

## IMPLEMENTATION OF SAK ETAP IN THE PREPARATION OF MSME FINANCIAL REPORTS AT THE SIDOARJO MARKET

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### ABSTRACT

Warung Aldo Sayur is a trading business owned by a group that sells various kinds of vegetables, spices, and other kitchen spices. Warung Aldo Sayur also does not have a definite bookkeeping, they see profit and loss only by setting aside money, profits are calculated from expenses and income are calculated by themselves using simple financial methods. The formulation of the problem in this study are: 1) How is the application of simple financial methods to MSMEs agribusiness traders in the Sidoarjo market? 2) What are the views of agribusiness traders on the implementation of SAK ETAP in the preparation of MSME financial reports in the Sidoarjo Market?. Meanwhile, the objectives of this study are: 1) To describe the application of simple financial methods to MSMEs agribusiness traders in the Sidoarjo market. 2) To describe the views of agribusiness traders on the implementation of SAK ETAP in the preparation of MSME financial reports in the Sidoarjo Market. To answer this, the researcher attempted to analyze and evaluate the data used in this study related to the application of SAK ETAP in the preparation of financial statements obtained by data collection techniques in the form of interviews, observations, and documentation.

The results of the research at the Aldo Sayur shop showed that the financial statements used still used a simple method and did not have books. It still uses the cash basis method. So that the application of the financial statements is not yet completely accurate. The income statement is only obtained by subtracting the total income by the total expenses. However, this data is not written systematically and is not in accordance with SAK ETAP standards in the preparation of financial statements, so it cannot be evaluated optimally.

**Keywords:** Implementation of SAK ETAP, Preparation of Financial Statements, MSM

### BACKGROUND OF THE PROBLEM

Warung Aldo Sayur is a business in the trading sector owned by a group that sells various kinds of vegetables, spices and other kitchen condiments. Warung Aldo Sayur currently does not implement bookkeeping as a financial report, which is of course a very important thing to do in order to minimize losses and be able to find out about the amount of income, expenses, profits and losses each month.

In preparing SAK ETAP for MSME trading at the Sidoarjo Market, we often find that many traders have not implemented profit and loss reports or any kind of bookkeeping related to profit and loss. In fact, this is one of the important things in order to analyze the financial condition of a company and minimize risks, if a problem occurs related to finance and it must be done by someone who is competent in their field or an accountant.

So, with financial reports, *stakeholders* can find out the latest financial condition of the company. So that the report can be used as a basis for evaluation for next policy steps.

The development of Micro, Small and Medium Enterprises (MSMEs) in Indonesia is one of the priorities in economic development. This matter apart from the fact that these businesses are the backbone

of the people's economic system which is not only aimed at reducing the problem of disparities between income groups and between business actors, or alleviating poverty and absorbing the workforce.

More than that, its development is able to expand the economic base and can provide a significant contribution in accelerating structural changes, namely improving the regional economy and national economic resilience.

MSMEs often face difficulties in fulfilling banking guarantee requirements. This is because small businesses tend not to own land or other important resources to protect their financial assets.

When banks implement lending based on cash flow, the government must create an environment that can give rise to hire purchase and factoring companies that can help MSMEs gain access to capital without having to provide large loan collateral. However, MSME entrepreneurs must be able to make financial reports for their business so that it is clear what assets they own so that banks can provide loans.

Implementing accounting books to produce financial reports is still difficult for MSMEs. Limited knowledge of accounting bookkeeping, the complexity of the accounting process, and the

perception that financial reports are not important for MSMEs.

In this case, this is motivated by various other limitations faced by MSMEs, starting from education that is not familiar with accounting and bookkeeping, lack of discipline and diligence in carrying out accounting bookkeeping, to insufficient funds to employ accountants or buy accounting software to facilitate the implementation of accounting bookkeeping.

