



# RISET

JURNAL APLIKASI EKONOMI AKUNTANSI DAN BISNIS

## THE EFFECTIVENESS OF IMPLEMENTATION OF SAK EMKM TO INCREASE ACCESS TO BANKING CAPITAL ON MSMEs IN BOGOR REGENCY

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### ABSTRACT

This study aims to measure the implementation of SAK EMKM that has been achieved by MSME's. To determine whether the preparation of financial reports following SAK EMKM can increase MSME banking access to capital, to find out the obstacles and challenges faced by MSME 's in implementing SAK EMKM at MSMEs.

The results showed that the implementation of SAK EMKM that had been achieved in the Cibinong Raya area of Bogor Regency was still low, namely 16.7%. Preparation of financial reports following SAK EMKM is very influential for MSME players in increasing access to MSME banking capital. It is proven that MSME actors who have prepared Financial Statements with SAK EMKM standards apply for Bank loan access pass 100%. Henceforth, MSME players who had financial reports not yet standardized SAK EMKM used for access to loans from banks and other institutions gave only 25%. The obstacles and challenges faced by MSME's in implementing SAK EMKM are that many MSME players have received socialization about the preparation of SAK-EMKM-based financial reports. The MSME actors' education level and the absence of ongoing training and mentoring in SAK-EMKM- based financial reporting training.

**Keywords:** Financial Accounting, SAK EMKM, SMEs, Bank Loans

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### INTRODUCTION

MSMEs can provide the most jobs, create community empowerment, open new markets, and innovate and stabilize the balance of payments. The Indonesian economy

relies on the role of MSMEs. In 2018 total SMEs in Indonesia reached 99.9 % of the total effort as much as 64,199,607 units in Indonesia entirely ([www.depkop.go.id/data-umkm](http://www.depkop.go.id/data-umkm)).

The number of MSMEs in Bogor Regency is ranked first at the West Java provincial level and absorbs 88.67% of workers, and contributes to a Gross Domestic Income of 27.04%. However, in terms of productivity, capital access and marketing are still the main obstacles for SMEs in Bogor Regency (Azadi, 2018).

DSAK IAI participates in advancing MSMEs in Indonesia by compiling and issuing SAK EMKM. It is effective as of January 1 to answer the phenomenon that the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) cannot be applied by MSME actors because they are still complicated. Implementation of SAK EMKM as a form of support from DSAK IAI to encourage the growth of the MSME sector in Indonesia by increasing accountability and transparency in presenting its entity's financial reporting (SAK EMKM, 2018).

The knowledge and understanding of MSME entrepreneurs in Bogor City about (SAK-EMKM) are still low. The majority of MSME actors do not carry out financial records regularly, and a small number of MSME actors have prepared financial reports but only with knowledge. Most of the applications from implementation (SAK EMKM) to improve the development of MSMEs in Bogor City have not been implemented. (Wahyuni, Sutomo, & Nugroho, 2019).

MSME actors in Pasuruan Regency in compiling the Financial Statements of their business are still limited to their knowledge, not following SAK EMKM. Due to the lack of understanding of MSME actors and socialization about SAK EMKM from the parties that oversee MSMEs (Amilia, Askandar, & Junaidi, 2019). Implementation of the preparation of financial statements on MSMEs. Based on SAK EMKM at PT. Mama Jaya has not yet been implemented. The reason is that MSME actors still lack knowledge about SAK EMKM and lack socialization about SAK EMKM by the local government (Warsadi, Herawati, & Julianto, 2017).

Management's ignorance of SAK EMKM, management of financial statements that are still handled by MSME managers and do not employ human resources following the financial sector, as well as time constraints in managing their business finances are factors that cause Batam City MSME management to be unable to compile financial statements of their entities based on SAK EMKM (Purba, 2019).

