Use of Accounting Systems in Micro, Small, and Medium Commercial Sector (UMKM) in Jember District

Een Yualika Ekmarinda

Accounting Study Program, Faculty of Economics, Widya Gama Lumajang Institute of Technology and Business

Corresponding Author: Een Yualika Ekmarinda eenyualika2@gmail.com

A R T I C L E I N F O

A B S T R A C T

According to many references, use in finance and capital is one of the main problems that hinder the development of micro, small and medium enterprises (MSMEs). The poor quality of financial records is believed to be the main cause of the low trust of banks in MSMEs. MSME owners and managers often do not have the necessary knowledge skills in applying for credit in accordance with banking standards. The purpose of this study is to understand the accounting situation of SMEs in the commercial sector of Jember Regency. According to the survey, most MSME owners and managers realize the importance of financial management through a good accounting information system for their business, and they have gone from very basic to formal accounting records

INTRODUCTION

Micro, small and medium enterprises (MSMEs) play an important role in the Indonesian economy. According to data from the Ministry of Cooperatives and Small and Medium Enterprises (Kemen KUKM), around 56.6 million SMEs, or about 99.9% of all business entities, were in Indonesia in 2012. This MSME entity employs approximately 107.7 million workers, or more than 97.2% of all workers in the country. However, the development potential of SMEs is not optimized due to various limitations and constraints. Small Business Administration data shows that the MSME sector accounted for only 57.5% of total national income in 2012, far less than its contribution to total employment in the same year.

One of the obstacles/obstacles to the development of MSMEs is the lack of access to financing or capital. Mourougane (2012) in the World Bank Business Survey 2009 found that the main obstacles to investment in the development of MSMEs in Indonesia are access to financing, problems in the informal sector, high electricity prices, and political instability. follow. For example, the limited access of MSMEs to loans and credit can be seen from the low level of credit received by this sector. According to the Asian Development Bank, ADB (2014), MSMEs only received bank loans of Rp .579,3 trillion.

Existing research has identified several factors causing low lending to the MSME sector. For example, Shinozaki (2012) explains that the barriers to access to formal financial institutions are high collateral and guarantee requirements and interest rates charged to MSMEs. Furthermore, Mourougane (2012) argues that limited access to loans is due, in addition to collateral and collateral, also due to the knowledge and skills of MSE managers to apply for and meet the standard credit requirements set by banks. In addition, Murgane also noted that, despite overwhelming evidence that banks do want to expand their activities to MSMEs, sadly MSME borrowers do not have a track record and cannot be trusted. They often fail to provide information, which is claimed to increase their credibility. Therefore, they believe that the provision of better financial information, especially in accordance with accounting standards and financial audits, can facilitate access to finance for MSMEs. This can of course be achieved by reducing information uncertainty and facilitating loans based on the borrower's good financial records.

However, making good financial reports for MSMEs is not an easy task. For example, a study conducted by IFC found that although financial reporting is a top priority for MSMEs when applying for loans, MSME managers, especially women, report individual and household business transactions. Note. In addition, this study also found evidence that MSME women entrepreneurs are unwilling or unable to compile financial statements which are important documents for applying for loans.

Therefore, the study recommends that providing financial reporting training to women MSMEs can help them more easily meet loan application requirements Consistent with many other researchers who stressed the importance of the system, for example, found that to ensure the success of MSMEs, these companies should Adopt that an accounting system should be adopted that provides an overview of the financial position and allows comparison. Helps identify

weaknesses, strengths, opportunities, and obstacles that management faces to allocate resources wisely in the short or long term. Consistent with this, Suryani, 2016(2000) explains important accounting information in the context of small business. Because accounting information is used in the process of management and control (control and monitoring).

Given the important role of the Accounting Information System (SIA) for MSMEs in accessing finance and running a business, research on the application and use of SIA for MSMEs is very important. Therefore, this research is focused on examining the types of financial statements produced by MSMEs, the completeness and availability of MSME accounting skills and knowledge.

