The Effect of SAK ETAP Implementation to the Use of
Accounting Information at SMEs in Banyumas Region,
Central Java, Indonesia

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Abstract: The aim of this study is to analyze the implementation of SAK ETAP and its influence on the use of accounting information on SMEs, especially in Banyumas region, Central Java, Indonesia. A survey method using questionnaires to 82 SMEs scattered in the Banyumas region used in this study. The independent variable in this study is the application of SAK ETAP for SMEs, and the use of accounting information as the dependent variable. Data analyzed using OLS. The results showed that there was positive effect between SAK ETAP implementation on the use of accounting information to SMEs in the Banyumas region. The preparation of financial statements in accordance with accounting standards will produce a valuable report, and it will improve the performance of SMEs. The study was limited to done in the district of Banyumas, Central Java, where most of the businesses included in the micro and small categories. Future research should be able to analyze other variables that may affect the use of accounting information, such as the assessment of external parties and can be done within the scope of the broader research area. The results of this research are valuable because the use of accounting information will lead the more appropriate business decisions and useful for SMEs business development.

Keywords: small and medium enterprises; SAK ETAP; accounting information; performance.

JEL Classification: M20; M41

1. Introduction

Accounting becomes important in a company, whether small-scale or large-scale enterprises. Companies that conduct financial records will be able to set up operations properly. Company owners who take records of financial discipline can

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also take a more precise business decisions by using financial statements as a source of reliable information (Klapper, 2006; Fishman and Love, 2003).

The Indonesian Financial Accounting Standards Board (DSAK) in 2009 has adopted the Accounting Standards for Entities without Public Accountability (SAK ETAP). SAK ETAP is effective as of 1 January 2011. The use of SAK ETAP is intended for entities without public accountability of the entities that do not have significant public accountability, and entities that publish general purpose financial statements for external users.

This standard is packed quite compact when compared with Financial Accounting Standards (GAAP). The presence of this standard can be a reference that is easier for a wider audience for the preparation of financial statements which can be generally accepted. Therefore, this study aimed to examine the influence of implementation of SAK ETAP to the level of use of accounting information on SMEs, especially in Banyumas, Central Java, Indonesia.

2. Literature Review

Micro, Small and Medium Enterprises (SMEs) and Accounting

Lucky and Olusegun (2012) states that entrepreneurship is different from SMEs. Entrepreneurship is a process for creating SMEs and businesses, while SMEs only represents a business or businesses in small and medium sizes. Meanwhile, the Central Bureau of Statistics (BPS) Republic of Indonesia defines micro enterprises as business entities which have a workforce of less than 5 people, including family members who are not paid; small business as a business entity which has a workforce of 5 to 19 people with sales of no more than 1 billion per year; and medium-sized businesses as a business entity which has a workforce of 20 to 99 people and has a wealth of not more than 500 million excluding land and buildings.

American Accounting Association (AAA) defines accounting as the process of identifying, measuring, and reporting economic information to allow for assessment and decision clearly and expressly for those who use the information. According to the American Institute of Certified Public Accounting (AICPA) Accounting as the art of recording, classifying, and summarizing a particular way in the monetary size, transactions and events are generally of a financial nature, including interpreting the results. Accounting is also an information system that measures business activity, process the data into reports, and communicating the results to decision makers.

Accounting Standards

Accounting standards are concepts, principles, methods, techniques, and others were deliberately chosen on the basis of conceptual framework by the agency standard setters or authorized to applied in an environment or state and put in the form of

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official documents in order to achieve the objectives of financial reporting countries. Accounting standards intended to ensure that the quality is high comparability between enterprises. Meanwhile, accounting standards also provide flexibility (discretion) for enterprises to choose the most appropriate accounting treatment with the condition of business entities.

There are several reasons why the accounting standards were made. First, the standards provide information about the financial position, performance, and implementation of a company to the users of accounting information. This information is considered to be clear, consistent, reliable, and comparable. Second, provide guidelines and standards for public accounting measures that allow them to apply prudence and freedom in selling their expertise and integrity of the audit reports and the company proves the validity of these reports. Third, the standards provide a database to the government on a range of variables that are considered very important in the implementation of taxation, regulation of enterprise, planning and economic regulation, as well as increased efficiency and other social goals. And fourth, standards foster interest in the principles and theories for those who have a concern in the disciplines of accounting (Ramanna & Sletten, 2009).

