



Implementation of SAK EMKM in Improving Financial Statement Accountability: A Case Study of CV Alaric Jaya

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Abstract

Economic development in Indonesia has a close relationship with the development of Micro, Small, and Medium Enterprises (MSMEs). MSMEs play a key role in Indonesia's economic structure and have a significant impact on economic growth, job creation, and community empowerment. One of the problems faced by MSMEs is the inability of many business actors to prepare financial statements according to applicable accounting standards. This is often caused by a lack of understanding of accounting, especially the application of the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) which is designed to assist MSMEs in preparing financial reports in a simple but still accurate and in accordance with the rules. This study aims to analyze the application of SAK EMKM in CV Alaric Jaya, an MSME that has not yet implemented this standard. Through a qualitative approach with a case study method, data was collected through in-depth interviews with business owners as well as analysis of financial statements. The results showed that CV Alaric Jaya initially used a single entry system and had not yet implemented SAK EMKM. After education and assistance, CV Alaric Jaya began to implement SAK EMKM, which had a positive impact on increasing the transparency and accountability of financial statements. The main obstacles faced are the lack of understanding of business owners regarding accounting standards and the limited human resources who are experts in accounting. This research is expected to be a reference for other MSMEs in implementing SAK EMKM and as an evaluation for the government in improving education related to accounting standards.

Keywords: SAK EMKM, MSMEs, Accountability, Financial Statements

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) is a sector that has a strategic role in the Indonesian economy. MSMEs have a significant contribution to national economic growth, job creation, and improving people's welfare. According to Law No. 20 of 2008 concerning MSMEs, the classification of MSMEs based on the amount of assets and turnover per year is as follows including, Micro Enterprises, which have assets of a maximum of IDR 50 million and a maximum turnover of IDR 300 million per year, while Small Enterprises are businesses that have assets of more than IDR 50 million to IDR 500 million, with a turnover of more than IDR 300 million to IDR 2.5 billion per year and Medium Enterprises: Having assets of more than Rp500 million to Rp10 billion, with a turnover of more than Rp2.5 billion to Rp50 billion per year. Based on data from (Ministry of Cooperatives and Small and Medium Enterprises (Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM), 2023) and the Central Statistics Agency (BPS), 2023), MSMEs dominate Indonesia's economic structure, with the number of MSMEs growing



every year. In 2022, the number of MSMEs in Indonesia was recorded at more than 65.4 million business units. This sector contributes around 60.51% to the Gross Domestic Product (GDP) and absorbs 97% of the total national workforce. MSMEs also play a major role in exports, contributing around 14.37% of total national exports. The rapid growth of MSMEs shows the importance of this sector as a pillar of the national economy. However, despite their large contribution, MSMEs still face various challenges, such as access to financing, technological innovation, and the ability to prepare transparent and accountable financial reports.

In the era of globalization and increasingly fierce business competition, organizations and companies in Indonesia are faced with demands to maintain transparency and accountability in the management of their financial statements. One of the problems faced by MSMEs is the inability of many business actors to prepare financial reports according to applicable accounting standards (Subagyo & Purnomo, 2022). This is often due to a lack of understanding of accounting, especially the application of the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) which are designed to assist MSMEs in preparing financial reports in a simple yet accurate and compliant manner. One way to achieve this is by applying the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM). SAK EMKM is designed to meet the needs of economic entities that have a small to medium scale by providing a framework that allows the presentation of relevant, reliable and accountable financial statements. The implementation of SAK EMKM is not only a statutory obligation, but also a proactive step that can improve the quality of financial statements and foster trust from related parties, such as shareholders, creditors, and other external parties (Sutanto, 2018).

According to Sutanto (2018), the application of SAK EMKM aims to simplify accounting principles to suit the size and complexity of micro and small businesses, so that entities can present accurate and accountable financial reports. This is important because accurate financial reports are the main basis for strategic decision making (Sukamulja, 2024). The implementation of this standard also helps in reducing the risk of reporting errors that can harm the company in the long run. Clear standards facilitate the audit and verification process, and strengthen the entity's position in obtaining financing from banks or investors, because financial reports prepared in accordance with SAK EMKM demonstrate a commitment to transparency and accountability (Novitasari, 2019).

The implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) is one of the important efforts in increasing the transparency and accountability of financial statements in micro, small, and medium enterprises (MSMEs) in Indonesia (Indonesian Accountants Association (IAI), 2016). The application of this standard aims to simplify and adapt accounting principles that are appropriate to the size and complexity of micro and small businesses, so that they can present relevant and accountable financial statements (Indonesian Accounting Association (IAI), 2024). The application of SAK EMKM helps small and medium economic entities in reducing the risk of reporting errors that can harm them in the



long run. With clear standards in place, entities can ensure that all financial aspects are recorded and reported consistently, easing the audit and verification process by third parties (Zamzami, Mukhlis, & Pramesti, 2018). It also strengthens the entity's position in obtaining financing from banks or investors, as financial statements prepared in accordance with SAK EMKM demonstrate a commitment to transparency and accountability. In the long run, the implementation of SAK EMKM is expected to encourage the growth and financial stability of small and medium-sized entities, so that they are better prepared to face future business challenges.

According to Rahayu (2021), the implementation of SAK EMKM is very important in the context of MSMEs because this standard provides clear and practical guidelines that can be easily implemented by businesses with limited resources. Suwandi (2020) adds that effective implementation of SAK EMKM not only improves the quality of financial statements but also helps in better decision making by business owners and other related parties. However, the implementation of SAK EMKM faces various challenges. Novitasari (2019) identified that the limited understanding of accounting principles among MSME players is often a major obstacle in the implementation of this standard. Other obstacles include the lack of adequate training and support from the authorities. Research by Utari, Marthanti, & Santosa (2022) shows that despite efforts made to support the implementation of SAK EMKM, many MSMEs in the regions still experience difficulties in effectively implementing this standard.

It is important to thoroughly evaluate the implementation of SAK EMKM in order to identify obstacles and find appropriate solutions. Yulianto (2020) states that an in-depth evaluation of the implementation of SAK EMKM can provide important insights into the effectiveness of this standard and the improvements needed to support MSMEs. Research conducted by Putri (2021) also shows that the implementation of SAK EMKM in various regions, both urban and rural, requires an approach that is tailored to their respective local conditions. By understanding the challenges and solutions in implementing SAK EMKM, it is expected to improve the quality of MSME financial reports and support sustainable economic growth (Samsiah et al., 2024). This research aims to further explore the implementation of SAK EMKM, the constraints faced, as well as the solutions that can be applied to improve the effectiveness of the implementation of this standard in MSMEs. This research will also discuss the positive impacts that may arise from the implementation, including increased competitiveness, shareholder confidence, and readiness to face dynamic business environment changes. Through the implementation efforts of SAK EMKM, it is expected that organizations or companies can strengthen the integrity foundation of their financial statements, create a transparent business environment, and increase the level of trust from the parties involved. Thus, this study aims to provide a comprehensive overview of the steps to be taken to realize the implementation of SAK EMKM as an effective strategy in improving financial statement accountability.

The problems faced by MSMEs are often related to limited resources and knowledge in preparing financial reports in accordance with applicable standards. The implementation of SAK



EMKM at CV Alaric Jaya is important to discuss because it can provide an overview of how this standard is applied in real practice and its impact on financial statement accountability. Without proper implementation of standards, MSMEs risk facing difficulties in maintaining the trust of external parties and making decisions based on inaccurate financial information. Without proper implementation of the standards, MSMEs risk facing difficulties in maintaining the trust of external parties and making decisions based on inaccurate financial information. In this context, this study will take an in-depth look at the implementation of SAK EMKM in a specific organization or company, focusing on how the implementation of this standard can improve financial statement accountability. This research will also discuss the positive impacts that may arise from such implementation, including increased competitiveness, shareholder confidence, and readiness to face dynamic changes in the business environment. Through efforts to implement SAK EMKM, it is expected that organizations or companies can strengthen the foundation of the integrity of their financial statements, create a transparent business environment, and increase the level of trust from the parties involved. Thus, this study aims to provide a comprehensive overview of the steps to be taken to realize the implementation of SAK EMKM as an effective strategy in improving financial statement accountability.

2. Research Method

This research uses qualitative research methods with a case study approach, mainly through in-depth interviews with business owners. This research is qualitative with a descriptive approach, where the focus is to describe the condition of the research object naturally. This research method involves the researcher as the main instrument in data collection and analysis, where the results are more meaningful than the object of research (Sugiyono, 2019). The choice of this type of research is considered because researchers want to understand and describe with an in-depth understanding of CV Alaric Jaya business actors in preparing financial reports in accordance with the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM). This approach was chosen to provide an in-depth picture, collect data as comprehensively as possible, and highlight the importance of the completeness and detail of the data stored.