This study is expected to provide a comprehensive overview of the implementation and use of accounting information systems in SMEs in the Padang trade service sector, including its challenges and obstacles. Furthermore, it is hoped that this study will be able to formulate recommendations and policy proposals to help MSMEs in the trade sector in Jember Regency improve or improve the implementation and use of the financial accounting system in their companies. Academically, this research aims to contribute to the development of knowledge and literature related to the application and use of accounting systems in SMEs. The following are the problems that arise in this research, including:

1. Do MSMEs collect, record and store financial transaction documents to help them make business decisions?
2. What types of financial accounting reports/records are prepared and maintained by SMEs?
3. To what extent is this accounting information used to evaluate the financial performance of MSMEs?
4. Is the preparation of MSME financial reports in accordance with the provisions of Financial Accounting Standards (SIA)

LITERATURE REVIEW
System of Information Accounting

Financial and accounting information is terminologically very closely related. Financial information, also known as accounting information, is information provided by accounting systems set up by accountants. This information is usually presented in the form of financial reports such as income statements and balance sheets. This information also includes all major financial figures from these financial statements. On the other hand, although various definitions of accounting have been put forward by experts, accounting itself basically measures, processes and communicates the financial information of an entity. The term accounting is often equated with "financial reporting".

Accounting itself can actually be considered as a financial information system. Wellen et al. (2005) argue, among other things, that accounting can be defined as an information system. This is because accounting processes and processes data and information as input and external sources for stakeholders to determine internal or company activities and financial performance. In addition, Romney and Steinbart (2008) more precisely defines an accounting information

system as a system that collects, records, stores, and processes data to produce useful information for decision makers.

Stefanou (2006) states that the main objective of an accounting information system (AIS) is to collect and record all data and information relating to events that may have an economic impact on the organization and to manage this information, its processing and transmission. Stakeholders are divided inside and outside the organization. Therefore, as stated by Smirat (2013), the accounting information system analyzes and monitors the company's financial situation, prepares the necessary documents for tax purposes, and performs other organizational management functions such as production, marketing, and human resources. You are responsible for provide information to support, management and strategic planning.

The success of a company is very dependent on the existence of a good accounting information system. Without such a system, it would be very difficult for companies to assess business performance, identify customer and supplier balance sheets, and predict future organizational performance. This is consistent with Weygandt, Kimmel, and Kieso (2009) at the start of their book. This opinion states that the success of a business ultimately comes from the numbers generated by the accounting information system. They explain that stakeholders make decisions based on these numbers and managers use them to assess organizational performance. This applies to all parties involved in marketing, production, management and information systems. In business, they argue, accounting and financial reporting are tools for communicating numbers. They emphasize that people who don't know how to read financial reports really have no idea how their company is doing.

There is no doubt that proper and high-quality management of information is important. Quality financial information helps you make effective decisions in all aspects, including: B. Financing, investing, planning, reporting, paying taxes, etc. On the other hand, creating and producing clean, high-quality financial information can be done with or without technology. To carry out its activities, accounting information systems can use technology, simple paper-and-pencil-based systems, or a combination of both. This confirms that technology is only a tool to create, maintain and improve the system, but the system can run without technology.

Business management and financing problems that arise in MSMEs
As in large companies, accounting information systems play an important role in organizational management and business finance for MSMEs. Good financial management is essential for small business survival and growth. Several studies, such as Berryman (1983), Peacock (1985), Hall and Young (1993), show that lazy and poor financial management is one of the most common causes of MSME failure. In fact, as Ismail (2009) notes, there is a popular belief that good management of financial information in SMEs means control and supervision and a high probability of success.

To ensure the success of good financial management, MSME owners and managers need to become more strategic, which includes improving the management of financial information, which can open up greater business

opportunities. In this regard, information technology support in the form of a computerized accounting system (CAS) may be required. For example, Gorton (1999) found that companies that started with financial planning and used CAS were more likely to thrive. This finding is supported by other studies such as: B. Smith (1999) found that the use of information technology improves business performance in terms of return on investment and results in higher income per employee. Therefore, Reid and Smith (2002) believe that information processing plays an important role in the success of the company.

McMahon (2001) notes that the growth of MSMEs will lead to an increase in the financial challenges faced by businesses, and for MSMEs to grow thriving and prosper, careful attention is needed to financial management and reporting. pay. He also concluded that the improvement of financial supervision and control in
Growing MSMEs can and should begin by significantly improving the quality of their financial reporting systems.

