

**ACCOUNTABILITY TRAINING AND ASSISTANCE BASED ON
DIGITAL ACCOUNTING INFORMATION SYSTEMS IN CUPAK
VILLAGE, JOMBANG REGENCY**

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ABSTRACT

Micro, small and medium enterprises (MSMEs) do not understand the importance of accountability, they have not been able to compile financial reports based on financial accounting standards for micro, small and medium entities (SAK EMKM), and the use of digital technology in compiling financial reports has not been utilized properly by MSME actors. This community service activity aims to increase the perception of MSME actors in Cupak Village, Ngusikan District, Jombang Regency, East Java Province on the urgency of financial accountability for the business they run along with literacy in the application of SAK EMKM using user-friendly digital accounting media. The method uses lectures, training and mentoring, the object of community service activities is MSME actors in Cupak Village, Ngusikan District, Jombang Regency, East Java Province. The results achieved from this activity are an increased understanding of the importance of business accountability and the implementation of financial records in accordance with SAK EMKM with user-friendly digital accounting media. Matching fund program training made MSME actors in Cupak Jombang understand the importance of accountability, this program assistance made MSME actors familiar with digital accounting information systems

Keywords: *MSME Actors, Accountability, E-Accounting*

A. INTRODUCTION

MSMEs make an important contribution to the country's economic growth. Based on data from the Ministry of Cooperative MSMEs in 2021, the number of MSMEs is 64.2 million with a contribution to Gross Domestic Product of 61.07% or Rp. 8,573.89 trillion, with the Covid-19 pandemic causing vulnerabilities to MSMEs. The corona virus outbreak has caused severe injuries to MSMEs and at the same time it is alive and difficult to continue to drive economies around the world (Sajuyigbe dkk., 2021).

To succeed in today's increasingly competitive business environment, MSME actors must increase their capacity to ensure a long-term livelihood from which they are actively involved; without this motivation, the business will surely

collapse. Although many micro, small and medium enterprises (MSMEs) have the potential to develop, many of them also face challenges, especially in the areas of financial management and the actions of MSME actors. Businesses with fewer than 500 employees often fail to thrive because their leaders don't have the financial expertise needed to handle the costs involved. Therefore, actors in the MSME sector need to hone their financial management skills.

Good financial management is a key component in improving the quality of MSMEs, many business owners do not record their income and expenses, making it impossible to determine whether their company is profitable or not. According to Nursalim dkk. (2019) , the company's ability to prepare financial reports has an effect on its performance. Financial statements outlining the activities of the organization over a certain period of time work as a basis for men.

Variables such as accountability and control, as well as the quality of human resources, play a role in shaping MSMEs on financial governance. There is an indication of the quality of human resources that shows the extent to which human resources have competence. MSME actors must improve their ability to survive in the long term from the companies they are actively involved in to thrive in today's more competitive market; without this drive, business is doomed to fail. Although many micro, small and medium enterprises (MSMEs) have the potential to develop, many of them also face challenges, especially in the areas of financial management and the actions of MSME actors. Businesses with fewer than 500 employees often fail to thrive because their leaders don't have the financial expertise needed to handle the costs involved. Therefore, actors in the MSME sector need to hone their financial management skills.

Cupak Village is located in Ngusikan District, Jombang Regency. The village resulting from the expansion of the Kudu sub-district is located in the northern part of Jombang Regency with Mojokerto Regency and Lamongan Regency. At the opening ceremony of the Community Service (Matching Fund Kedaireka 2022) Accounting Study Program, Faculty of Economics and Business, University of 17 August 1945, Surabaya, Winarsono as the Head of Cupak Village said, Cupak is a remote village of eleven villages in the Ngusikan sub-district, has three hamlets namely Cupak, Asemgede, and chrome. In 2016, Cupak Village was designated as a Family Planning Village (KB) by the Jombang Regency Government. praise, because the village has a population innovation that has been done by local residents for a long time.

Despite having a significant positive potential and impact on the Indonesian economy, MSMEs still face challenges in the field of financial management. Actors in the MSME sector are notoriously bad at managing financial reports, especially in terms of compliance with financial accounting rules that are tailored to the needs of MSMEs. This problem arises because MSME actors usually have less knowledge and information about the accounting system, and this knowledge is further determined by the educational background of MSME actors. Professionalism in financial management as stated by Murti dkk. (2018), will help assist business financial goals starting with budgets, financial planning, and basic financial knowledge.