The common understanding of MSME actors in Semarang City in compiling books following SAK EMKM. So that the prospect of implementing SAK EMKM on the quality of financial reporting is currently still very minimal (Prajatno & Septriana, 2018). Similar results were found by Neneng et al. in Pekanbaru City SMEs, Barus et al. (2018) in Samarinda SMEs. Yananto on SMEs in South Tangerang. One of the obstacles for MSMEs is the low quality of the financial statements of their entities, causing doubts by the banking sector about the quality of relevant and reliable financial reports so that the quality of MSME financial reports does not affect the amount of credit received by MSMEs (Rudiantoro & Siregar, 2012). The number of credits and the length of the term significantly affect the interest in implementing SAK EMKM (Darmawati & Nilawati, 2018).

Significant research is continued to investigate the extent to which MSME entrepreneurs have achieved SAK EMKM implementation in Bogor Regency. Whether the preparation of financial statements following SAK EMKM can increase access to MSME banking capital, the obstacles and challenges faced by MSME entrepreneurs in implementing SAK EMKM on SMEs in Bogor Regency.

## LITERATURE REVIEW

### 1. Implementation of the Implementation of SAK

It has been ascertained that most small-scale companies fail to maintain proper books and comply with the required accounting procedures to control their resources. As a result, they cannot confidently disclose the financial position and operational performance of their business. The main reasons for poor accounting records include the small size of the company, the high cost of hiring qualified accountants, lack of basic accounting knowledge, and lack of awareness about the benefits of accounting information (Kahsay & Zeleke, 2019; Kipsang & Mwangi, 2017; Mersha & Ayenew, 2017).

### 2. The preparation of financial reports following SAK EMKM can increase access to MSME banking capital.

In 2016, the World Bank stated that if small-scale business entities do not record it, it will interfere with their growth because it reduces their chances of getting credit facilities from financial institutions and other lenders.

Similarly, Nega & Hussein (2016) show that poor financial records significantly affect financial access. Creditors use their client's financial statements and records as a source of information to evaluate a borrower's repayment capacity and creditworthiness. In addition, this financial information can be used to significantly impact the accounting records of micro and small businesses in Debre Birhan City, Ethiopia.

### 3. Constraints and challenges faced by MSME entrepreneurs in implementing SAK EMKM implementation of MSMEs in the Cibinong Raya area, Bogor Regency:

Education level is the academic background and status of the manager in the company. Owners and managers of micro and small businesses need proper education and training to compete (Gunasekaran, Forker, & Kobu, 2000; Karadag, 2017). Better education provides owners and managers with more knowledge about various business practices useful for company performance.

Mehari & Shaik (2017) note that most small and medium enterprises do not produce organized accounting reports. Lack of human resources accounts for 31.25% of the reasons behind the failure of their accounting practices. Pavtar (2017) points out that the shortage of a trained workforce challenges SME accounting practices.

The obstacles for MSME actors are that 82.5% do not know about SAK EMKM, only 17.5% already know about it through the internet and training. In contrast to current conditions, in general, MSMEs in Bogor City view the importance of a financial report (74.5%); they want to know the state of their business through financial statements (Wahyuningsih & Fahmie, 2019).

## RESEARCH METHOD

### Data source

In this study, the data source used *purposive sampling*. The research sample used in this study was MSME entrepreneurs registered at the Cooperatives and MSMEs Office in Bogor Regency, Cibinong Raya area who are active and have an

entrepreneurial spirit as many as 30 SMEs. The source of information is owners, managers, and MSME employees.

### **Data collection technique**

In obtaining valid and actual data in this study, the authors use data collection techniques, namely questionnaires, documentation, and literature study.

### **Research Analysis Method**

The research method used in this study is a descriptive study through a qualitative approach.

## **RESULTS AND DISCUSSION**

### **Description of Research Object**

This research was conducted by distributing questionnaires and direct interviews with SMEs in the Cibinong Raya area, Bogor Regency. The questionnaires and interviews were broadcast on February 4, 2020, in the Cibinong area, Bogor Regency. The number of respondents who filled out the questionnaire was 30 complete questionnaires and collected as many as 30 questionnaires to the researcher.