However, the reality is that SMEs generally have poor control over their financial information, hindering their growth prospects. In practice, the use of financial reporting by small business owners and managers is often very limited, in contrast to the amount of financial information available. For example, Gordon (1999) conducted a comparative study of UK SMEs using financial management techniques and found that more than half of the 366 surveyed SMEs had a financial plan, with 10 respondents not finding that of them do not set annual financial performance goals. There are several reasons explained by previous studies related to the low utilization of financial information among SMEs. Bandokgi (2005), for example, found that the owners of the MSMEs that he studied in Jerash City generally had low administrative skills related to business planning and organization and these MSMEs were unable to deal with problems or economic difficulties due to their weak capital.
Similar findings were also found by many other studies with different cases and different countries.

Another study in Jordan conducted by Qashi and Abadi (2010) in looking at the impact of the absence of an accounting strategy on MSMEs on their efficiency performance found that most of the completeness of the basic accounting framework was not found in the accounting information system used by MSMEs as reflected in the lack of characteristics qualitative accounting information contained in the financial reports of these companies. They further found that the shortage had a negative impact because staff accountants had low incomes and the firms were unable to keep up and compete with the larger firms. Meanwhile, Bin-Aishi (2013) examined the impact of implementing a financial accounting system on MSMEs in Algeria and concluded that it was necessary to increase the capabilities of the employees of the MSMEs studied and improve the accounting system used so that it complies with international accounting standards because the existing system at that time was lacking. committed to joining and conforming to international standards.

Steins et al. (2013) explained that MSMEs face significant obstacles to accessing and raising funds because of the information asymmetry associated with MSMEs, making it more difficult to grow compared to large companies, can lead to high business risks, especially financial risks. They further stated that due to the lack of available information and the lack of proper and complete required documentation that can be provided by MSMEs, especially those related to the history of MSME financial acquisitions. He explained, creditworthiness is often not assessed accurately.

In Indonesia, several studies on MSMEs show problems similar to those in many other countries. For example, similar to previous research, Irjayanti and Azis (2012) found that, apart from corporate competition and high energy prices, access to finance is the top 10 problems faced by MSMEs in six island regions. to be one of the main obstacles. Java (Jakarta, Banten, West Java, Central Java, Yogyakarta, East Java). Of the more than 180 MSMEs surveyed, 62% thought that a lack of capital was the cause of slowing business growth. These respondents argued that financial institutions work fairly because there are many difficulties in applying for loan financing from banks due to the complexity of the requirements that MSMEs cannot fulfill.

As noted by Mourougane (2012) above, difficulty accessing a bank is due to the lack of knowledge and skills of MSE managers to implement and comply with the standard loan requirements set by the bank. In addition, they argue that MSME borrowers often lack a track record and are unable to provide reliable information, thereby increasing credit risk. Therefore, he believes that increasing the provision of information, especially funding in accordance with accounting and auditing standards, can facilitate access to funding for MSMEs

METHODOLOGY

This research uses two types of research approaches, namely the qualitative approach and the quantitative approach. The qualitative approach to this research is through deepening the literature related to the accounting system and its application to MSMEs. This literature study is used as a basis to support and compile research terms of reference and survey questionnaires. Meanwhile, the quantitative approach is carried out through a survey using a structured questionnaire aimed at the managers of MSMEs in the commercial sector.

There are two approaches taken in this research with the aim that this research can be the basis for providing an overview of the current conditions of the implementation and utilization of accounting information systems contained in MSMEs in the Commercial sector, as well as understanding how obstacles arise in their stickiness.

Data Collection Process: Population, Sample, and Sampling Method

Data collection in this study was carried out by collecting literature studies and surveys extensively. Literature research is carried out by collecting several previous similar studies, including research reports, journal articles, both online and offline. The survey was conducted through the dissemination of a structured questionnaire addressed to MSME managers, especially owners or managers. The survey was conducted in the three largest traditional markets in Jember Regency. The reason is, the traditional market is the place where the highest

concentration of MSMEs in the Commercial sector. The three markets are Tanjung Market, Kreongan Market, and Kepatihan market. The survey aims to obtain samples to SMEs in the Commercial sector in Jember Regency.

