The Factors Affecting The Performing Of Indonesian Accounting Standars For Non-Publicly Accountable Entities (Sak Etap) In Smes Assisted By Chamber Of Commerce And Industry (Kadin) Of West Java Province, Indonesia

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Abstract: Micro Small and Medium Enterprises (SMEs) sector gets   more attention from the Government, because the composition of SMEs is large enough in the Indonesian economy when compared to large businesses in order to survive the pandemic. In the framework of national economic recovery (PEN) and given its role as the driving force of the national economy, the government provides various assistance to SMEs. However, there are various problems in SMEs, particularly in arranging of financial statements. The Government has set The Indonesian Accounting Standards for Non Publicly Accountable Entities (SAK ETAP) in   2009, as a guideline for preparing the simple of   financial statements, making it easier financial statements preparation in accordance with the standards. The study objective finds out the influence of the Recording System, education level of owners, enterprises' size, and enterprises' age on performing of SAK ETAP in SMEs. The population in this study is owners of SMEs assisted by the Kadin Province of West Java. Sampling techniques with incidental sampling, namely participants who participated in community service   activities Widyatama university. Technique of data collection uses questionnaires, then analyzed using descriptive analysis and multiple regression analysis. The outcome showed that the Financial Recording System has a effect positively on the performing of SAK ETAP in SMEs, while the education level, enterprises' size, and enterprises' age have no effect on the performing of SAK ETAP in SMEs. Recommendation, related parties (such as the SMEs Institution of West Java Province, Institute of Indonesia Chartered Accountant (IAI) and University) hold the training and socialization of SAK ETAP

Keyword: System of SAK ETAP, Owner's Educational Level, Enterprises' Size, Enterprises' Age

1.   Introduction

The SMEs sector is getting   more attention from the Government, because the composition of SMEs is large enough in the Indonesian economy when compared to large businesses in order to survive the pandemic.   Refer data from the Ministry of Cooperatives and SMEs, about 99% of business units in Indonesia are SMEs, consisting of 6,702 medium enterprises, 783,132 small businesses, and 63.5 million micro enterprises. SMEs contributes to the national gross domestic product (GDP) reached 60.34%. SMEs also absorb about 97% of the total national workforce compared to large businesses (depkop.go.id, September 2, 2020). West Java has SMEs amounting to 4,545,874 SMEs is an economic driver in West Java by absorbing 74% of the workforce. With the large number of SMEs, the impact of the pandemic is felt by most SMEs who then hinder the growth of the national economy. Economic growth inTriwulan II/2020 was minus 5.32%. It is appropriate if various policies show impartiality to SMEs.   In the framework of National Economic Recovery (PEN) and given its role as the driving force of the national economy, the government provides various assistance to SMEs.

If SMEs do not innovate and develop their businesses, then there could be many SMEs who cannot continue their business. For developing their business, SMEs need considerable funding. However, most of SMEs use private capital only in performing their businesses, and there is no separation between personal fund and corporate fund.

The government has provided a program SMEs of financing assistance in the form of Working Capital Credit for SMEs aimed at helping SMEs to improve their business. The first working capital policy is the provision of low-interest working capital loans through the placement of state money in the form of deposits and/or government deposits at partner commercial banks.   The government placed Rp30 trillion of rupiah in partner commercial banks for 6 months. The placement of government funds is done to accelerate the provision of credit, especially for SMEs and labor-intensive industries in order to accelerate the economic recovery of the lower class.   This policy is stipulated in the Minister of Finance regulation No. 70/PMK.05/2020 concerning The Placement of State Funding in Commercial Banks in the framework of National Economy Recovery Acceleration, which is updated with PMK No. 104/PMK.05/2020.

Financial statements are an important requirement for SMEs to be able to access loans from banks (Yanto et al., 2016). Baas and Shrooten (2006) in Rudinatoro and Siregar (2012) mentioned that banks lend to SMEs use two kinds of information, soft information and hard information. Soft information uses relationship lending

techniques, this technique based on trust and a well-built relationship between banks and entrepreneurs. Hard information based on financial statement, as an information of business performance. Financial data from financial statements as well as credit worthiness and background of MSME owners to be evaluated.

But the fact that the performing of financial statements is a difficult thing for SMEs because of the accounting knowledge limitation, the complexity of the accounting process, and the thought that financial statements are not important for SMEs. An educational background that lacks understanding of financial statements, lack of discipline in carrying out the accounting process, and lack of sufficient funds to hire accountants or buy accounting software to facilitate financial statement arranging are other limitations faced by SMEs.

The study on the implementation of SAK provides evidence that the Accounting Standards used as guidelines in the preparation of financial statements are burdensome for SMEs (Wahdini and Suhairi, 2006) so that the Financial Accounting Standards Board (DSAK) in 2009 has signed the SAK ETAP, that would be effective on January 1, 2011. SAK ETAP aims to accommodate the needs of entities that do not have significant publicly accountable entities such as SMEs and Cooperatives.