Type of business showed 50% of respondents engaged in trade as has a store with a wide variety of food and all goods grocery sales. 13.3% of respondents are engaged in workshops, shop-house rental services, and rented houses. 6.7% of respondents engaged in manufacturing, namely the business of producing food. Meanwhile, 30% of respondents have businesses other than the three types listed in the questionnaire. The three different types of businesses consist of MSME actors who have businesses to cultivate plants and animals.

The educational background shows the results of 0% of respondents who have the educational background of accounting, 10% air-education management, 13.3% have an experience in economics education, and the remaining 76.7% of respondents who have an academic background than educational background listed in the questionnaire.

The education level of the respondents 33.3% have a high school/vocational education level, 20% have a D3 education level, and as many as 36.7% have an undergraduate education level, and 10% of respondents have a master's education level.

The position in the business shows that as many as 63.3% have a position as an owner in a company, 0% as a manager, and as many as 36.7% have a position other than the two positions listed in the questionnaire.

### **The implementation of the SAK EMKM implementation that MSME entrepreneurs have achieved in Bogor Regency.**

Table 1  
Implementation of the SAK EMKM Implementation that has been achieved  
by SMEs in the Cibinong Raya area, Bogor Regency

<b>N O</b>	<b>Question Number</b>	<b>Response</b>	<b>Weight</b>	<b>Percentage</b>
1	Did you receive socialization about SAK EMKM from the local Government?	Yes No	4 26	13.3% 86.7%
2	Have you prepared a business financial	Yes	18	60%

	report?	No	12	40%
3	Do you prepare financial reports regularly?	Yes	13	43.3 %
		No	17	56.7 %
4	What composes the financial statements of Mr./Mrs. Accounting person	Yes	8	26, 7 %
		No	22	73, 3 %
5	Is the form of the business financial statements that Mr/Ms compiled to have the SAK EMKM standard?	Yes	5	16.7 %
		No	25	83.3 %

Source: Primary Data Processing Results

In table 1, it can be seen that there are as many as 4 MSME actors, or 13.3%, who have received socialization about SAK EMKM from the local Government. However, as many as 26 or 86.7% of MSMEs still have not received socialization regarding SAK EMKM. It still shows the lack of activity on the part of the Government to disseminate information about SAK EMKM evenly to all MSME actors in Indonesia, mainly including MSMEs in the Cibinong Raya area, Bogor Regency.

Relate question of ownership Financial Report showed 60% of SMEs have the financial statements because they have understood the objective of financial information such as the one described in EMKM SAK is to measure the company's economic performance.

Regarding preparing Financial Statements regularly, as many as 13 MSME actors, or 43.3 % of all respondents, have scheduled Financial Reports regularly. While that has not implemented the preparation of financial statements either routinely end of each period and do not make financial statements of the entity are 56, 7 %.

Questions related to the accounting department that makes the MSME financial report shows that of all respondents. There are only 8 MSME actors or 26.7 %, which is that there are still many MSME actors who do not attach importance to the person in charge of making financial reports, namely the part that does have the ability in the field of finance. Accountancy. Meanwhile, 22 MSME actors, or 73.3 %, made financial statements but were not prepared by the accounting department.

Financial reports prepared by MSME actors who have SAK EMKM standards are only 5 MSME actors or 28 %. Meanwhile, 13 MSME actors, or 72 % of the respondents, have prepared Financial Statements but have not met SAK EMKM standards.

The overall results from table 1 show that the SAK EMKM implementation that has been achieved by MSME actors in the Cibinong Raya area, Bogor Regency is still low because as many as 13.3% of MSME actors have received SAK EMKM socialization. And as many as 16.7% of MSME actors have prepared Financial Reports according to SAK EMKM standards. The same results were found in MSMEs in Bogor City by Wahyuni et al. (2019), MSMEs in Pasuruan District by Amilia et al. (2019) and by Mortigor Afrizal Purba on MSMEs in Batam City.