This research was conducted at CV Alaric Jaya which is located in the Bukit Citra Kencana shopping complex in Labuapi West Lombok NTB. The sample in this study involved business owners or financial staff from CV Alaric Jaya. The sample determination was carried out by purposive sampling, namely selecting individuals who were considered to be the most knowledgeable and influential on the implementation. This research began with primary data collection conducted through in-depth interviews with the owner of CV Alaric Jaya and staff responsible for recording financial statements. This interview aims to obtain information about the condition of financial records. Creswell & Poth (2017) state that in-depth interviews are an effective method for obtaining direct and detailed information from subjects who have relevant



experiences in the context of qualitative research. Through this interview, the research was able to reveal the changes that occurred in financial recording at CV Alaric Jaya.

In addition, secondary data collection is also carried out to complement the results of interviews. This secondary data is in the form of financial report documents provided by CV Alaric Jaya, namely in the form of CV Alaric Jaya's financial statement records for March - April 2024. According to Yin (2020), secondary data is very important in case studies because it can strengthen interviews and observations made. Additional references from the literature related to the implementation of SAK EMKM are also used to support the analysis and provide a stronger basis for understanding the changes that occur. Education and mentoring of CV Alaric Jaya owners and staff were carried out for several months to ensure a good understanding and implementation of SAK EMKM. Rahmawati & Trisnawati (2021) emphasizes that education and mentoring are needed in the application of accounting standards in MSMEs so that implementation can be carried out effectively. This process is also accompanied by periodic monitoring to observe developments and changes in financial records. After education and assistance, data analysis is carried out descriptively by comparing financial reports before and after the application of SAK EMKM. Sugiyono (2019) explains that qualitative descriptive analysis is used to describe the results of research in depth based on the data that has been obtained. The purpose of this analysis is to understand the impact of implementing SAK EMKM on the transparency and accountability of financial statements at CV Alaric Jaya. Finally, an evaluation of the implementation of SAK EMKM is carried out to identify challenges, obstacles, and benefits obtained from the implementation. Hidayat, Damayanti, & Darmawati (2022) revealed that evaluation is very important to find out the factors that influence the success or failure of the implementation of accounting standards in MSMEs. This evaluation is expected to provide useful recommendations for improving the implementation of SAK EMKM in the future.

3. Results and Discussions

Economic development in Indonesia has a close relationship with the development of Micro, Small, and Medium Enterprises (MSMEs). MSMEs play a key role in Indonesia's economic structure and have a significant impact on economic growth, job creation, and community empowerment. Improving financial statement accountability is a major challenge for micro, small, and medium entities, especially in the face of regulatory changes. In this context, the Financial Accounting Standard for Micro, Small and Medium Entities (SAK EMKM) is a key instrument that guides the preparation and reporting of financial information in a more precise and relevant manner. CV Alaric Jaya, as a representation of micro entities in the egg business sector, is an interesting research subject. The implementation of SAK EMKM in CV Alaric Jaya is expected to bring significant changes in the accountability of its financial statements. Through this case study, we can detail the practical impact of implementing this standard, understand how the financial



reporting process changes, and the extent to which the financial statements can meet stakeholder expectations. With a focus on transparency, clarity of information, and stakeholder understanding.

Based on the results of in-depth interviews with the owner and financial staff of CV Alaric Jaya, the following findings were obtained. The business owner and financial staff of CV Alaric Jaya have a basic understanding of the importance of the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM). However, they do not have an in-depth understanding of the technical details and implementation steps in the financial statements. CV Alaric Jaya has tried to implement some basic elements of SAK EMKM, such as the preparation of balance sheets and income statements. However, these efforts have not fully followed the guidelines set by the standard. There is no formal system or standardized procedure in the company to ensure that the financial statements prepared are in accordance with SAK EMKM.

Limited human resources who are competent and trained in accounting in accordance with SAK EMKM are the main obstacle. Financial staff often do not have sufficient expertise to prepare standardized financial statements. Access to training and information on SAK EMKM is limited, hindering proper understanding and implementation. The perceived high cost of hiring professional accountants who can assist in the preparation of financial statements in accordance with SAK EMKM is another obstacle faced.