Some of the goals that are expected to be achieved are:

- 1) Owners of MSMEs in Cupak village have high education and literacy in finance and record keeping with accounting software or digital accounting
- 2) Cupak Village is able to be efficient in a sustainable manner after the assistance fund activities in the areas of accountability and finance.

Accountability is a key aspect in the financial management of micro, small and medium enterprises. liability is being accountable to those who have the right to know about your business dealings or what you have done on a particular project. Transparency is another issue that may affect disclosure of material and relevant information about the company, transparency can be understood as information disclosure, as disclosed by (M. S. Prabowo, 2018). The financial governance structure of micro, small and medium enterprises (MSMEs) is influenced by various elements, including accountability and transparency, as well as the quality of human resources. HR quality indicators reveal how far HR capabilities have been achieved.

Nursalim dkk. (2019) shows that reporting losses from SMEs is very important to measure the success of the company as a whole. While good financial management is a key component in improving the quality of MSMEs, many business owners still do not record their income and expenses, making it impossible to determine whether their company is profitable or not. According to (W. A. Prabowo & Wiguna, 2021) the company's ability to prepare financial reports has an effect on its performance. Financial reports outlining the activities of the organization over a certain period of time serve as a basis for assessing the company's performance and making necessary adjustments.

The most important part needed by the management of a company is accounting information. One of the accounting information is in the form of financial data. Financial data used by the company's management and external parties must be presented in a good form. To do all that, a system that regulates the flow and processing of accounting data is needed, which is commonly called an accounting information system. Krismiaji dan Surifah (2020) defines an accounting information system as a system that processes data and transactions in order to produce useful information for planning, controlling, and operating a business. Meanwhile, the accounting information system is a collection of resources, such as humans and equipment, which are designed to convert financial data and other data into information.

Based on some of the definitions above, it can be concluded that the data processed by the accounting information system is in the form of financial data. The accounting information system also acts as a safeguard for the company's assets. With the element of control or checking in the accounting system, various frauds, irregularities and errors can be avoided or tracked so that they can be corrected. The information generated from the accounting information system will be used by decision makers to make decisions, both technical and non-technical.

Utilization of information technology has enormous benefits, especially for companies. By using information technology, companies can provide, manage, and report finances easily, quickly and accurately. In addition, information systems for management have the benefit of helping especially during the

decision-making process. In accounting, you must be familiar with the Accounting Information System (AIS) or information systems related to accounting issues. Below, we will discuss the important role of accounting information systems in companies.

The accounting information system created certainly has a purpose, especially for companies. Here are SIA's goals:

1. Collect and store all activity data and transactions that have occurred.
2. Process all the data collected into information that can support the decision-making process within the company.
3. Controlling all company assets.
4. Accounting Information System Components

Accounting information systems have an important role for the progress of a company. With the AIS, companies can carry out all their activities more effectively and efficiently. In addition, the output of the SIA can also be accounted for in making a decision. It is conceivable if the SIA in the company does not run well, then everything will be hampered, including the company's business activities will stop. Not only that, in running a company you also need to good financial administration, SIA combined with good financial administration will certainly produce better results.

MSME (Micro, Small and Medium Enterprises) are productive businesses owned by individuals or business entities that have met the criteria as micro-enterprises. Micro business is individual businesses or business entities in this unit have special characteristics such as not having a systematic financial administration, difficult to get assistance from financial institutions such as banks, and goods produced or sold are always changing. While a little friend have kThe criterion of a small business is that it does not have a bookkeeping system so it is difficult to develop its business scale. Generally, this business is engaged in non-export and import with limited capital. But when compared to micro-enterprises, small-scale businesses have higher business progress cheap MSME tax consultant services the best.

In reality, these small businesses are classified into three kinds of them small industry, for example like (1) cottage industry, metal industry, handicraft industry, and so on. (2) Small-scale companies, for example, such as: mini markets, cooperatives, department stores, and others. (3) Informal businesses, for example: street vendors selling vegetables, meat, and so on.

Based on the Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small, and Medium Enterprises, the definition of MSMEs is:

1. Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises.
2. 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 Enterprises.
3. 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 part either directly or indirectly with Small Businesses or Large Businesses.