**The preparation of financial reports following SAK EMKM can increase access to MSME banking capital.**

Table 2  
Preparation of financial statements following SAK EMKM  
Able to increase access to MSME banking capital

No	Question Number	Response	Weight	Percentage
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1	Are Mr/Mrs in the preparation of business report concept of the recording is following SAK EMKM	Yes No	12 18	40.0% 60.0%
2	Do you recognize income at the time of the transaction when the goods/services are delivered?	Yes No	19 11	63.3% 36.7%
3	Are you recognized as other income when you receive the grant?	Yes No	5 25	16.7% 83.3%
4	Are you recorded as other income when you receive bank interest and rental income?	Yes No	8 22	26.7% 73.3%
5	Are you recognized as other income when you get a profit on an asset sale transaction?	Yes No	7 23	23.3% 76.7%
6	Do you recognize the costs related to business capital loans as operational costs?	Yes No	13 17	43.3% 56.7%
7	Do you recognize any loss/gain on discontinuation of Assets and Liabilities	Yes No	15 15	50% 50%
8	Does Mr / Mrs acknowledge their prepaid expenses when the load has been paid, although the burden has not been used recently	Yes No	8 22	26.7% 73.3%
10	Do you have a business capital loan from a bank?	Yes No	10 20	33.3% 66.7%
11	Have you separated your business money from your money?	Yes No	14 16	46.7% 53.3%
12	Do you recognize the Fixed Assets in the Financial Report Position at Cost	Yes No	9 21	30% 70%
13	Does Mr / Mrs recognizing their liabilities as a result of past transactions that have not been fulfilled/completed in the Statement of Financial Position	Yes No	12 18	40% 60%
14	Does Mr / Mrs classify liabilities Short-term and long-term liabilities	Yes No	8 22	26.7% 73.3%
15	Do you recognize the existence of equity related to the paid-up capital by the owner in the statement of financial position	Yes No	18 12	60% 40%
16	Do you need a business capital injection to develop your business?	Yes No	16 14	53.3% 46.7%
17	Does Mr / Mrs difficulties in fulfilling financial statements of business at the time of filing of venture capital loan	Yes No	8 22	26.7% 73.3%
18	Are you asked for a Business Financial Report when applying for a business capital loan to the Bank?	Yes No	15 15	50% 50%

*Source: Primary Data Processing Results*

Perpetrators SMEs who prepare financial statements to consist of the Income Statement and Statement of Financial Position as a concept is almost following

GAAP EMKM has reached 40%, which makes simple financial reports, a majority of 60% is not. It means that there are still many MSME actors who do not understand SAK-EMKM.

SMEs already recognize revenue once the goods sold or services are rendered as many as 63, 3 % of the total respondents. On the other hand, 36.7 % of MSME actors do not understand that the income should be recognized after the goods have been sold or the services have been provided. They recognize revenue when there is a payment or when the money is received only, even though the goods/services have been delivered (receivables) or the goods/services have not been provided (prepaid income). They do not know how the recognition and recording of revenue are correct according to the standard.

Recognition of grand income recorded in the Statement of Financial entity it has reached 16, 7 %. Thus, the majority of SMEs by 83, 3 % do not understand that the grant income should be recorded as other income other into the Financial Statements The entity.

Recognizing the existence of Bank Interest income and rental income in the Income Statement of the SMEs entities reached 26,7 %. Whereas recognition of other income, such as a gain from the sale of assets, came 23, 3 %.

Recognition of the cost of borrowing for working capital as the administrative burden of the loan and loan interest expense in the Statement of Financial entities of SMEs has reached 43, 3 %. According to them, the recognition of costs related to borrowing funds for businesses needs to be recognized because the expenses incurred will affect the Profit and Loss Statement results as a profit deduction. Meanwhile, 17 or 56.7% of MSMEs do not identify these costs, consisting of 7 MSMEs that do not yet have Financial Statements and 10 MSMEs that have financial statements. Still, they do not record and do not recognize these costs because they think these costs will not affect the final results of the Report. Profit and Loss are not an element of charge in the Report. In addition, they do not know how to record and recognize these costs in the Financial Statements following SAK EMKM.

