior, perception, motivation, and action by describing it in the form of words and language, in a specific context natural and by utilizing various natural methods. The paradigm in this study is the interpretive paradigm. The Interpretive Paradigm considers that social reality is an order expressed through social interaction and is not necessary to change, but researchers deeply understand why the reality of order occurs (Kamayanti, 2016: 21).

The approach used in this study is descriptive quality. The purpose of this descriptive study is to uncover facts, circumstances, phenomena, variables, and circumstances that occur when the study goes and presents as is. This study uses qualitative research methods. Qualitative research according to Lexy J. Moleong (2009: 6) is a research that intends to understand the phenomenon of what is experienced by the subject of research such as behavior, perception, motivation, and action by way of describing in the form of words and language, in a specific context natural and by utilizing various natural methods. According to Lexy J. Moleong (2009: 197) the main data source in qualitative research is words, and the rest of the action is additional data such as documents and others.

Sources of data in this study are primary data sources and secondary data. Where primary data is data obtained directly from the object of research in the form of interviews. Whereas, secondary data is data or information that is obtained indirectly from objects of public nature, consisting of: documents, books and others relating to research.

The location of the research was carried out in one of the SMEs in Malang City which was incorporated in the *Preman Super Association* (Perempuan Mandiri Sumber Perubahan) that is RM. Ayam Ingkung Bu. Sutini. The restaurant is located at Jl. Danau Bratan H1 B42, Kedungkandang, Malang, Indonesia. The key informants in this study were Mrs. Sri Redjeki as business owners and Wulandari as manager.

Analysis of the data used consists of three activities that occur simultaneously that is data reduction, data presentation, and drawdowns (Miles and Huberman in Ahmadi, 2014)

RESULT AND DISCUSSION

1. The Condition of RM. Ayam Inkung Bu Sutini

RM. Ayam Inkung Bu Sutini is one of the SMEs in Malang city and was established in 2013. Ayam ingkung is one native chicken that is processed intact, usually used for thanksgiving or tumpengan. The giving of Bu. Sutini's name was the name of the mother of the business owner because she got innovation through her late mother. Along with the development of the time this restaurant provides Ayam Inkung pieces sold per serving of food. In addition, this restaurant provides other menus such as duck, carp, catfish and so on. The owner established this restaurant because there were no competitors around who processed whole chicken. This restaurant also provides live music and LCD facilities for meetings or other. Besides, this restaurant also accepts rice box and catering orders. The location of this restaurant is very strategic for many visitors to come and visit.

This restaurant has 10 employees including managers, chefs, servants, and drivers to deliver orders. The manager is still the sister of the owner where the task is to manage the restaurant as well as record the finances and there is no separation of duties in the implementation. In managing this restaurant, the capital used comes from private capital. Records that have been made are cash receipts and disbursements. Besides that, it also provides notes for orders written manually. During this time the owner did not know the profit that was obtained clearly. The owner feels that there is no financial problem which is the most important enough for inventory spending, paying employee salaries, and other costs. The owner also explained that he could not separate his personal property with her profit. Like an interview quote with the following restaurant owner.

"... so far, I only do manual recording, for example when purchasing raw materials, debt, cash receipts and general matters such as paying for electricity, water, telephone, and employee salaries. I put attention more accurate on expenditure and acceptance. For a receipt, I still make manually. Then, for example when buying kitchen ingredients that do not have to be the same every day, we don't have accounts. During this time, I only remembered what I can remembered. Maybe with your presence, you can help the obstacles that we face. ... Then this is another problem that I can't apply, personal money and business money are still mixed. Luckily, it goes to my own pocket. Since this business is self-owned, business money is sometimes used for personal use and vice versa, covering up one another. Sometimes, I cannot manage it very well".

Based on the results of the interviews above, it can be concluded that this restaurant still has several obstacles, including not having an accounting system that complies with standards, no separation of equity in its business, and lack of human resource competencies..