Given these conditions, the Financial Accounting Standards Board in 2009 ratified Accounting Standards for Entities Without Public Accountability. The use of SAK ETAP is aimed at business entities that do not have public accountability such as micro, small and medium enterprises (MSMEs). In general, SAK ETAP is easier to understand because it is specifically designed for MSMEs.

In this case, it is hoped that MSMEs will be able to apply accounting bookkeeping to present more informative financial reports which aim to make it easier for investors and creditors in providing financial assistance to MSME entrepreneurs.

It is no longer an open secret that with their dominant numbers, micro, small and medium enterprises or MSMEs play a very important role in the economy, in fact almost all countries in the world, not only developing countries but also advanced industrial countries. In this case there are three sources, namely sources of formation or growth of gross domestic product, sources of growth in employment opportunities, and sources of development of non-primary exports, especially manufactured goods.

According to Law Number 28 of 2007 concerning Bookkeeping, this definition is a recording process that is carried out regularly to collect financial data and information including assets, liabilities, capital, income and costs, as well as the total price of acquisition and delivery of closed goods or services. by preparing financial reports in the form of a balance sheet and profit and loss report for that period.

However, many MSMEs have not been able to make proper financial reports in accordance with applicable standards. Micro and small MSMEs have not implemented and used accounting information optimally due to low education and lack of understanding of accounting, so that carrying out bookkeeping has become very difficult and complicated for MSMEs. MSME managers also consider financial reports to be unimportant, including profit and loss reports. For this reason, researchers want to know more about the reasons why

MSMEs in Sidoarjo Market have not fully implemented profit and loss reporting. So in this case the researcher raised the title "**Implementation of SAK ETAP in the Preparation of MSME Financial Reports in the Sidoarjo Market**".

**Formulation of the problem** How do simple financial methods apply to MSME agribusiness traders in the Sidoarjo market?

### **Profile of Warung Aldo Sayur**

Warung Aldo Sayur is a trading business in the form of vegetables, spices and other kitchen spices in Sidoarjo. This business was established in 2015. The background to establishing Aldo Sayur was that Aldo had empty land and space, then collaborated with Feri to set up a stall for vegetables, spices and other kitchen condiments using joint capital. This Aldo Sayur stall is located in Bluru Village, Sidoarjo District, Sidoarjo Regency, East Java, Indonesia, more precisely, it is located at Bluru Kidul Sidoarjo Market.

#### **1. Vision and Mission of Warung Aldo Sayur**

- a. Vision
 

Providing optimal service and providing the best quality regarding the sale of vegetables, spices and other kitchen spice needs.
- b. Mission
  - 1) Providing quality products in the form of vegetables, spices and kitchen spices. Empowering the increase in vegetable farmers and spice farmers, as well as kitchen spices.
  - 2) Always provide the best service to buyers.

### **Organizational structure**

#### **Job Description**

- a. Owner 1
  - 1) Accepting deposits.
  - 2) Controlling the work of employees.
- b. Owner 2
  - 1) Buying stock of merchandise in large quantities which will later be resold.
  - 2) Serving buyers in the shop.
  - 3) Monitor employee results and work.
  - 4) Training new employees.
  - 5) Sorting vegetables and spices that are suitable or not suitable for resale.
- c. Employee
  - 1) Help organize vegetables, spices and other condiments that have just arrived and when opening the stall.
  - 2) Cleaning the stall.

- 3) Help sort out vegetables and spices that are suitable or not suitable for resale.
- 4) Help serve buyers when the shop is busy.

**Business fields**

Warung Aldo Sayur is a trading business located in Sidoarjo, Indonesia. More precisely, this business was founded in a market, namely Bluru Kidul Market, Sidoarjo. This business was founded as a collaboration between two people who have only one employee.

**DISCUSSION**

In the results of this research, the researcher obtained an observation that in this business there was no implementation of bookkeeping regarding financial reports. This should be the most important part of running a business so that you can know accurate records of expenses, income, profits and losses.