As many as 50% of MSME actors have acknowledged the loss/gain on the termination of Assets and Liabilities. The 15 MSMEs consist of 12 MSMEs with financial statements and 3 MSMEs with no financial reports. Still, they understand the recognition of losses/gains related to the termination of assets or liabilities. According to them, the loss/gain on the sale of assets must indeed be recognized in the Income Statement because it will affect the results of Profit either increasing if it gains Profit from the sale or reducing Profit if it suffers a loss on the sale of assets. Meanwhile, 15 or 50% of MSMEs do not recognize any loss/gain on the termination of Assets and Liabilities. 15 SMEs are divided into 9 SMEs that have not had reports of financial and 6 SMEs that already have reported financial but did not record a loss/gain related to the sale of assets. Because they still do not understand and know how recording and recognition related to such transactions are following the SAK EMKM.

Suppose it recognizes their prepaid expenses when the load has been paid is not used as many as 26. However, 7 % of SMEs already include in the entity's Financial Statements. This number shows that MSME actors still lack conceptual understanding in compiling Financial Statements with SAK EMKM standards.

As many as 46.7% of MSME actors have separated their business money from their money. They already understand that the separation of personal finances from business finances must be separated to make it easier to see the level of money turnover and profits or losses that occur in the company. In addition, it is helpful so that there is no interference in the personal affairs of the company owner or shareholders with

business financial activities. While as many as 16 or 53.3% still combine business money with private money, they will not know the level of profits and losses during their business.

Recognition of assets at a cost in the financial statements of the new entity is done by 30% of respondents SMEs Bogor. They recognize that the glory of the asset's value is based on all the costs incurred to acquire the help, starting from the purchase to all fees incurred until the investment is used for the company's operations.

Meanwhile, acknowledging the existence of liabilities due to past transactions that have not been fulfilled/settled in the Statement of Financial Position. It has been carried out by 40% of MSME actors. However, MSME actors still lack an understanding of classifying liability accounts in the Statement of Financial Position into short-term and long-term liabilities. Only 26.7% of MSME actors have understood how to organize which liabilities must be paid in the near term and which liabilities must be paid in a long time.

To recognize the existence of equity to the capital paid up by the owner in the statement of financial position only reached 60% of the total respondents. In SAK EMKM, Share capital, additional paid-in capital, and retained earnings are presented in the Statement of Financial Position equity group.

Regarding SMEs' recognition, which requires additional venture capital to develop the business, it reached 53, 3 % SMEs. They need additional business capital because they think their business income is still small, so the operating Profit is used to meet their household needs. So that the amount of their business capital tends to decrease because it is to cover household needs and school fees for children. It is because the majority of them do not separate their business cash from their cash.

And as many as 26.7% of SMEs in Cibinong Raya, Bogor Regency, admitted that they had a capital loan from a bank with land certificates as collateral and part of a People's Business Credit (KUR) loan with the reason for additional initial business capital and partly for business development.

Half of the respondents or 50% of MSME actors admitted that they were asked for a Financial Statement when applying for a business capital loan. Of the 15 MSME actors, 8 MSMEs were approved to receive bank loans; the Bank did not approve the remaining 7 MSME actors because they could not make financial reports according to the Bank's credit application requirements. While the remaining 15 or 50% of SMEs in Cibinong Raya Bogor Regency did not know about requests for Financial Statements by banks and other financial institutions when applying for business capital loans because they had never applied for credit to banks or other financial institutions.

And at the time of submission of working capital loans, it shows that SMEs Raya Cibinong, Bogor Regency is only 26, 7 % are not difficult to meet their business financial statements. However, most MSME actors, who have tried to apply and have never used for bank loans or other financial institutions, have difficulty preparing financial statements according to the standards requested by the Bank and other financial institutions.

Based on table 2 of the overall respondent's as much as 60% are already preparing financial statements. However, of the 18 MSME actors who made financial reports, only 5 or 16.67% of all respondents prepared financial information following SAK-EMKM. The remaining 13 MSME actors, or 43.3% of all respondents, have prepared financial reports but do not follow SAK-EMKM.