The MSME standards used in this study follow the standards and definitions of MSMEs used by the government in the MSME Law No. 20 of 2008 and the standards used by the Central Statistics Agency (BPS). According to this law, a microenterprise is a productive business owned by an individual and or a single business entity that meets the criteria for micro-enterprises as stipulated in this law and is not a subsidiary or branch of a direct business entity or business entity. By being indirectly owned and controlled by a person, or being part of a large enterprise, a medium-sized enterprise is ultimately an economic enterprise that carries out autonomous activities. A production activity by a natural person or business unit that is not a subsidiary or branch of a company, which is directly or indirectly owned, controlled, or part of a company, which has the amount of net worth or annual turnover.

The following are definitions and standards used by several government agencies in Indonesia.

Table 1. MSME Definition and Standards

DESCRIPTION	TYPE OF BUSINESS	CRITERIA
Bank Indonesia	Micro business	Business activities run by underprivileged people
	SK Dir BI No 31/21/KEP/DIR 5 Mei 1998	private or family owned status and use simple technology
	Small and medium enterprises	Has a wealth of less than 5 billion used for industry
	SK Dir BI No 30/45/KEP/DIR 5 januari 1997	Has a wealth of less than 600 million excluding land and buildings Have revenue less than 3 billion in one year
Badan Pusat Stattustik	Micro business	Worker 1-4 people
	Small and medium enterprises	Worker 5-19 people
Undang Undang no 20 Tahun 2008	Micro business	Have a maximum net assets of Rp. 50 million Have a maximum income of Rp. 300 million in one year
	Small business	Have the biggest asset Rp. 500 Million Have the greatest income of Rp. 2.5 billion

	Medium business	Have a maximum net assets of Rp. 10 billion
		Have a maximum income of Rp. 50 billion in one year

Source: researcher data

The research sample was selected using a stratified random sampling procedure which was divided based on the proportion of MSMEs in each market. Data collection is done through direct interviews with owners or managers of small businesses. This survey requires the ability to provide information, but is considered to have sufficient information about the companies surveyed, because we focus on small business owners and managers/leaders. Interviews were conducted using a structured questionnaire and each interview was estimated to be around 10-20 minutes per respondent.

The list of questions includes business characteristics (number of employees, age of the company, legal form of the company) and aspects related to the questions in this survey, such as: Example: types of financial reports produced, qualifications and knowledge of finance staff related to accounting, accounting programs used, challenges and obstacles faced, etc. The questionnaire question catalog was first tested as part of a pre-test/pilot study before being used in the actual study.

Data Analysis Techniques

This study uses a simple statistical descriptive analysis to analyze the results of the survey questionnaire. This data analysis technique aims to provide an overview and the current situation of the use and utilization of accounting information systems in SMEs in the trade services sector in Padang. In practice, the data that has been collected through direct interviews using a structured questionnaire will be entered and processed into the Microsoft Excel program for later analysis. Data analysis was carried out using descriptive statistical data which included: frequency, percentage, ranking and average and a simple tabulation matrix. From here it is expected to be able to provide a comprehensive picture of the implementation and utilization of the accounting system found in commercial sector SMEs, along with the obstacles and challenges.

RESEARCH RESULTS AND DISCUSSION

The results of the survey using structured questions are presented sequentially as follows. First, an explanation of the business profiles that have been selected as samples. The business profile includes: type of business, amount of capital and sales turnover, number of employees and age of the company. Second, an explanation of how the MSMEs studied conduct performance appraisals and use or the role of financial information in measuring business performance. Third, a discussion regarding the status and conditions of implementing the accounting system in MSMEs.

From research related to the business profile of MSME respondents who were selected as the sample of this study are as follows. Based on the trading products sold by the SMEs studied, this study divides them into 3 major groups, namely: textiles/clothing, P&D (trading businesses that sell various household

needs), electronics, and others. There are variations in the sample based on the type of business that are quite varied and balanced, with textiles/clothing controlling around 35 percent, followed by P&D at 26% and Electronics at 10%. The remaining 29 percent belongs to other business groups. Other categories consist of various types of trading businesses that sell various products, including food, accessories, pharmaceuticals (pharmacy) trading businesses, and other merchandise.