2. The Accounting System Formulated for RM. Ayam Inkung Bu. Sutini

The implementation of the accounting system used at RM. Ayam Inkung currently includes an accounting system that is quite feasible for SMEs. Financial transactions have been managed fairly well. Recording of cash receipts and expenses has been made. The financial period used is monthly, which is then recapitulated into an annual period. Basically the owner recognizes the importance of the accounting system to be implemented. But there are some obstacles why until now an accounting system that is in accordance with standards is still not applicable. The lack of knowledge, human resources who understand about the accounting system is one of the obstacles faced. They don't know what to do, what to archive, and how to apply it.

Basically, the accounting system is the organization of forms, notes and reports that are coordinated in such a way as to provide financial information needed by management to facilitate the management of the company (Mulyadi, 2016). The accounting system serves to provide information related to the financial activities of an organization or individual. By implementing an accounting system, it is expected that the Ayam Inkung restaurant can find out the financial information that can be used in making managerial decisions and seeing the financial facts. Elements of the basic accounting system according to Mulyadi (2016) are forms, journals, ledgers, supporting books, and reports. The following are elements of an accounting system that are adjusted to the field conditions so that they are easily applied in RM. Ayam Inkung Bu. Sutini.

a. Account Classification

Classification of account numbers and names at RM. Ayam Inkung Bu Sutini is seen from financial transaction activities in the SME's. The account name used is adjusted based on the financial transaction activity that is often carried out by the SME. Account numbers and names are used in later stages. Account numbers and names can be deleted and added if needed. The account number starts from 1 for the asset group, 2 for the debt group, 3 for the capital group, 4 for the income group and 5 for the cost group. The account number and name used at RM. Ayam Inkung Bu Sutini can be seen in Table 2.

Table 2. Classification of account numbers and names at RM. Ayam Inkung Bu. Sutini

Ref	Account Name
111	Cash & Bank
112	Accounts receivable
113	Business Inventory
114	Finished Goods Inventory
115	Inventory of Goods in Process
116	Supplies of Raw Materials and Auxiliary Materials

117	Supply
122	Equipment
123	Accumulated Depreciation Equipment
124	Vehicle
125	Accumulated depreciation of vehicles
126	Other Fixed Assets
127	Other Accumulated Depreciation of Fixed Assets
211	Accounts payable
212	Prepaid income
221	Long-term debt
301	Owner Capital
302	Prive
303	Income Summary
401	Sales
402	Sales Returns
403	Sales discounts
404	Sales Transport Fee
501	Purchase
502	Purchase return
503	Discount
504	Purchase Transport Charges
601	Employee Salary Expenses
602	Electricity, Water and Telephone Expenses
603	Service Load
604	Depreciation Expense
605	Administrative Load
606	Marketing Expenses
607	Other expenses

b. Initial Balance Sheet

On the initial balance sheet, there is a column of account numbers, account names, and initial balance. Account numbers and names are the result of the classification that has been carried out. The initial balance referred to is the initial balance of each account coming from the balance at the end of the previous month or the results of the calculation of the transactions that have been made.

c. Journal

A general journal is created to write down all transactions that occur at RM. Ayam Ingkung Bu. Sutini. Transactions are recorded based on their chronological order. Journals are created for each transaction showing debit and credit balances. Based on the frequency of journals can be divided into two, namely general journals and special journals. General journals record transactions with frequency of occurrences that are rare or non-routine, such as adjustments at the end of the period and the closing journal. Meanwhile, special journals record transactions with high frequency of occurrence. Special journals simplify the process of recording a large number of recurring transactions. Examples of them are cash receipts, cash expenses, sales, purchases.

d. Ledger

Each journal that has been created is moved into the ledger according to the group of accounts. Ledgers are used to make it easier to see the transactions of each account in a certain period. Ledgers are made by referring to general journals, because the ledgers of each account are recorded by looking at transactions that have been recorded by looking at transactions that have been recorded in the previous general journal.

e. Financial statements

The last stage of the accounting process is to prepare financial statements. According to SAK EMKM financial statements consist of statements of financial position (balance sheet), income statement and notes to financial statements. The balance sheet

presents information about assets, liabilities and equity owned by RM. Ayam Ingkung Bu. Sutini. The income statement shows the company's financial performance during that period. The income statement contains income and expenses that result in operating income. And, the last is the notes to the financial statements. The notes to the financial statements consist of: 1) a statement that the financial statements have been prepared according to SAK EMKM; 2) overview of accounting policies; and 3) Additional information and specific account details that explain important transactions and material so that it is useful for users to understand financial statements.