Particularly, SAK ETAP is used for companies non publicly accountable entities. Then, SMEs will get ease in arranging financial statements and cost efficiency (Dewi 2016). The understanding of SAK ETAP is closely related to the process of providing information and socialization. If entrepreneurs get information and socialization well, then their understanding of SAK ETAP will be better and support the performing process of SAK ETAP.

Although SAK ETAP must be implemented but SMEs still have difficulty to arranging financial statements in complaining with the standards. SAK ETAP is also not so received by SMEs because there are still many SMEs that apply or make very simple financial statements. Most small businesses do not do financial recording, some have very simple and not systematic financial recording, manually or traditionally (Musmini, 2012); (Sagala, 2014).

Entity theory states that the company is a stand-alone business unit separate from the identity of the owner. This means there is a separation between the personal interests of the owner and the enterprise. Thus, transactions / events recorded and accounted for are transactions involving the company. The Company is considered to be acting on its own behalf and interests separate from the owner (Ghozali, 2013). By arranging financial statements in complaining with the standards, SMEs can be eligible to obtain capital needs (credit applications), and as a form of accountability to the parties who provide capital. As well as by compiling financial statements refer to SAK ETAP can reflect the separation between the company's finances and personal money, because the company is a stand-alone business unit separate from the identity of the owner.

This study is to analyze and test factors that affect to the performing of SAK ETAP in SMEs assisted by K ADIN of the West Java Province.

H1: There is an affect significantly of recording system factors on performing SAK ETAP

H2: There is an affect significantly of education level factors on performing of SAK ETAP

H3: There is an affect significantly of enterprises' size factors on performing of SAK ETAP

H4: There is an affect significantly of enterprises' age factors on performing of SAK ETAP

2. Theoretical Framework

2.1. Indonesian Accounting Standards for Non Publicly Accountable Entities (SAK-ETAP)

Based on the statement of Institute of Indonesia Chartered Accountant – IAI (2009), SAK ETAP are used for non-publicly accountable entities. They are:

1. Lacks significant publicly accountable;
2. Issue the general purpose financial statements for external users.

Financial statements arranged by an entity should later state that the financial statements have been declared that complaining to the accounting standards used, whether SAK ETAP or PSAK. SAK ETAP is applied effectively for financial statements beginning on or after January 1, 2011.

According to Institute of Indonesia Chartered Accountant (2009) SAK ETAP's financial statements consist of: balance sheet, income statement, statements of equity changes, and cash flow statement.

The accounting cycle of financial statements to compile SAK ETAP financial statements (Priyatno, 2009) starts from:

1. Identify cash receipt transaction
2. Identify cash expenditure transaction
3. Create the journal

4.Post a journal to a general ledger
5.Create balance sheet
6.Create an adjustment journal
7.Develop a lane balance
8.Create closing and reversing journals
9.Making financial statements

2.2. Factors Affecting the Performing of SAK ETAP

Educational level is the level of education owned by SMEs owners. Indicators of education level (Rudiantoro & Siregar, 2012) are education obtained from formal education, among others: Elementary School (SD), Junior High School (SMP), High School (SMA), and Diploma and Bachelor.

Enterprises' Age is the length of time taken by the business in running its business to show its competitive ability. The age of the company is the length of time a company has stood and run its business operations that can be declared in years (Rudiantoro & Siregar, 2012).

Enterprises' size of the company is grouped into several categories, namely small enterprise, medium enterprises, and large enterprises. This is a measure used to reflect the scale of the enterprise based on total sales, total assets, average level of sales (Seftianne, 2001)

The use of information systems, Unified Theory of Acceptance and Use of Technology (UTAUT) states that "the determinant of information technology users one of them is social influence that is the extent of an individual's perception of the belief of others in using the new system" (Vankatesh et al.2003 in Winarko & Mahadewi, 2013). This theory also explains that the adoption of information systems can be used if there are conditions that support (facilitating condition). Implementation of SAK ETAP can be carried out if there are conditions that support (facilitating condition).

2.3. Micro, Small and Medium Enterprises (SMEs)

SMEs can be categorized into three mainly based on the number of assets and turnover as stated in the Law of the Republic of Indonesia, (2008) as follows:
1.Micro enterprise, max assets. 50 Million Rupiah and max Sales of 300 Million Rupiah.
2.Small Business assets max. 500 Million and max Sales. 2.5 Billion Rupiah.
3.Medium business assets max. 2.5 Billion and max Sales. 50 Billion Rupiah.

3. Methodology

This research will take place or research location in West Java, especially micro, small and medium enterprises that follow community service activities (PkM) Widyatama University. The research was held in February 2021.

