IMPLEMANTATION OF FINANCIAL ACCOUNTING STANDARDS FOR MICRO, SMALL AND MEDIUM-SIZED ENTITIES (SAK EMKM) ON F&B MSMES IN PONTIANAK

FINAL PROJECT

PAMELA TRI JANUARI
NIM. B1031211084

ACCOUNTING STUDY PROGRAM
FACULTY OF ECONOMICS AND BUSINESS
TANJUNGPURA UNIVERSITY
PONTIANAK
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I hereby declare that the final work with the above title is entirely my own work and is not plagiarized from others, except for parts that are cited as references by the applicable writing guidelines.
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Hereby declare that this Final Project is my own work, and all sources, whether cited or referred to, have been properly acknowledged..

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Implementation of Financial Accounting Standards for Micro,Small and Medium-sized Entities (SAK EMKM) on F&B MSMEs in Pontianak.

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ABSTRACT

This research explores the financial reporting practices of Micro, Small, and Medium Enterprises (MSMEs) in Pontianak, specifically in the food and beverage sector, with a focus on their compliance with the Financial Accounting Standards for MSMEs (SAK EMKM). Utilizing a qualitative descriptive method, this study examines four MSMEs: Mie Rantau, Es Cendol Dahaga, Beefia Chizu, and Wonton Kak Mina. Data was collected through unstructured interviews, allowing for in-depth exploration of the financial recording systems used by these businesses. The study found that none of the MSMEs fully comply with SAK EMKM standards. Mie Rantau provides relatively comprehensive financial records but lacks the Notes to Financial Statements (CALK), a critical component for meeting SAK EMKM standards. Es Cendol Dahaga and Beefia Chizu maintain basic financial records, focusing primarily on daily income and expenses, but do not adequately track assets, liabilities, or inventory. Wonton Kak Mina has no formal financial reporting system, relying solely on simple income and expenditure tracking. The study identifies several factors contributing to this non-compliance, including the entrepreneurs' educational backgrounds and a lack of interest in detailed financial reporting. The findings suggest that while basic financial recording practices are in place, there is a significant need for greater awareness and education on the importance of comprehensive financial reporting in accordance with SAK EMKM. This research highlights the gap between current practices and the standards set by SAK EMKM, emphasizing the need for targeted support to help MSMEs improve their financial management and reporting practices.

Keywords : Food and Beverage Industry, SAK EMKM, MSMEs

Implementation of Financial Accounting Standards for Micro,Small and Medium-sized Entities (SAK EMKM) on F&B MSMEs in Pontianak.

SUMMARY

1. Introduction

The Indonesian economy has experienced fluctuations over the years, exacerbated by events like the COVID-19 pandemic in 2020, which caused a 4.19% economic contraction, mass layoffs, and rising unemployment. In response, many individuals turned to entrepreneurship, particularly in the Micro, Small, and Medium Enterprises (MSMEs) sector, which plays a crucial role in the economy by absorbing 97% of the labor force and contributing 61.97% of the GDP. Despite their growth, many MSMEs lack proper financial management and fail to prepare financial reports, with only 22.5% complying with accounting standards. To address this, the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) were introduced to simplify financial reporting for MSMEs. This study focuses on the adoption of SAK EMKM by MSMEs in Pontianak's Food and Beverage (F&B) sector, which significantly supports tourism and economic growth, analyzing their compliance and the impact of proper financial management on business performance.

2. Research Objectives

a. To analyze the extent of adoption and implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) by MSMEs in the Food and Beverage (F&B) sector in Pontianak City.
b. To evaluate the factors influencing the application of SAK EMKM among MSMEs in the F&B sector, such as education, financial literacy, and business experience.
c. To assess the impact of applying SAK EMKM on the financial performance and sustainability of MSMEs in the F&B sector in Pontianak.
d. To identify challenges faced by MSMEs in preparing financial statements in compliance with SAK EMKM.
e. To provide recommendations for improving the financial management and reporting practices of MSMEs in the F&B sector in Pontianak to enhance their business performance and competitiveness.

3. Research Methodology

This research employs a qualitative descriptive method to explore the financial reporting practices of SMEs in Pontianak, focusing on the

implementation of the Financial Accounting Standards for Micro, Small, and Medium Enterprises (SAK EMKM). The study examines balance sheets, profit and loss reports, and Notes to Financial Statements, as well as the challenges faced in recording operational costs, product details, and inventory management. The sample includes four randomly selected F&B SMEs—Mie Rantau, Es Cendol Susu Dahaga, Beefia Chizu, and Wonton Kak Mina. Data were collected through unstructured interviews and observation, then analyzed by reducing and organizing the data into themes to ensure relevance to the research objectives. The findings are presented as a narrative, offering an analysis of how well these SMEs align with SAK EMKM in their financial reporting practices.