Based on the Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small and Medium Enterprises, the criteria for MSMEs are:

1. Micro Business Criteria are as follows:
 - has a net worth of at most Rp. 50,000,000.00 (fifty million rupiah) excluding land and building for business
 - have annual sales of a maximum of Rp.300,000,000.00 (three hundred million rupiah).
2. Small Business Criteria are as follows:
 - has a net worth of more than IDR 50,000,000 (fifty million rupiah) up to a maximum of IDR 500,000,000 (five hundred million rupiah) excluding land and buildings for business
 - have annual sales of more than Rp.300,000,000.00 (three hundred million rupiah) up to a maximum of Rp.2,500,000,000.00 (two billion five hundred million rupiah).
3. Medium Enterprises Criteria are as follows:
 - have a net worth of more than Rp. 500,000,000.00 (five hundred million rupiah) up to a maximum of Rp. 10,000,000.00 (ten billion rupiah) excluding land and building for business
 - have annual sales of more than Rp.2,500,000,000.00 (two billion five hundred million rupiah) up to a maximum of Rp.50,000,000,000.00 (fifty billion rupiah).

In the characteristics of MSMEs in Indonesia, there are four reasons that explain the strategic position of MSMEs in Indonesia. First, MSMEs do not require large capital as large companies so that the formation of this business is not as difficult as large businesses. Second, the required workforce does not require certain formal education. Third, most of them are located in rural areas and do not require infrastructure like large companies. Fourth, MSMEs are proven to have strong resilience when Indonesia is hit by an economic crisis.

SAK EMKM is a stand-alone financial accounting standard that can be used by entities that meet the definition of an entity without significant public accountability as in SAK ETAB and the definitions and characteristics in Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs). . It is important for MSMEs to apply SAK EMKM standards because SAK EMKM is expected to assist MSME actors in improving financial literacy, simplifying financial reporting, and increasing the credibility of financial reports.

The Indonesian Institute of Accountants has issued Financial Accounting Standards for Entities Without Public Accountability (SAK-ETAP). This standard is intended for use by entities without public accountability. Entities without public accountability in question are entities that do not have significant public accountability and issue general-purpose financial reports for external users. The Financial Accounting Standards for Entities Without Public Accountability (SAK-ETAP) are intended for use by small and medium-sized entities. Small and medium-sized entities are entities that meet the criteria (a) do not have significant public accountability; or (b) based on laws and regulations it is classified as a

small and medium-sized entity; and issue general purpose financial statements to external users. Examples of external users include owners who are not directly involved in managing the business, creditors, and credit rating agencies.

When compared to other SAKs, SAK EMKM is a standard that is made simple because it regulates general transactions carried out by EMKM and the measurement basis is purely using historical costs so that EMKM simply records its assets and liabilities at cost. Entities that meet the requirements to use SAK EMKM still need to consider whether the provisions stipulated in SAK EMKM are appropriate and meet the financial reporting needs of the entity. Therefore, the entity needs to consider the financial reporting framework that will be applied, whether based on SAK EMKM or other SAK, taking into account the conveniences offered in SAK EMKM, and the information needs of users of the entity's financial statements. SAK EMKM is effective as of January 1, 2018 and early application is allowed

B. METHODS

Accountability training and mentoring for SMEs was carried out in Cupak Village, Ngusikan District, Jombang Regency, East Java. Cupak Village is the result of a split from the Kudu sub-district, which is located in the northern part of Jombang Regency which is directly adjacent to Mojokerto Regency and Lamongan Regency. According to data recorded in January 2022 on the Ministry of Home Affairs' Village and Urban Village Information System website, Cupak Village has a population of 964 people with a productive working age (18 - 56 years) of around 452 people. Cupak Village itself has various MSMEs that have been running such as Designing, Weaving Mats, Management of Snacks such as Kedawung Seeds and Gadung Chips, Charcoal Making, Flour Production from Corn and Porang, Dewi Kilisuci's Religious Tourism and many more.

In the *Matching Fund Kedaireka 2022 Kedaireka 2022 Kedaireka 2022* program implemented by the Accounting Study Program, Faculty of Economics and Business, University of 17 August 1945, Surabaya has one of the Work Programs, namely SME Business Accountability Training and Assistance in Cupak Village. Where the first thing the Accountability Team did was to provide theoretical training on the importance of recording business finances and providing an overview of how to do simple records to Cupak Village residents as SME business actors. Furthermore, the Accountability Team provided assistance by recording several SMEs in Cupak Village, with the aim of the Accountability Team knowing and getting to know SMEs in Cupak. And the last step, The team provided assistance in introducing and teaching SME financial records digitally but simply and easily understood by SME actors. Of course, this activity cannot be done only once, but can be carried out for several meetings.