**Application of Simple Financial Methods to MSME Agribusiness Traders in Sidoarjo Market**

Warung Aldo Sayur is a business that sells various kinds of vegetables, spices and other kitchen ingredients in full. The implementation of this business is assisted by only 1 employee in terms of customer service.

In the results of this research, this Aldo Sayur stall is not have good accounting in the form of SAK ETAP standards. Profit and loss are only seen from expenses and income, usually this business owner sets aside IDR 400,000.00 every day. This calculation is obtained through the amount of sales and purchases of commercial goods such as buying vegetables, spices and kitchen seasonings that will be resold , employee payroll. Even though the record keeping is not done properly, this business owner still makes a profit every day and has no debt to other parties. The business owner has never used an accounting system in the form of SAK ETAP.

This profit is obtained based on understanding the calculations of the business owner and his employees. The researchers obtained this calculation through interviews with the owners of 2 Aldo Sayur stalls in the name of Feri on Saturday 25 June 2022, explaining that:

"We do not know and have never implemented SAK ETAP in terms of this business's financial reports. We calculate expenses and income every day. We leave four hundred thousand rupiah from our daily net profit. The initial capital for this business was obtained through our business owner's own capital in the amount

of IDR 7,000,000.00. "This business only has 1 employee."

Based on these interviews, information can be obtained that business owners do not yet know about SAK ETAP for financial reports which aim to determine profits and evaluate if losses occur.

In the results of observations made by the researcher, the researcher obtained details from the accounting records of the Aldo Sayur stall which were obtained through the explanation of the informant, namely as follows:

a. Cash Notes

This cash record is used to find out expenditure and sales transactions carried out by this business. Where researchers obtained data in the daily recap on Friday 24 June 2022, in the form of:

1) Purchase of merchandise inventory	: Rp. 12,000,000.00
2) Sales	: Rp. 14,000,000.00
3) Employee salary	: Rp. 130,000.00
4) Pick up petrol	: Rp. 30,000.00
5) Expenses for meals, snacks, cigarettes	: Rp. 150,000.00
6) Electricity load	: Rp. 5,000.00
7) Security charge	: Rp. 10,000.00

In this case, the Aldo Sayur stall in understanding the financial report records is only limited to knowing the size of expenses and sales .

a. Income statement

Warung Aldo Sayur calculates profit or loss with the aim of finding out whether the business has experienced a profit or loss, which is done in a very simple way. In this case, this is done by adding up all the income received, then subtracting the costs that have been incurred. This is done every day. The following is the profit and loss report obtained by researchers through information from sources in the daily recap on Friday 24 June 2022, namely:

1) Total sales	: Rp. 14,000,000.00
2) Purchase of materials to be sold	: Rp. 12,000,000.00
3) Employee salary expenses	: Rp. 130,000.00
4) B load Purchase transport	: Rp. 30,000.00
5) Expenses for meals, snacks, cigarettes	: Rp. 150,000.00
6) Electricity load	: IDR 5,000.0 per day
7) Security charge	: Rp. 10,000.00
Total net profit	= IDR 1.675.000,00

Based on the observations above, this profit and loss report is obtained through sales minus net purchases for a day. This calculation is carried out due to the limited knowledge of business owners and employees regarding the preparation or recording of accounting systems such as SAK ETAP as material for financial reports.

Warung Aldo Sayur in its financial method application system uses a simple financial method or almost the same as a *single entry* recording system, where in this case the financial reports are based on

the knowledge of the business owner and employees who only know the system that is easiest to apply. This is based on the researcher's interview with Aldo Sayur stall employee Mr Andi on Saturday 25 June 2022 who stated that:

"The financial reporting system that we have implemented so far is by looking at income and expenses for 1 day. Where we do this by reducing the total income for 1 day, then finding the net profit. Because we deposit the sales proceeds to the boss every day after the sale is finished. Then given money for wholesale tomorrow.