There are various and balanced differences also found in the length of time the company has been operating. Of the SMEs studied, there are several companies that are over 20 years old and some are less than 10 years old. While the rest are aged 10-14 years and 20 companies aged 15-19 years. When he first started his trading business, there were 70 percent out of 100

The SMEs studied started their business with a capital size that was classified as "medium", which was more than 50 to 500 million rupiah. While the remaining 20 percent started a business with an initial capital of less than 50 million rupiah, and the remaining 10 percent started with an initial capital of more than 500 million to 10 billion rupiah.Based on the annual turnover generated, most of the selected MSMEs fall into the category of micro or small businesses. Among the selected MSMEs, these are businesses with an average annual turnover of around Rp. 00-Rp. 300 million. There are only a few medium-sized companies with an annual turnover of IDR 2.5 billion to IDR 50 billion. Classification based on the number of similar employees. When measured by the number of employees, most of the SMEs surveyed are also micro or small businesses. Of the 100 small businesses surveyed, 99% had less than 20 employees, but only one had more than 20 employees.

In addition to information about companies, this survey also asked individual respondents who were sources of information about the surveyed SMEs. Most of the individual respondents to this survey fit the expected focus of this survey, namely small business owners. Of the 100 MSMEs surveyed, 81 respondents were direct business owners and 9 respondents were managers or heads of business lines. there were 5 MSMEs filling out questionnaires using information provided by administrative and financial staff, and the other 5 MSMEs were filled in by staff or ordinary staff.

Based on gender or sex, the majority of the 68 respondents were male, while only 32 were female. In terms of age, most of these individual respondents were aged between 25 and 50 years, followed by 77 respondents and 21 respondents aged 50 years and over. Only two young respondents remained under the age of 25. Finally, the majority of these individual respondents have higher education qualifications, based on the most recent educational qualification they completed. That is, 31 people with undergraduate education (Strata 1) and 16 people with diploma-equivalent education (D1/D2/D3). The rest are high school graduates and others.

Data Collection Process: Population, Sample, and Sampling Method

Most of the small businesses surveyed consider financial and accounting information important to their business. To varying degrees, 96% of the 100 surveyed MSMEs indicated how important the impact of financial and

accounting information was in their decision making. Specifically, only a few consider it very important, and 11 umkm consider it very important. Only four indicated that financial and accounting information was not important to their business when making decisions. The importance of financial information in business decisions is primarily related to performance evaluation and business success. A total of 90 companies measure their performance and success using the 'Profit Level' (50 companies) and 'Revenue' (0 companies) indicators which are directly related to financial information. Only 10 companies considered the key number 'number of visitors' to be the cornerstone of their business success or business success.

Financial information is used by MSMEs not only as a basis for evaluating business performance and success, but also for other uses and purposes. Some of the information shows the use of financial information for small businesses. Of the 100 MSMEs surveyed, the majority use financial information as a basis for preparing their business plans for the coming year (36%) and as a basis for making other important decisions. B. Loans to old customers (17%). Interestingly, only a small percentage (5%) of surveyed SMEs use financial information as a basis for preparing company documents to increase debt capital, while the largest percentage (5%) 0%) use financial information as a combination of all purposes. Like above.

Table 2. Utilization of Financial Information Other Than for Measuring Business Performance

DESCRIPTION	TOTAL BUSINESS
Basic Preparation of the next business plan	34
Material considerations for making other important decisions	15
Preparation of company documents for borrowing funds	4
Profit sharing basis	1
Basic tax calculation	1
Others (who choose more than one option for using financial information for their company)	45
	100

Source: researcher data

Status of ownership and conditions of implementation of the accounting information system for SMEs

Although almost all surveyed SMEs consider financial information important, there are still many SMEs that do not record or manage their financial information properly and accurately. Of the selected SMEs, separating company and personal/family finances. Most businesses that do not separate corporate and personal/family financial records are classified as small businesses. That's 27 out of 5 small businesses surveyed. The SME category includes seven other companies. Of the 66 MSMEs that recorded and separated company finances from personal/family finances, most were done directly. There are 9 companies that record financial information, and the preparation of financial reports is carried out directly by the business owner, with or without the help of company

employees. This shows that the owner has full control over all of the company's financial information, from record keeping to administration and preparation of financial reports. Only 10 companies completely outsourced the recording and reporting of financial transactions to financial professionals with accounting and finance skills.

From the table below, there is not a single company that uses the services of a professional accountant for assistance or preparation of financial reports. In this activity, almost all surveyed SMEs are very dependent on the resources they have. This includes the process of conducting an audit of the results of the financial statements prepared. Of the 66 MSMEs that carry out routine financial records, 86% of these companies stated that they had not or had never been audited by an audit firm as an external auditor, 5% of respondents stated that they did not know/did not respond to the audit. I have it. Only 9% said they had been audited by an external auditor.