C. RESULTS AND DISCUSSION

This community service activity (*Matching Fund Kedaireka 2022 Kedaireka 2022 Kedaireka 2022*) in the SME Business Accountability Training and Assistance work program was carried out in September 2022. The purpose of this activity is that SME owners in Cupak Village can have high education and

literacy in the financial and recording fields and Cupak Village is able to be empowered. for sustainable use after the Matching Fund activity is completed in the areas of Accountability and Finance.



Picture1. Accountability Team with MSME Actors

Figure 2. Recording Theory Training

Figure 3. Recording Cupak SMEs

Before the SME Business Accountability Training and Assistance Work Program is implemented, socialization is held regarding the work program. Then the event started with remarks from Winarsono as the Head of Cupak Village, then by the Dean of the Faculty of Economics and Business, University of 17 August 1945, Surabaya, Dr. H. Slamet Riyadi, M.Sc., Ak., CA and the Chairperson of the *Matching Fund Kedaireka 2022 Kedaireka 2022* Trustees of the Accounting Study Program, Prof. Dr. Tri Ratnawati, Ak., MS., CA., CPA and each *PIC (Person In Charge)* who is responsible for the work program so that it goes according to plan. After the speech, it was continued with the presentation of Accountability material on Financial Statements submitted by the Head of Accounting Study Program Dra. Cholis Hidayati, MBA., Ak., CA., CPAI. The presentation of the material lasted for approximately 30 minutes then followed by a discussion session related to the problems faced by the residents of Cupak Village related to the financial records of their business.

Cupak Village residents as SME actors do not understand accountability. they have not realized the importance of financial records in their business. For the first activity in this work program, namely providing training to Cupak Village residents as SME actors regarding the application of recording and accounting for Financial Statements. Recording and bookkeeping of financial statements is made to present information about performance in SMEs in Cupak Village. After the first training, Cupak Village residents began to realize and be interested in the application of recording and accounting for financial reports that were useful for their SME businesses. However, there are obstacles faced, the residents of Cupak Village are still having difficulties in operating the application for recording and accounting for financial statements.

In perfecting the financial records of SME businesses in Cupak Village, there is a need for direct assistance by students. Mentoring was carried out to several SMEs such as Porang SMEs, Wood Charcoal, Pandan Mats, and so on. The assistance is carried out by providing guidance in operating the application for recording and accounting for financial statements properly. With the obstacles faced by SME actors, students continue to provide intensive assistance. Gradually

the residents of Cupak Village began to understand and be able to operate recording and bookkeeping applications for Financial Statements to support their SME business activities.



Figure 1. Training on Applications



Figure 2. Application Use Assistance

In the SME Business Accountability Training and Assistance Work Program in Cupak Village, there are several shortcomings that need to be corrected, namely regarding SME target mapping and technical implementation when providing assistance, then for the application of recording and accounting for financial reports that have been socialized have not been effective in overshadowing all types of businesses. SMEs in Cupak Village. Thus, from the shortcomings of the work program that has been submitted, there are solutions that can be considered and carried out in overcoming this. For the mapping of SME targets and technical implementation of assistance, proper coordination is needed, so that work programs are more focused in accordance with previously planned activities. Then for applications related to financial statements,

D. CONCLUSION

The SME Business Accountability Assistance activity in Cupak village is very beneficial for residents who have SME businesses. The type of training provided to SMEs is an application for recording and accounting for Financial Statements. The assistance is carried out by providing guidance in operating the application for recording and accounting for financial statements properly. With this SME business assistance activity, Cupak Village residents can have high education and literacy in the field of finance and recording and Cupak Village is able to be efficient in a sustainable manner.

1) For SMEs

- Make more use of technology so that their business is more advanced
- Pay more attention to the recording of financial statements
- More enthusiasm to seek knowledge about recording and bookkeeping
- You have to practice often to use recording and bookkeeping applications to make it easier to manage your finances.

2) For Assistance

- Pay more attention to the SME target mapping and technical implementation when providing assistance

- Pay more attention to the application of recording and bookkeeping on socialized financial reports
- 3) For Accounting Information System Application Makers in general
- Easier to operate
 - The application icon is clarified to make it more attractive to application users
 - Financial report applications, should use a password that is changed periodically as a form of data security control and access rights.
 - A web-based financial report application, security features such as Google Authenticator can be added to have more secure protection.
- 4) For Government
- The government needs to pay attention to the citizens by means of socialization
 - Units such as BRIN can step in to assist the community in technology

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