The Implementation of Financial Accounting Standards Entities without Public Accountability

Financial Accounting Standards for Entities without Public Accountability (SAK ETAP) is intended to be used entities without public accountability. Entities without public accountability is an entity that does not have significant public accountability; and publish general purpose financial statements (general purpose financial statements) for external users. Examples of external users is the owner who is not directly involved in managing the business, creditors, and credit rating agencies.

| IMPLEMENTATION OF SAK ETAP | THE USE OF ACCOUNTING INFORMATIION | INCREASED SMEs PERFORMANCE |
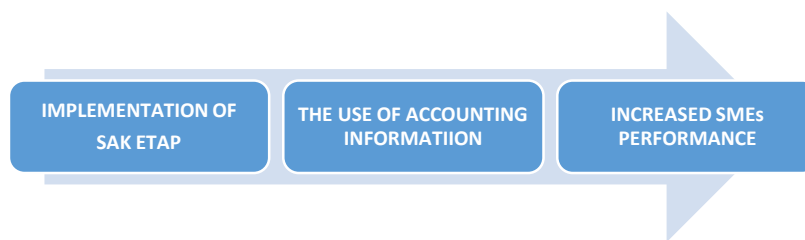
Figure 1. Research Framework

Meanwhile, the application referred to in this study was the work of SAK ETAP practice in the preparation of financial statements, starting from the balance sheet, income statement, cash flow statement, statement of changes in equity, and notes to the financial statements.

Accounting Information

Accounting information is defined as information statutori, budget information, and additional information resulting from the accounting process and used as the basis in making decisions. Statutori information consists of a balance sheet, income statement, statement of changes in equity and cash flow statement. Budget information consists of information about the budget of income and cash flow budgets. Additional information consists of information report the cost of production and financial ratios. The use of accounting information is defined as the use of data accounting information by internal and external parties for the company's strategic planning, management control, operational control and decision making (Son & Marriott, 2006; Amoako et al., 2014).

Hypothesis Development

The main problems are the focus in the development of small and medium micro enterprises is about financial management. There are some, in a little number, of SMEs which do not keep records of financial transactions and preparing financial statements correctly. They are constrained by the lack of understanding and knowledge of SAK ETAP.

Financial Accounting Standards Entities without Public Accountability (SAK ETAP) issued by the Indonesian Institute of Accountants (IAI) was unfamiliar to the some of SMEs, so that the application of SAK ETAP is also inadequate. Research about the quality of the financial statements and the prospect of SAK ETAP implementation proves that prospects for the implementation of ETAP to the improvement of the quality of GAAP financial statements of SMEs may not yet be achieved optimally. Similarly, the study Kristanto (2011) preparation of financial statements in accordance with GAAP SMEs ETAP yet.

Accounting information resulting from transaction records and financial statements are useful as consideration in business decision making. The use of accounting information that not optimal yet will led the unappropriated business decision-making and it will have an impact on business continuity.

Thus, the hypothesis in this study:

The implementation of SAK ETAP will affect the use of accounting information on SMEs in Banyumas, Central Java, Indonesia.

3. Research Method

Type and Research Object

The type of this study is survey research, conducted to obtain facts about the symptoms of the problems that arise. Object under study in this research is knowledge ETAP SAK, SAK ETAP implementation and use of accounting information on SMEs in Banyumas, Central Java, Indonesia.

Population and Sample

The population in this study are all Micro, Small and Medium Enterprises (SMEs) in Banyumas Region, Central Java, Indonesia. Sampling was done by saturated sample, the sampling technique when all members of the population used as a sample. Sampled SMEs are SMEs that have made financial statements.

Data Collection and Processing

The data used in this study are primary data. Primary data refers to information obtained first hand by researchers associated with the variable interest for the specific purpose of the study. Methods of data collection was conducted through questionnaires. The questionnaire is a list of written questions that have been formulated in advance to be the respondent replied, usually in a clearly defined alternative. The questionnaire used in this study was a questionnaire enclosed so that respondents just choose the option deemed most appropriate answer.