Table 3. Executor of Recording, Documenting, and Preparing the Company's Financial Reports

DESCRIPTION	TOTAL BUSINESS
Company owner/leader	51
Financial specialist	13
Regular staff/other employees	4
Accounting firm or individual accounting service provider	2
	70

Source: researcher data

The introduction of accounting systems for SMEs is often based on limited or rudimentary knowledge. Of the 70 companies that have good financial records and reporting as described above, said that the process of recording and preparing their financial reports depended on limited owner/employee accounting knowledge. go out. Only 13 companies indicated that their financial reporting performance was based on reasonable accounting knowledge of their owners/employees, followed and complied with applicable accounting standards (eg SAK) Only a few companies demonstrated the rest of the companies were unsure about the quality of financial records and reports made.

Based on financial transaction records maintained by MSMEs, 27 out of 70 companies that keep financial records regularly report that they keep and record all evidence of their company's transactions, other companies collect and record receipts related only to purchase/sale/receipt and cash disbursement transactions only, while the remaining 20 companies said that they kept and recorded other documents related to financial management but unfortunately they did not clearly specify the types of other documents they collected. Meanwhile, in terms of the accounting recording and reporting system implemented by the company, 70 percent of MSME companies that keep

financial records periodically state that they implement an accounting recording and reporting system following the accrual basis, compared to 30 percent of others who keep records using the accrual basis. follow the cash basis.

Accounting recording/bookkeeping activities that are periodically carried out and made by SMEs in general are all activities that directly involve financial transaction activities (the entry and exit of money or merchandise). Of the MSMEs that keep periodic financial records, the results of the study explain that 4 companies or 68 percent carry out more complete recording/bookkeeping of all financial activities which include sales (credit and cash) and cash receipts reports; purchase/procurement of goods; payment and disbursement of cash (cash flow statement); accounting for employee salary payments; preparation of financial reports in accordance with applicable standards and bookkeeping of other assets. Meanwhile, the rest only periodically record one of the bookkeeping activities.

Table 4. Types of Bookkeeping Activities Performed by the Company

DESCRIPTION	TOTAL BUSINESS
Sales Bookkeeping (credit/cash) and Money Receipt Reports	11
Bookkeeping Purchase / Procurement of Goods	2
Bookkeeping of cash payments and disbursements (cash flow statement)	7
Payroll accounting	3
Others (Those who carry out a combination of the bookkeeping activities above in a more complete and comprehensive manner)	47
	70

Source: researcher data

The recording activities carried out have further implications for the types of financial reports prepared by MSMEs. Of MSMEs that make periodic records, only 22.7 percent make complete periodic financial/accounting reports, which include profit-loss reports (reports of income/sales and expenses), reports on changes in capital, balance sheets, cash flow reports. , and notes to the financial statements. Most of these MSMEs, namely as much as 38 percent, only make company profit and loss reports. This amount is almost the same as companies that do not make any financial statements 32 percent periodically, even though the company has previously recorded their financial transactions. From the data generated, it can also be seen that apart from several companies that have prepared complete financial reports, none of the companies believe in the importance of preparing reports on changes in capital and reports on changes in financial position (balance sheet). Overall, this data shows that the financial information that is considered important by SMEs is related to income and costs.

Table 5. Accounting Financial Reports

DESCRIPTION	TOTAL BUSINESS
Income statement	11
Bookkeeping Purchase / Procurement of Goods	2
Cash flow statement	7
Payroll accounting	3
Others (supplementary financial records)	47
	70

Source: researcher data

Problems in managing the accounting system for SMEs

From the discussion above, this study generally found that most MSME stakeholders already know and understand the importance of good financial management through the creation of a good accounting information system, but many still do not understand record keeping and record management. The treasurer submits financial information regularly. This is caused by the many constraints and limitations faced when using and managing accounting information systems in small businesses.

However, inquiries about these issues and constraints are voluntary and not all companies are willing to describe the financial management problems or challenges they face. Only a few respondents were willing to disclose previous challenges. Based on their experience, the constraints and limitations are detailed in the table below. From the data in the table it can be seen that the problems and obstacles faced by MSMEs in managing accounting information systems are: Limited accounting and financial knowledge of staff and owners. In addition, 30% of respondents said that as their company grows, the amount of data they collect and the amount of activity increases, there are many difficulties in the process, mainly due to the lack of staff responsible for preparing financial reports.