Population and Research Samples, Population is a collection of individuals or research objects that have certain qualities and characteristics or traits set by the research to be studied and then drawn conclusions (Sugiyono, 1999). Based on these quantities and traits, populations can be understood as a group of individuals or observation objects that have at least one characteristic equation (Cooper and Schindler, 2014).

The population in this study is Micro, Small and Medium Enterprises assisted by chamber of Commerce and Industry (KADIN) of West Java Province, Indonesia.. The population of this study is several businesses from each field. Sampling techniques with incidental sampling, namely participants who participated in community service activities Widyatama University

This study use primary data. Primary data specifically collected in research to answer research questions (Indriantoro, 2002). Primary data is obtained through questionnaires that contain a list of questions that have been prepared and distributed to respondents.

4. Result and Discussion

The population and samples used by this study are SMEs in the West Java Province. The majority of respondent are micro and small enterprises. Based on the results of the questionnaire dissemination, many micro and small enterprises still do not have an accounting recording system that can reflect the real condition of micro and small enterprises.

Recording System Factors, based on the output of the hypothesis test H1, describe the recording system affects positively the performing of SAK ETAP is accepted. The recording system in this study refers to technology used traditionally, manually and computerized based.

That is in line with Unified Theory of Acceptance and Use of Technology (UTAUT), the adoption of information systems can be used if there are facilitating conditions.

Education Level Factor, based on the output of the hypothesis test H2, that the owner's education level affects positively to the performing of SAK ETAP in SMEs is rejected. The results of the data analysis in this study, it can be concluded that owners' education level has no affecting to the performing of SAK ETAP in SMEs.

The owners' education level is the last formal education owned by the owner of SMEs, formal education of SMEs owners has no effect on the knowledge of financial recording, because accounting knowledge is more especially obtained if one obtains learning about the material. The results of this study are not aligned with Human Capital Theory (Becker, 1965) that education instills science, skills, and values into humans so that they can increase their learning and production capacity. The results of this study show that the level of formal education of the owner has no affecting the performing of SAK ETAP.

The Enterprise's Size Factor, based on the output of the hypothesis test H3 that the enterprises' size affects the performing of SAK ETAP in SMEs is rejected. The results of the data analysis in this study, it can be concluded that there is no affecting significantly of enterprises size to the performing of SAK ETAP in SMEs.

This is in contrast to Gray (2006); (Rudiantoro and Siregar, 2012) that the larger size of the enterprises implies to have greater resources and is also better able to hire employees with better skills. From this opinion, it can be interpreted as the larger size of enterprises, that can hire employees specialized in accounting, thus supporting the performing of SAK ETAP.

Enterprise's Age Factor, based on the output of the hypothesis test H4. the enterprises' age affects the performing of SAK ETAP in SMEs is rejected. Various previous studies have different research results, Holmes and Nicholls (1988) stated that the life of the business negatively affects the preparation and use of accounting information, the results of the study stated that companies that stand for 10 years or less, provide more information on statutory accounting, budget accounting information, additional accounting information for use in decision making, in contrast to companies that stand 11-20 years. The study also states that the younger the age of the company there is a tendency to express extensive accounting information for the purpose of making decisions compared to older companies, it is in line with the results of Rudiantoro and Siregar (2012). While Das and Dey's (2005) found a positive influence on the frequency of regular bookkeeping, the results are in line with Astuti's research (2007).

The results of this study found that the life of the business has no effect on the implementation of SAK ETAP in SMEs, the longer business life gives an advantage in terms of having a structure and a routine process that disciplines every action of the company, but there are also businesses that have long standing but do not record financial statements. While there is a new business standing already doing the recording of financial statements, refer to Rudiantoro and Siregar (2012) that the new business stands will encourage an entrepreneur to be more actively looking for information and ways to be able to develop his enterprise in the future.

5. Summary and Further Research

The recording system affects the performing of SAK ETAP. This means that the better the recording technology system, the better the performing of SAK ETAP in SMEs. The other 3 factors: the Education Level, Enterprises' Size and Enterprises' Age. The result showed no affecting to the performing of SAK ETAP.

The study finding show that there is no affecting of Education level to the performing of SAK ETAP in SMEs. Therefore the efforts that can be made so that SMEs can implement SAK ETAP is to provide knowledge from related parties that can provide socialization of SAK ETAP (such as SMEs of West Java Province, and the Indonesian Accountant Association (IAI)) is expected to be able to provide socialization and training.

Further research can focus on small and medium-sized enterprises because micro enterprises may need accounting standards that are much simpler than SAK ETAP. Small and medium-sized enterprises may need more SAK ETAP to generate financial statements.

In this study, the determining factor in Unified Theory of Acceptance and Use of Technology (UTAUT) theory used only determining factors of supporting facilities, in the next study can use the four factors in UTAUT theory: expectations of performance, expectations of efforts, social influence, and supporting facilities.

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