We apply a method like that because we think it is a financial reporting method that is very easy to understand, we don't know other accounting systems because of our limited knowledge. We serve and sell by always looking at quality, when there are items that look rotten I sort them out and throw them away. Because customer satisfaction is number one for our business. "Don't let it happen because we sell rotten materials, because that will deter buyers from subscribing."

Based on the results of the interview above, it can be concluded that the Aldo Sayur stall always applies a simple financial reporting method by subtracting total income from expenses, so that net profit is found.

This application is considered the simplest and easiest to understand by the local community. However, this also has shortcomings, although it is considered the easiest to understand, namely that the financial reports are not good and it is difficult to find bookkeeping errors that occur so that evaluation is also hampered. Therefore, in accounting there is a better recording system that can overcome all these shortcomings.

However, the Aldo Sayur stall has fulfilled the principle of accountability. Where this accountability is the responsibility carried out by someone for all their actions aimed at those who give authority. In this case, employees and owner 2 always provide sales results reports according to the income they receive to owner 1 who is in charge of receiving deposits every day.

a. Equity

Warung Aldo Sayur has initial capital of IDR 7,000,000.00. This was conveyed by Mr Feri in an interview conducted by researchers on Saturday 25 June 2022, stating that:

"The initial capital used by the Aldo Sayur stall was IDR 7,000,000.00. Where this initial capital is obtained through one's own capital."

Based on this, the capital came from the owner of the Aldo Sayur stall which was used as initial capital for this business.

**Agribusiness Traders' Views on the Implementation of SAK ETAP in Preparing MSME Financial Reports in the Sidoarjo Market**

Business owners and employees of Aldo Sayur stalls do not yet know about the implementation of SAK ETAP in preparing MSME financial reports at Sidoarjo Market. They only know simple financial methods in financial reports. Even the Aldo Sayur stall does not yet have detailed bookkeeping regarding sales results and so on. So in this case the Aldo Sayur stall has not prepared a financial report based on SAK ETAP in the form of a balance sheet, so the author recommends a balance sheet that is in accordance with SAK ETAP using the *accrual basis method*.

**a. Balance Sheet Report**

**Table 3.1. Balance Sheet Aldo Sayur Stall  
Friday, June 24 2022**

Current assets		Liabilities	Rp -
Cash	IDR 21,275,000		
Merchandise inventory	IDR 3,000,000		
Equipment	IDR 500,000		
Current assets	IDR 24,775,000		
Fixed assets			
Land	IDR 10 0,000,000	Capital	IDR 229,775,000
Building	IDR 4 0,000,000		
Vehicle	IDR 60,000,000 _		
Equipment	IDR 5,000,000		
Fixed assets	IDR 205,000,000		
Asset	IDR 229,775,000	Liabilities + equity	IDR 229,775,000

Source: Processed Data Illustration

Warung Aldo Sayur knows the initial capital in its financial statements, but this initial capital is outside of assets. Regarding unknown assets, such as the price of the shop and the price of the land, it is

clear. Therefore, the author only includes liabilities and equity.

Warung Aldo Sayur has not made detailed records and is also not in accordance with SAK ETAP. So the author recommends an income statement that is in accordance with SAK ETAP.

**Income statement**

Changes in the equity of the Aldo Sayur stall only come from profit and loss so that the profit and loss report and cash balance can be presented as a substitute for the profit and loss report and changes in equity.

Warung Aldo Sayur has calculated and prepared a profit and loss report in its financial statements. Because this business makes financial reports using a simple method. So the author recommends an income statement that is in accordance with SAK ETAP.