Of the 18 MSME actors who have prepared financial reports, as many as 8 MSME actors consist of 5 MSME actors who have prepared Financial Statements. Following SAK EMKM and three who have prepared Financial Statements but are not following SAK EMKM but can meet the credit application requirements. Banks and

other Institutions in providing Financial Statements. It shows that the preparation of financial statements following SAK EMKM is quite adequate for MSME actors in increasing access to MSME banking capital. In line with the results of Darmawati & Nilawati's research (2018) that banking affects the interest of MSME actors to implement SAK EMKM.

**Constraints and challenges faced by MSME entrepreneurs in implementing SAK EMKM implementation in MSMEs in the Cibinong Raya area, Bogor Regency:**

Table 3  
Constraints in Preparation of Income Statement Based on SAK EMKM

No	Question Number	Response	Weight	Percentage
1	Are you already proficient in compiling SAK EMKM-based Financial Reports?	Yes	25	83.3%
		No	5	16.7%
2	Do you have a team in preparing the entity's financial statements	Yes	8	26.7%
		No	22	73.3%
3	Do you have an accounting education <i>background</i> ?	Yes	9	30%
		No	21	70%
4	Do you find it difficult to recruit employees who have an understanding of SAK EMKM	Yes	20	66.7%
		No	10	33.3%

*Source: Primary Data Processing Results*

Based on table 3, MSME actors who are already proficient in making SAK EMKM-based financial reports are only 16.7% because they have received training in preparing SAK EMKM-based financial reports. Hence, they already understand many SAK EMKM, and other people have organized their financial reports, which has the ability in accounting. However, reports finances that have been created are still not fully implement all existing SAK EMKM. Meanwhile, 83.3% of MSME actors still have difficulty in making financial reports based on SAK EMKM. Of the total 25 MSMEs, 12 MSMEs have not prepared financial reports, and 13 MSMEs have prepared financial reports, but they still do not understand the SAK EMKM, both the procedures and the contents of the SAK. It shows that the majority of MSMEs still find it challenging to make SAK-EMKM-based financial reports. It becomes one of the constraint factors experienced by MSMEs in the Cibinong Raya area, Bogor Regency, in creating financial reports based on SAK EMKM.

Perpetrators of SMEs have a team in the preparation of the financial statements of the entities reached 26,7 %. The MSMEs chose to have a team to prepare financial reports because they wanted the reports to be produced following applicable and reliable standards. While 73,3 % of SMEs have not had a couple in the preparation of financial statements due to economic factors. The owners prefer to compile their financial statements without a unique team for preparing the report. Also, they have not recruited a team to compile financial reports and reduce expenses from their business because some MSMEs are still just starting or starting their business. It means that the absence of a team in the preparation of financial statements is one of the constraining factors experienced by SMEs in the Cibinong Raya area, Bogor Regency, in making financial reports based on SAK EMKM. Solutions to overcome the obstacles SMEs that do not already have a team in the preparation of the financial statements of the entity -based SAK-EMKM, i.e., by providing training and guidance on an ongoing basis in the practice of the Financial Statements air standard EMKM IFRSs.

In addition to the educational background of MSME actors, most of whom are not from the accounting and economic fields, the majority of MSME actors, as much as 86.7%, have never received socialization on the preparation of financial statements based on SAK EMKM. It makes it difficult for MSME actors to create financial reports based on SAK EMKM. So it is necessary to improve the coordination between the Indonesian Institute of Accountants (IAI) as the compiler of SAK EMKM with the UMKM & cooperative offices, universities throughout Indonesia, and other private parties that support the development of MSMEs in Indonesia. So that in providing training in the preparation of financial reports, it must be based on SAK EMKM.

The preparation of financial statements in the entities of MSME actors who have an accounting education *background* reaches 30%, both by the management compilation team and recruiting. MSME actors who do not have an accounting education *background* and have never received training in preparing financial statements based on SAK EMKM then recruit employees with an accounting *background*. Meanwhile, as many as 21 or 70% of the compilers of financial statements at MSME business actors do not have an accounting education *background*. Of the 21 SMEs consists of 12 SMEs do not have financial statements. In contrast, the nine perpetrators of SMEs already have financial statements, but preparing financial statements requires limited knowledge of their teams, who do not have an accounting background. The conclusion is that the lack of ownership of financial statement preparers who have an accounting *background* is one of the constraint factors experienced by MSMEs in the Cibinong Raya area, Bogor Regency, in preparing financial statements based on SAK EMKM.