The data is then processed using OLS analysis having previously tested the validity and reliability by using product moment correlation technique and Cronbachs's Alpha. OLS model used in this study are:

The use of accounting information $= \alpha + \beta_{\text{Implementation of SAK ETAP}} + \varepsilon$

Implementation of SAK ETAP as an independent variable in this study was the work of SAK ETAP practice in the preparation of financial statements, starting from the balance sheet, income statement, cash flow statement, statement of changes in equity, and notes to the financial statements. This variable was measured with a modified questions that was adopted from the instrument developed by Dewi (2012). Respondents' perceptions of these variables were measured using a Likert scale of 1 to 5.

The dependent variable in this study is the use of accounting information in the form of data usage accounting information by the parties to the internal and external companies for strategic planning, management control, operational control and decision making. Perceptions of respondents to variable usage accounting information is measured using a Likert scale of 1 to 5.

4. Research Result

Respondents Overview

Micro, Small and Medium Enterprises (SMEs) in Banyumas, Central Java sampled in this study is a company engaged in trading and manufacturing, some 82 companies. The data used in this research is primary data obtained through questionnaires. Respondents in this study is a manager or employee who served as the company's financial record-keeping force.

Data analysis

Testing instruments covering research validity and reliability of data. Test the validity of the data is intended to express the extent to which the data are collected in the questionnaire will measure what to measure. In this study the validity of the data examined by comparing the value of r_{count} from Pearson correlation with r_{table}, with a level of significance of 95% or $\alpha = 0.05$. If the value of the r_{count} is greater than r_{table}, it can be concluded that the research instrument is valid.

Once all the items the question is valid, then the next question item was tested reliability. Reliability is used to show consistency when the instrument is tested back. To test the reliability of the data is done by comparing the value of Cronbach's Alpha with r_{table}. If the value of Cronbach's Alpha greater than the r_{table}, it can be concluded that the research instrument is reliable. From the validity of the test results, all data has a r_{count} value greater than r_{table} (0.265) so that it can be concluded that the research instrument are valid. Meanwhile, the reliability calculation results show that the value of Cronbach's Alpha for each variable is greater than r_{table} (0.334), and can be concluded that the items instruments for each variable is reliable.

Discussion

The hypothesis that the application of SAK ETAP affect the use of accounting information on SMEs in Banyumas, Central Java, Indonesia tested using OLS analysis. OLS models produced are:

The use of accounting information = 3,245 + 0,067$_{\text{Implementation of SAK ETAP}}$ **+ ε**

SAK implementation of ETAP to the SMEs in Banyumas successfully supported by the data affect the use of accounting information. T values obtained amounted to 0.067 and a positive value, so it can be concluded that the variable application of the SAK ETAP positive effect on the use of accounting information. In addition, the results of statistical tests also indicated that the value of significance for the implementation of ETAP SAK worth 0.047. This means that the value obtained is smaller than the significance level of 0.05. In other words, the application of SAK ETAP on SMEs in Banyumas significantly affect the use of accounting information.

Tabel 1. Summary of Statistics Testing Result

F_{test}	0,234
T_{test}	0,067
Sig.	0,047
Cronbach Alpha for reliability test	0,334
Pearson Correlation for validity test	All more than 0,265

The results are consistent with the results of the study Rebecca and Benjamin (2009); Son and Marriott (2006); and Wahdini and Suhairi (2006) who found that the preparation of financial statements in accordance with accounting standards will produce a report which has the added value the better. The increased added value will ultimately increase the use of accounting information and the performance of the SMEs concerned.

5. Conclusion

This study aimed to analyze about the implementation of SAK ETAP and its influence on the level of use of accounting information on SMEs, especially in Banyumas region, Central Java, Indonesia. The study use a survey method questionnaires to 82 SMEs are scattered in the district of Banyumas, Central Java, Indonesia. The independent variables in this study consisted of the application of SAK ETAP for SMEs, and the dependent variable is the level of use of accounting information as the dependent variable. Data analysis was done using OLS.

The results show that there is a positive influence between SAK ETAP implementation on the level of use of accounting information to SMEs in the region Banyumas, Indonesia. Results also showed that the use of accounting information can help improve the performance of SMEs. This study was limited to being done in the district of Banyumas, Central Java, where most of the businesses included in the micro and small categories. In addition, the variables used in this study is also just a variable application and knowledge SAK ETAP only. Future studies will be able to analyze other variables that may affect the use of accounting information, such as the assessment of external parties and can be done within the scope of the broader study area.

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