**Table 3.2 Income statement Aldo Sayur Stall Friday, June 24 2022**

Sale	Sale	IDR 14,000,000
HP		
Initial merchandise inventory	IDR 1,500,000	
Purchase	IDR 12,000,000	
Carrying load	IDR 30,000	
	IDR 13,530,000	
Ending merchandise inventory	IDR 3,000,000	
HP		IDR 10,530,000
Gross profit		IDR 3,470,000
Operating expenses		
Salary expense	IDR 130,000	
Loads of food, cigarettes, snacks	IDR 150,000	
Electrical load	IDR 5,000	
Security burden	IDR 10,000	
		IDR 295,000
Net profit		IDR 3,175,000

Source: Processed Data Illustration

**Cash flow statement**

SAK ETAP recommends that cash flow reports be prepared using the indirect method. Warung Aldo Sayur does not make cash flow reports in its financial reports. This business does not have investment or other funding activities, because the business being run is still considered a start-up and small business. So the author recommends a cash flow report that is in accordance with SAK ETAP.

**Table 3.3 Cash flow statement Aldo Sayur Stall Friday, 2 4 June 2022**

Addition:		
Sale		IDR 14,000,000
Subtraction:		
Purchase of	IDR 12,000,000	
Salary expense	IDR 130,000	
Loads of food,	IDR 150,000	
Electrical load	IDR 5,000	
Security burden	IDR 10,000	
Purchase transport	IDR 30,000	
		IDR 12,325,000
		IDR 1,675,000
Subtraction:		
Private		IDR 400,000
		IDR 1,275,000
Initial cash balance		IDR 20,000,000
Final cash balance		IDR 21,275,000

Source: Processed Data Illustration

The cash flow report from Warung Aldo Sayur shows an increase in net cash of 1,275,000. This can be obtained through cash sales minus the total amount in the table.

- a. Statement of Changes in Equity  
SAK ETAP presents a report on changes in equity which shows the following:
  - 1) Profit and loss
  - 2) Income and expenses recognized in equity
  - 3) For each equity component, the effect of the change

Warung Aldo Sayur has reported changes in equity in its financial statements. But it does not meet SAK ETAP standards. So the author recommends a report on changes in equity that complies with SAK ETAP.

**Table 3.4 Statement of Changes in Equity Aldo Sayur Stall Friday, 2 4 June 2022**

Initial equity		IDR 227,000,000
Net profit	IDR 3,175,000	
Private	IDR 400,000	
		IDR 2,775,000
Final equity		IDR 229,775,000

Source: Processed Data Illustration

In that case, if we look at the initial capital, we can see that the final capital is 8,285,000, while if we look at the capital spent on that day, we can see that the final capital is 13,285,000.

## CONCLUSION

Based on the results of research conducted by researchers from the discussion regarding the Implementation of SAK ETAP in the Preparation of MSME Financial Reports in the Sidoarjo Market, the following conclusions can be drawn:

1. Warung Aldo Sayur is a business that sells various kinds of vegetables, spices and other kitchen ingredients in full. Warung Aldo Sayur does not have bookkeeping either in the form of SAK ETAP standards or other bookkeeping. The financial reporting method is simple. Profit and loss is only seen by the reduction between income and all expenses, so that it is found whether there is a profit or loss. Even though the record keeping is not done properly, this business owner still makes a profit every day and has no debt to other parties.
2. The financial report designed by the Aldo Sayur stall does not take the form of detailed bookkeeping, but simply reports the amount of money received and the amount of money that has been spent, then the final result after subtracting the total. This still does not meet the SAK ETAP standards. In SAK ETAP it is stated that financial reports consist of a balance sheet, profit and loss report, cash flow report, equity report, and notes to financial reports.

So in this case, the measurement or calculation of financial reports has not implemented SAK ETAP correctly, because Aldo Sayur stall still applies a kind of *cash basis method*. Meanwhile, in the SAK ETAP standard, it is recommended to use the *accrual basis method*. In the results of this research, it can be seen that there are obstacles for the Aldo Sayur stall in implementing SAK ETAP in preparing its financial reports, namely a) Low understanding of business owners and employees regarding SAK ETAP standards. b) There has been no intensive assistance and assistance regarding the implementation of SAK ETAP by the relevant UKM bodies. c) There is no supervision regarding financial reports. d) There is no socialization regarding how to apply SAK ETAP in preparing financial reports.

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