4. Result and Discusions

The study examined four SMEs in Pontianak: Mie Rantau, Es Cendol Dahaga, Beefia Chizu, and Wonton Kak Mina, with varying levels of financial record-keeping. Mie Rantau, led by Mr. Hasan, maintains a comprehensive financial system, including balance sheets, profit and loss reports, and expenditure records, though it lacks Notes on Financial Reporting (CALK). Es Cendol Dahaga, operated by Mr. Rahman, only tracks daily income and expenses but lacks detailed financial statements and does not comply with SAK EMKM standards. Beefia Chizu, managed by Mr. Ridho and Ms. Trisna, records income, expenditures, and balance sheets, though their balance sheet is incomplete and does not meet standard accounting practices. Wonton Kak Mina, led by Mr. Arifin, does not maintain any financial records, relying on income rotation without tracking profits and losses. The findings highlight the gaps in financial reporting among these SMEs, with only Mie Rantau partially meeting the requirements of SAK EMKM.

5. Conclusion

Based on the research, no MSMEs fully apply SAK EMKM. Mie Rantau records assets, liabilities, and product costs but lacks complete financial statement records. Es Cendol Dahaga and Beefia Chizu only record income and expenses, while Wonton Kak Mina has no financial reports at all. The main factors contributing to the non-compliance with SAK EMKM are the lack of knowledge in accounting and the owners' disinterest in creating more detailed financial reports.

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CHAPTER I
INTRODUCTION

1.1 Background

The situation of the Indonesian economy is constantly changing every year. These changes are influenced by various factors. During the period from 2000 to 2017, Indonesia's average economic growth reached 5.29%, and the Indonesian economic conditions experienced instability, i.e. fluctuation or decline in the economic growth rate in Indonesia. (R. P. Putri et al., 2018). As we know exactly four years ago, in 2020, the world was devastated by the COVID-19 pandemic. One of the countries most significantly affected by the epidemic was.

Indonesia. The Covid-19 pandemic has had a substantial impact, especially on the economic sector in Indonesia. According to data from the Central Statistical Authority in 2020, the economic situation in Indonesia is experiencing a less stable movement and economic growth contraction of 4.19% due to the influence of Covid 19 (Soleha, 2020).

One of the significant consequences of the Covid-19 pandemic is the rise in termination of employment (Laid Off), which has resulted in an increase in unemployment. According to a report from Tempo in 2020, the number of workers affected by Laid Off reached 3.05 million, while the unemployment number reached 4.2 million (Muslim, 2020). According to Muslim (2020) according to data from Databoks in November 2020, there are ten types of jobs that most suffer from PHK. Service sectors such as agents and sales intermediaries ranked highest with 10.1%, followed by car drivers or motorcyclists with 7.3%. Labor in mining and construction sectors, and public offices respectively with 6.7%. Technicians in chemical and physical sciences recorded 5.6%, while cleaners and assistants in households, hotels, and offices with 5.1%. Jobs in other sales sectors were 4.5% followed of building supervisors and merchants also 4.5%. Other gross workers registered with 3.9%, the same as workers in the processing industry, which was also 3.9%. The number of job cuts led to a decline in the incomes of the Indonesian people, at which time they also tended to find ways to earn new income by selling or opening a business with minimal capital.

Micro, Small, and Medium Enterprises (MSMEs) are business entities independently owned by individuals or enterprises, not related to subsidiaries, and function as productive entities (Ayem & Singan, 2021). MSMEs play a crucial role in the Indonesian economy, with the potential to improve the well-being of the population through the absorption of 97% of the labor force (A. D. Putri et al., 2023). According to data from the Online Single Submission-Risk Based Approach (OSS RBA), which is the business licensing registration site in Indonesia, by 2022 there were 8.71 million

MSMEs units registered in Indonesia. And according to data of the Ministry of Cooperation and SMEs in 2020, MSMEs have contributed as much as 61.97% of GDP (Gross Domestic Product) in Indonesia (Octavia et al., 2022).

As time passed, the number of MSMEs in Indonesia increased and increased, but it was not accompanied by the science of financial management. This is due to the lack of awareness of many MSMEs actors about the importance of financial management or accounting for their business (Raymond et al., 2023). In order for the MSMEs to grow and increase the revenue of its perpetrators, it is important for the MSMEs to make or compile sound and well- documented financial reports. Successful growing MSMEs can contribute to the economy, be able to survive economic crises and create jobs that can boost economic growth in the region (Munir et al., 2023).