As many as 66.7% of MSME actors feel that it is still difficult to recruit employees who understand SAK EMKM due to financial factors and reduce expenses from their business. Because some of these MSMEs are still developing their business or are starting from the lower stages, they find it challenging to finance employees competent in finance/accounting.

Meanwhile, as many as 10 or 33.3% did not experience difficulties recruiting employees who understand SAK EMKM. Because according to them, at this time, Indonesia already has many competent accountants, especially in understanding SAK EMKM. It's just that they are still considering the cost because they are still starting their business, and they see the level of honesty of the prospective employees who will take care of their financial statements. Since the level of honesty is needed to minimize the level of fraud carried out by the person who takes care of the financial statements. The questionnaire results show that the difficulty of recruiting employees who understand SAK EMKM is one of the obstacles experienced by MSMEs in the Cibinong Raya area, Bogor Regency in having SAK EMKM-based financial reports.

The overall results of table 3 show that there are still many obstacles faced by SMEs territory Raya Cibinong Bogor regency related financial statements are under SAK EMKM basis. That's because of some challenges, such as 1) many who never get the socialization of how the financial statements based SAK-EMKM; 2) ignorance of the SMEs about the contents of SAK EMKM; 3) the level of education that does not support both the team/person who prepares the financial statements; 4) the absence of a team/person who is unique and understands in making SAK EMKM-based financial reports; 5) lack of socialization from the local Government regarding SAK EMKM to MSME actors in the Cibinong Raya area, Bogor Regency; 6) lack of continuous assistance in training on the preparation of SAK-EMKM-based financial reporting. Lack of knowledge and socialization from the authorities or institutions that oversee MSMEs is one of the obstacles in preparing financial reports following SAK EMK M. The results are similar to the findings of Amilia et al. (2019).

## CONCLUSION

The implementation of SAK EMKM that has been achieved by MSME actors in the Cibinong Raya area, Bogor Regency, is still low. Namely, 16.7% of MSME actors have prepared Financial Reports according to SAK EMKM standards, and 13.3% of MSME actors have received SAK EMKM socialization.

The preparation of financial reports following SAK EMKM is adequate for MSME actors in increasing access to MSME banking capital. It is evidenced that of the 8 MSME actors who have succeeded in accessing bank credit and other institutions, 5 MSME actors have prepared Financial Statements to pass or 100% for access to bank loans. Still, 3 out of 12 MSME actors, or 25%, have Financial Statements but do not follow SAK EMKM standards that pass access to bank loans and other institutions.

Constraints and challenges faced by MSME entrepreneurs in implementing SAK EMKM implementation are:

- a. Many have never received socialization on how to prepare SAK-EMKM-based financial reports.
- b. Misunderstanding of MSME actors about the contents of SAK EMKM.
- c. The level of education that does not support both the team/person who prepares the financial statements
- d. There is no particular team/person who understands in making SAK EMKM-based financial reports.
- e. Lack of level of socialization from the local government regarding the understanding of SAK EMKM to MSME actors in the Cibinong Raya area, Bogor Regency
- f. There is no continuous assistance in training on the preparation of SAK-EMKM-based financial reporting.

Based on the conclusions of the research results and their implications, the authors propose the following suggestions :

- a. It is recommended that the MSME actors in the Cibinong Raya area, Bogor Regency, compile financial reports in their business, both MSMEs that are just starting up and those that have started running/developing. To know the level of business performance to make business decisions and make it easier for companies to access capital from banks, financial institutions, and other creditors.
- b. It is necessary to improve the coordination between IAI as SAK EMKM with the UMKM and cooperative offices. Universities in Indonesia and other private parties that support the development of MSMEs in Indonesia provide training and assistance in preparing MSME Financial Reports that must comply with SAK EMKM standards.

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