It is also believed that this will hinder many opportunities for the company. 20% of respondents said that limited capital makes it difficult to hire reliable employees and manage finances well. This is especially true for employees who use technology-based accounting information systems. In contrast, another 10% of respondents said that their involvement in running a business and managing their finances was disrupted due to the involvement of the owner, which is reflected in the absence of separation in the recording and management of household and business finances. hard times. From the description above, it can be seen that most of these obstacles are caused or caused by a lack of capital and financial resources owned by MSMEs.

Table 6. Problems Faced by MSMEs in Managing Accounting Information Systems

DESCRIPTION	TOTAL BUSINESS
The staff and owner are not very knowledgeable	40 %
Does not have financial management staff	30 %
Have little capital	20 %
Cannot distinguish business financial management and family finances	10 %
	100 %

Source: researcher data

CONCLUSIONS AND SUGGESTIONS

MSMEs are quite important in the Indonesian economy, but several obstacles and constraints limit the company's growth prospects. Previous literature shows that access to finance and capital is one of the main problems hindering the growth of MSMEs in the country. In this case, high loan interest rates and lack of collateral, as well as poor financial reporting, are the main reasons why MSMEs have difficulty accessing credit from banks and other formal financial institutions. requirements imposed by banks, especially those related to sound and reliable financial reporting, often lack the relevant knowledge and skills.

The purpose of this study was to investigate and assess the situation and status of the implementation and use of accounting in commercial sector SMEs in Jember Regency. To achieve this goal, in addition to conducting a literature survey, this study conducted a survey using a structured questionnaire to survey MSMEs in the largest traditional markets which were distributed randomly.
By using a simple descriptive statistical analysis, this study produces the following results:

First, most of the small businesses surveyed understand the importance of financial and accounting information for their business success. The importance of financial information for MSMEs must be considered as a basis for assessing their business performance, as a basis for preparing business plans for the coming year, and as a basis for consideration in making other important decisions. is being used widely.

Second, although most of the selected MSMEs record and report their financial transactions, many MSMEs, especially micro and small businesses, still do not keep financial information that is not separate from their personal/family finances.

Third, of the majority of MSMEs that record and book financial information periodically and separately, most of the implementation practices are carried out directly by the business owners themselves or other employees who generally have limited or simple accounting knowledge. However, only a very few MSMEs actually record and store all documents regarding their business activities and make complete and overall financial reports in accordance with the applicable formal financial accounting standards. Most MSMEs only record and report financial information in a simple way, especially for activities that directly

involve financial transactions (money or merchandise entry and exit) and reports related to receipts and financing (income statements).

Fourth, of the various obstacles and obstacles faced by SMEs, the lack of employees who specifically have accounting skills or qualifications and the lack of facilities that support good financial management are the biggest problems that result in the low quality of most of the existing accounting information systems in the SMEs studied.

Based on these findings, this study deems it necessary to encourage educational institutions to cooperate with the city and provincial governments to conduct training or education programs that are widely accessible for MSME actors regarding the basics of financial management and the creation of a good accounting information system so that it complies with international standards. available formal financial accounting. In addition, educational institutions and the government can also directly assist MSMEs by providing consulting and advisory services to MSMEs who want to create an accounting information system or MSMEs who need an assessment/examination of the practice of implementing and utilizing the accounting information system that they have been running.

In addition to the findings above, it should be noted that this study also has several weaknesses. First, due to limited resources owned by the author, the scope of this research had to be limited in the number of samples, the type of business sector and the size of the area, only 100 SMEs in the trade sector located in three traditional markets. Therefore, it would be better if further studies related to this topic are expanded in scope by increasing the number of samples and the type of business sector, as well as the area coverage to other cities/regencies. Second, this research tries and tries to dig deeper into the factors that influence the successful implementation of MSME financial management information systems, especially MSMEs by using technology and computer programs. Therefore, further explanation of these factors or areas is needed in future research to broaden and improve our understanding of how accounting information systems are used and implemented in SMEs. There are many more advantages for MSME entrepreneurs.

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