CONCLUSION

Based on the research that has been done, the following conclusions are drawn:

Accounting system at RM. Ayam Ingkung Bu. Sutini's is still done manually, only records expenses and cash receipts. At first, the owner felt that her business finances are not problematic, the most important thing was enough for inventory spending, paying employee salaries, and other costs. The owner also explained that she could not separate her personal property with her profit. Over time, these conditions complicate financial processing. Another obstacle faced is the limited competence of human resources.

The accounting system required by RM. Ayam Ingkung Bu Sutini's consist of classifying account numbers, initial balance sheets, journals, ledgers, financial statements consisting of statements of financial position, income statement and notes to financial statements that refer to SAK EMKM.

REFERENCES

- Ahmadi, Rulam. (2014). *Metodologi Penelitian Kualitatif*. Yogyakarta: Ar-Ruzz Media
- David, et.al. (2011). An Assesment of the Effect of Proper Book Keeping Practises on the Financial Performance (Perspectives from SMEs in Kisii Municipality). *Journal of Business Management*.
- Ikatan Akuntan Indonesia. (2016). *Standar Akuntansi Keuangan Entitas Mikro, Kecil, dan Menengah*. Jakarta: Dewan Standar Akuntansi Keuangan.
- Jumingan, J & Rosita, R. (2012). Analisis Manfaat Informasi Akuntansi pada UKM di Wilayah Kabupaten Sukoharjo. *Jurnal Bisnis & Ekonomi*,
- Laily, N. (2013). Praktik Akuntansi pada Bisnis Retail: sebuah studi Fenomenologi. *Jurnal Ekonomi Modernisasi*, 9 (3), 161–168.
- Moleong, L. J. (2009). *Metode Penelitian Kualitatif*. Bandung: PT. Remaja Rosdakarya.
- Mulyadi. (2016). *Sistem Akuntansi*. Jakarta: Salemba Empat.
- Pinasti, M. (2007). Pengaruh Penyelenggaraan dan Penggunaan Informasi Akuntansi Terhadap Persepsi Pengusaha Kecil Atas Informasi Akuntansi Suatu Riset Eksperiman. *Jurnal dan Prosiding SNA*. 10.
- Paramitha, P. F. U., Yuniarta, G. A., & Herawati N. T. (2017). Penerapan Pencatatan Akuntansi Keuangan Pada Industri Kecil Rumahan Berdasarkan SAK-EMKM. *E-Journal Universitas Akuntansi Ganesha*, 8(2).
- Primus, J. 2018. Makin Besar, Peran UKM di Kawasan Asia Pasifik. KOMPAS, 9 Mei 2018.
- Trisomantagani, K.A., dkk. (2017). Persepsi Usaha Mikro Kecil dan Menengah terhadap Kesiapan dalam menerapkan SAK EMKM. *Jurnal Ilmiah Mahasiswa Akuntansi Undhiksa*.
- Undang – undang Nomor 20 Tahun 2008 tentang Usaha Mikro, Kecil, dan Menengah (UMKM)
- Wibowo, A & Elisabeth P.K. (2015). Pengaruh Penggunaan Informasi Akuntansi Terhadap Keberhasilan Usaha Kecil Menengah (Studi pada Sentra Konveksi di Kecamatan Tingkir Kota Salatiga). *Jurnal Ekonomi dan Bisnis*.

Aprilia Cintya Dewi
State University of Malang
Jl. Semarang No. 5 Malang, 65145 Indonesia
Email: acintyad19@gmail.com

Suparti, Nurika Restuningdiah
State University of Malang
Jl. Semarang No. 5 Malang, 65145 Indonesia

Nurika Restuningdiah
State University of Malang
Jl. Semarang No. 5 Malang, 65145 Indonesia