Table 1. Financial Statement of CV Alaric Jaya

Date	Description	Income	Expenses	Total
20/03/2024	Capital	145,936,500		145,936,500
21/03/2024	egg purchase TB 270 trai (40,500), TB 2 240 (39,500), TG 240 (35,500)		28,935,000	117,001,500
21/03/2024	bali egg expedition payment		765,000	116,236,500
21/03/2024	laborers eat		48,000	116,188,500
21/03/2024	gasoline delivery and pickup		100,000	116,088,500
25/03/2024	Delivery fuel and snatching			116,088,500
28/03/2024	egg sales TB 1 270 trai (42,500), TB 2 240 (41,500), TG 240 (37,500)	30,435,000		146,523,500
29/03/2024	egg purchase TB 1 330 trai (42000), TB 2 450 (41000), TG 120 (39000)		36,990,000	109,533,500
29/03/2024	bali egg expedition payment			109,533,500
29/03/2024	laborers eat		60,000	109,473,500
29/03/2024	gasoline delivery and pickup		100,000	109,373,500
02/04/2024	egg sales TB 1 330 trai (44,000), TB 2 450 (43000), TG 120 (41000)	38,790,000		148,163,500
03/04/2024	egg purchase TB 1 450 trai (40500), TB 2 258 (39500), TG 192 (37500)		35,616,000	112,547,500
03/04/2024	bali egg expedition payment		920,000	111,627,500
03/04/2024	laborers eat		53,000	111,574,500
05/04/2024	gasoline delivery and pickup		100,000	111,474,500



Date	Description	Income	Expenses	Total
08/04/2024	TB 1 egg sales 450 trai (42500), TB 2 258 (41500), TG 192 (39500)	37,416,000		148,890,500
09/04/2024	egg purchase TB 600 trai (41000), TG 570 (38000)		46,260,000	102,630,500
09/04/2024	bali egg expedition payment		1,195,000	101,435,500
09/04/2024	laborers eat		60,000	101,375,500
09/04/2024	gasoline delivery and pickup		120,000	101,255,500
09/04/2024	egg sales TB 600 trai (43000), TG 570 (40000)	48,600,000		149,855,500
11/04/2024	egg purchase TB 1200 trai (40500), TG 600 (37500)		71,100,000	78,755,500
11/04/2024	bali egg expedition payment		1,840,000	76,915,500
11/04/2024	laborers eat		68,000	76,847,500
11/04/2024	gasoline delivery and pickup		100,000	76,747,500
13/04/2024	egg sales TB 1200 trai (42500), TG 600 (39500)	74,700,000		151,447,500
14/04/2024	egg purchase TB 300 (41000) TG 1200 (38000)		57,900,000	93,547,500
14/04/2024	bali egg expedition payment		1,530,000	92,017,500
14/04/2024	laborers eat		65,000	91,952,500
15/04/2024	gasoline delivery and pickup		150,000	91,802,500
15/04/2024	egg sales TB 300 (42000) TG 1200 (40000)	60,900,000		152,702,500
16/04/2024	egg purchase TB 420 trai (41000) TG 60 (38200)		19,512,000	133,190,500
16/04/2024	bali egg expedition payment		490,000	132,700,500
16/04/2024	laborers eat		40,000	132,660,500
17/04/2024	egg sales TB 420 trai (43000) TG 60 (40000)	20,460,000		153,120,500
17/04/2024	egg purchase TB 750 trai (41000) TG 150 (38200)		36,480,000	116,640,500
17/04/2024	bali egg expedition payment		900,000	115,740,500
17/04/2024	laborers eat		53,000	115,687,500
19/04/2024	egg sales TB 750 trai (42500) TG 150 (40000)	47,875,000		163,562,500
19/04/2024	gasoline delivery and pickup		150,000	163,412,500
20/04/2024	employee salary		1,000,000	162,412,500
20/04/2024	Rian's Salary		800,000	161,612,500
20/04/2024	employee meals 2 people 30 days		600,000	161,012,500
20/04/2024	Electricity		50,000	160,962,500
20/04/2024	broken and damaged eggs 18 trai 38000		950,000	160,012,500
20/04/2024	sale of broken and damaged eggs 13 trai 25000	325,000		160,337,500



Judging from the financial statements, CV Alaric Jaya still uses the Single Entry System. Single Entry System (single recording system) is a method of recording in accounting where each transaction is recorded only once, usually in one column as cash receipts or disbursements. In this system, there is no requirement to record each transaction with at least two entries (debit and credit) as occurs in the Double Entry System. This system has several main characteristics that distinguish it from other methods. Based on a journal by Sutanto (2018) entitled “Application of Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) in Improving the Quality of Financial Statements of Small and Medium Enterprises,” it is explained that the application of SAK EMKM is an important step to improve the quality and transparency of financial statements in small and medium enterprises.