MSMEs use EMKM SAK as an accounting standard to compile their financial statements. EMKM sAK, developed by the Indonesian Association of Accountants (IAI), is intended to meet the financial reporting needs of micro, small, and medium enterprises. Enterprises included in this classification refer to the definition set out in Act No. 20 of 2008 on Micro, Small, and Medium Enterprises. This standard is designed for those who have not yet met the SAK ETAP accounting criteria, making it easier for business owners to compile simpler financial statements. The EMKM SAK came into force on 1 January 2018 (Munir et al., 2023).

According to Temy Setiawan and Antonius Christopher in the book Financial Accounting Expert Edition 2021, SAK is a guideline or regulation that establishes the procedure for drawing up financial statements. Special financial statements for micro, small, and medium-sized entities (MSMEs) are prepared for use in financial reporting by entities of such size. Financial statements regulated in SMEs include balances, loss reports, and financial report records (CALK(Setiawan & Chrisopher, 2022).

Accounting records or financial reports are useful to generate financial information that can then be used by users to make decisions. With financial statements, MSMEs can learn about the development of its company, can know the flow of money in and out of a given period, can compile an accurate budget, can learn or distinguish between corporate assets and personal assets, and can calculate taxes (Raymond et al., 2023). The optimal financial report for MSMEs is one that has complied with the Financial Accounting Standards for Micro, Small, and Medium-sized Entities (SAK EMKM).

According to the research journal on the quality of financial management of MSMEs, only 22.5% of the MSMEs have financial reports, while the other 77.5% do not have any financial reports (Hulpa & Handayani, 2023). Good

financial management will increase the chances for MSMEs to succeed because of the financial resources spent by a more effective and efficient enterprise (Ruscitasari et al., 2022).

Research this time aims to find out the rate of adoption of financial statements that follow the Financial Accounting Standards of Micro, Small, and Medium Entities (SAK EMKM) by entrepreneurs in the Food and Beverage (F&B) sector in Pontianak City. The food and beverage industry (F&B) is one of the sectors that provides important support to the tourism industry in Indonesia. The culinary sector has a significant contribution to Indonesia's Gross Domestic Product (GDP) and attracts both local residents and tourists. When visiting a country, tourists are often attracted to taste local cuisine, explore restaurants, try special products, and understand the local culture of the tourist destinations they visit. In this way, they can experience a unique and effective experience (Wibawa & Prabhawati, 2021).

According to Edi Rusdi Kamtono, Mayor of Pontianak MSMEs in Pontiak in 2022, there are more than 38 thousand entrepreneurs, and this increases every year. It affects the economy of Pontianak every year (Ibramim, 2022). Previously, a lot of research has been done on the implementation of the Financial Accounting Standards in MSMEs, but no one has studied its application in particular in the Food and Beverage Industry in Pontianak, West Kalimantan. The focus of this research will discuss how much MSMEs exist in Pontianak in applying the financial accounting standards to its business, and what influences the Financial accounting standards on the performance of the MSMEs business in Pontianak..

1.2 Problem Formulation

1. Have Micro, Small. And Medium Enterprises (MSMEs) in Pontianak implemented the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM)?
2. What percentage of MSMEs in Pontianak have applied SAK EMKM in their financial reporting?
3. What are the main reasons that MSMEs in Pontianak have not yet implemented SAK EMKM in their accounting practices?
4. How does the implementation of SAK EMKM affect the performance and success of MSMEs in Pontianak?

1.3 Research Objectives

1. To determine the extent to which Micro, Small, and Medium Enterprises (MSMEs) in Pontianak have complied with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) in their financial reporting.
2. To measure the percentage of MSMEs in Pontianak that have implemented SAK EMKM in their accounting processes.

3. To analyze the factors that hinder MSMEs in Pontianak from adopting SAK EMKM.
4. To assess the impact of the implementation of SAK EMKM on the performance and success of MSMEs in Pontianak.

1.4 Research Benefits

1. For MSMEs in Pontianak:

This study can provide an understanding of the importance of adopting SAK EMKM in MSMEs' financial management. This will help business owners manage their businesses more efficiently and effectively, thereby improving competitiveness and business sustainability in the market.

2. For the Government and Related Institutions:

The findings of this research can serve as valuable input for local governments in formulating policies that support the improvement of MSMEs' financial and accounting capabilities. Additionally, it can assist in designing training programs to enhance MSMEs' understanding of the importance of managing financial statements in accordance with established standards.

3. For Academics and Researchers:

This study is expected to contribute to the development of literature on accounting for MSMEs, specifically in the context of SAK EMKM implementation. The research can also provide a foundation for future studies that explore the factors influencing the adoption of proper accounting practices by MSMEs.

4. For the National Economy:

By improving the adoption of appropriate accounting standards, this research is expected to strengthen the position of MSMEs in Indonesia's economy. Financially healthy MSMEs can be more resilient to economic crises, contribute more to economic growth, job creation, and overall economic stability.