According to Sutanto (2018) SAK EMKM is designed to meet the needs of simple yet adequate accounting for micro, small, and medium entities. This standard includes basic accounting principles such as double recording that ensures a balance between debits and credits, as well as consistent recognition and measurement to maintain the accuracy of financial statements. However, CV Alaric Jaya has not implemented SAK EMKM and still uses a Single Entry recording system. This recording system only records transactions from one side of the account, which is contrary to the accounting principles suggested by SAK EMKM. The use of single entry can result in financial reports that are less accurate and transparent, and complicate the decision-making process based on financial data. The application of the double recording system regulated in SAK EMKM can help improve the accuracy and reliability of financial statements. This system allows entities to record each transaction completely and in detail, resulting in clearer and more informative reports. The application of SAK EMKM also helps in clearly separating the assets and liabilities of the company from the assets and liabilities of the owner, which is an important principle in accounting. Recording in the Single Entry System is very simple, as each transaction is only recorded in one account, usually in a single cash book or ledger. This makes the recording process easier and less complicated. However, in contrast to the Double Entry System which requires each transaction to create a balance between debits and credits, in the Single Entry System there is no balance generated by each transaction. As a result, it is difficult to directly see the balance of the company's total assets, liabilities, and capital. In addition, the Single Entry System does not always involve recording accounts payable and receivable as it does in the Double Entry System, so it is not easy to track the company's accounts payable and receivable in detail. This system is more suitable for small businesses or individuals who have relatively simple transactions and do not require a high level of accounting complexity. However, due to the lack of debit and credit balance and the lack of use of specific accounts, Single Entry System does not provide a complete or detailed picture of an entity's finances. Therefore, it is often not suitable for the preparation of complete and accurate financial statements.

Recording using a Single Entry system is generally not in accordance with the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM). SAK EMKM usually



refers to the principle of double entry system, where each transaction is recorded with at least two entries, namely debit and credit. Single entry system, transactions are only recorded once, usually as cash receipts or disbursements. This makes it less accurate and less adequate in providing the information needed to produce complete and accurate financial statements. In SAK EMKM, there are guidelines to follow regarding the recognition, measurement, and disclosure of transactions. Using the double entry system method can help ensure that the accounting records accurately reflect the changes in an entity's finances. So, if an entity wants full compliance with SAK EMKM, it is recommended to use the double entry system and follow the guidelines set out in the standard. However, keep in mind that requirements may differ depending on the type of entity and the scale of its operations

The research results obtained from processing financial statement data in accordance with SAK EMKM standards at CV Alaric Jaya with the data collected include revenue, cost of goods sold, and net profit generated during the research period. Then SAK EMKM is implemented in these entities, including analysis of the suitability of financial records with applicable standards and their impact on the quality of financial information presented. Prior to the implementation of the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM), CV Alaric Jaya used a very simple financial recording system, namely single entry. This system only records transactions in cash in and out, without any detailed calculations of other elements in the financial statements such as accounts receivable, inventory, and accounts payable. As a result, CV Alaric Jaya's financial statements are unable to reflect its true financial condition. In addition, by only using the cash flow statement, the owner does not have a clear picture of net income, so financial decision making is often based only on available cash, not on a more thorough analysis.

After analyzing the financial condition of CV Alaric Jaya and the challenges faced in the existing recording system, the next step is to implement SAK EMKM. The implementation of SAK EMKM in CV Alaric Jaya was carried out through a series of education and mentoring for 8 months. The training includes the implementation of a double-entry system, which requires recording not only cash in and out, but also the grouping of assets, liabilities, equity, and other components in the financial statements. In addition, the training also covered the preparation of income statements, balance sheets, and notes to the financial statements. Although the owner and staff initially found it difficult to understand these new concepts, they gradually began to be able to make more comprehensive and standardized records. The following are the financial statements of CV Alaric after the Implementation of SAK EMKM including the Income Statement, Balance Sheet and Cash Flow Statement.



Table 2. Financial Statements of CV Alaric Jaya After Implementation of SAK EMKM

Income Statement		Balance Sheet		Cash Flow Statement	
March-April 2024		March-April 2024		March-April 2024	
Description	total	Description	Total	Description	Total
Income		Assets		cash inflow	
egg sales	380,265,000	Cash	160,337,500	Capital	145,936,500
sale of broken eggs	325,000	Total Assets	160,337,500	Income from Sales	380,590,000
Total income	380,590,000	Liability		Total Cash Inflow	526,526,500
Cost Of Sales		Short-term Liabilities	0	cash outflow	
Egg Purchase expedition load	9,395,000	Total Liability	0	Purchase operational expenses	361,808,000
laborer's food burden	687,000	Equity		Employee Salary	1,800,000
gasoline load	720,000	Capital	145,936,500	Total Cash Outflow	373,654,000
Total Cost of Goods	372,610,000	retained earnings	14,401,000		
gross profit	16,316,000	Total Equity	160,337,500	Increase in Net Cash	152,872,500
Operating Expenses					
Employee Salary	1,800,000				
employee meal expenses	600,000				
electrical load	50,000				
Cracked and Damaged Eggs	950,000				
Total Operating Expenses	3,400,000				
Net Profit	14,401,000				

Based on the Table, the Notes to the Financial Statements (CALK) provide a clear picture of the accounting policies applied by the entity. These financial statements are prepared in accordance with the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM), which is an important guide in preparing financial statements for small-scale entities. The recording of transactions is done in cash and using the simple accrual method, which ensures that all transactions are recorded when they occur, not when cash is received or paid. This is done to maintain the principle of relevance and reliability of the financial information presented. In terms of sales, the revenue earned came from egg sales made during the period March 20 to April 20, 2022. Total revenue from sales reached Rp388,926,000, which included sales of eggs in good condition as well as damaged eggs. This indicates significant sales activity during the period. Furthermore, regarding expenses, cost of sales consists of several components, including the



purchase of eggs, expedition costs for delivery, food costs for laborers, and gasoline used for delivery. In addition, operating expenses also include employee salaries, employee meal costs, electricity costs, as well as losses incurred due to broken and damaged eggs. All these elements contribute to the total expenses to be borne by the entity during the period under review. Finally, the initial capital owned by the entity amounted to Rp145,936,500. This capital represents the resources used to run the business operations and reflects the entity's financial position at the beginning of the period. With this understanding, the financial statements can provide a more comprehensive picture of the entity's performance and financial position during the reported period.

After the implementation of SAK EMKM, there has been a significant increase in the transparency and accountability of CV Alaric Jaya's financial statements. Reports that were previously only in the form of cash flow now include all aspects necessary to present a comprehensive financial position. With the balance sheet, owners can clearly see the relationship between the company's assets and liabilities. The income statement helps the owner to better understand the level of profitability of the business on a regular basis. This improved quality of financial statements also makes it easier for owners to analyze financial performance and make more informed business decisions based on accurate information. Although the implementation of SAK EMKM shows positive results, the process is not free from several obstacles

One of the main obstacles in implementing SAK EMKM is limited resources, both in terms of cost and accounting knowledge. CV Alaric Jaya may be facing this challenge, so it has not been able to fully adopt SAK EMKM. To overcome this obstacle, adequate training and assistance is needed for micro and small entities to understand and apply applicable accounting standards. Thus, based on the journal by Sutanto (2018), the implementation of SAK EMKM at CV Alaric Jaya is very important to improve the quality of the company's financial statements. The transition from a single entry system to double recording in accordance with SAK EMKM will assist companies in producing financial reports that are more accurate, transparent, and support better decision making.

4. Conclusions

Based on the analysis of the application of the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM), CV Alaric Jaya has not fully implemented this standard. The lack of understanding of the company owner regarding the preparation of financial statements in accordance with SAK EMKM, as well as the absence of accounting experts are the main obstacles. The company's focus on increasing sales and expanding the market also affects the priority in preparing financial statements in accordance with the provisions. As a result, the quality of financial statements decreases, which impacts the trust of external parties and makes it difficult to make informed decisions. To overcome this problem, through the education and training that has been provided, researchers seek to improve the understanding of owners and staff



regarding SAK EMKM. The preparation of standardized financial statements is expected to help companies improve report quality and support better decision-making. Therefore, strategic measures such as regular training, cooperation with professional accountants, and regular evaluation of the implementation of SAK EMKM need to be implemented so that CV Alaric Jaya can achieve optimal compliance and increase trust from external parties in the future. It is also important to balance the priorities between increasing sales and accounting compliance, as accurate financial reports will facilitate business decision-making and increase the trust of external parties. Finally, regular evaluation and monitoring of the implementation of SAK EMKM is essential to identify problems early and take necessary corrective actions. With these steps, it is expected that CV Alaric Jaya can improve the quality of its financial statements and support better business decision-making in the future.

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