

Training and Assistance for the Preparation of ETAP Based Financial Report

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Abstract—Community service as a form of the Tridharma of Higher Education, aims to provide skills and knowledge as well as understanding in making ETAP-based financial reports to Binong Jati knitted SMEs business actors. The training and mentoring method uses action research. The Implementation Team carried out activities to provide material to participants while conducting analysis for problem solving they faced. The method is delivered with lectures, interactive Q&A, demonstration in solving cases. Based on the Q&A at the beginning of the activity, it was revealed that the obstacles faced by the majority of the training participants were limited capital and marketing problems where one of the factors was the inability to compile comprehensive financial reports regarding the business being carried out so that financial reports that only provided information on revenues and expenses did not can get a loan from the bank. Based on the identification of these problems, providing knowledge and skills in preparing MSME financial reports is very appropriate, because with the skills to prepare financial reports, participants are expected to be able to make financial reports, so that knitting business actors can obtain loans from banks. The enthusiasm of the participants to overcome their business problems was very high, as evidenced by the participants asking a lot of questions about the material presented. there is some hope from the participants to continue this activity by providing assistance until the financial statements they make are complete and eligible to apply for financing to the bank.

Keywords—training and mentoring, ETAP-based financial reports, MSME business actors

I. INTRODUCTION

In the preliminary survey and conducting interviews with the Chairperson of RW 3 Binong Jati who is also a knitted MSME actor, Mr. Yamanto (2020), that MSME actors knitted binong Jati who are members of cooperative association, the industry the knitting majority have not recorded or recorded books that refer to accounting based on ETAP (Entity Without Accountability Public), an activity accounting intended for Small and Medium Enterprises, and this standard is a useful breakthrough because it is quite concise and easier implemented by SMEs. Although it is quite concise, general principles must still be carried out as in other types of business. With the existence of these financial reporting standards, it can certainly be a simpler reference and more easily accepted by a wider range of entrepreneurs.

The benefits obtained for small and medium-sized entrepreneurs if they are able to fulfill matters related to financial reporting or accounting are the creation of a healthy business climate on a small and medium scale business. This will support the people's economic strength which will be stronger in the future because these small businesses have the hope of developing into a bigger one. Based on the description above, the Unisba community service team will provide training and assistance in making ETAP-based accounting financial reports, with the aim of improving the skills of traders or MSME actors so that they have skills or abilities about ETAP-based accounting practices that will be applied to their businesses. These MSME actors can have an understanding of the financial position of their business and improve their

business performance based on their business financial statements.

The method used in applying this understanding of ETAP-based accounting is to provide training and assistance, monitoring and evaluation of programs/activities by the proposing team and at the end of the program it is hoped that partners will be able to record transactions and financial reporting in accordance with ETAP-based accounting standards and facilitate SMEs in conducting capital financing to banks is good for company expansion. The activities of Knitting in Binong Jati show in figure 1 bellow.



Fig. 1. Knitting activities in Binong Jati.

A. Partner Problems

One of the internal problems faced by MSMEs is the inability to make financial reports or bookkeeping that refers to accounting based on ETAP (Entity Without Public Accountability), which is an accounting activity intended for Small and Medium Enterprises [1], The inability of MSMEs to make ETAP standard financial reports has an impact on the difficulty of accessing capital and investment from outside parties, especially from banks as the official body in financing MSMEs.

Based on the situation analysis of the target audience of PKM partners and the programs that are being and will be implemented on MSMEs in the Binong Jati Knitting Industry Center, Bandung City, the partner problems will be explained as follows table 1:

TABLE I. PKM PARTNER PROBLEMS

| No. | Accounting Record |
|-----|--|
| 1 | Not yet able to provide standardized financial reporting Accounting ETAP |
| 2 | There is still a limited understanding of bookkeeping in managing finances |
| 3 | limited knowledge, partners have difficulty in applying for credit to financial institutions |
| 4 | Most partners do not know how to read financial statements and know the financial position of their business |

Based on observations and observations and the results of situation analysis and identification of problems What happens, the main target of the proposed activity is the utilization of the potential that exists in the community MSME knitted in Binong Jati There are several factors that hinder MSMEs in the Binong Jati industrial center so that access to financing is their

intestines to the Bank [2] with various other conditions that must be met is difficult, this is because including:

The MSMEs in the Binong Jati Knitting Industry Center, the majority of MSMEs have not made standardized financial reports based on ETAP so that accountability and transparency financial reporting is still far from expected.

Lack of knowledge of MSMEs, on the preparation of practical and good financial reports and reading the contents of financial reports to calculate financial ratios.

Human resources for the accounting field are very lacking. This limitation occurs because MSMEs on average have education up to high school (table 2).

TABLE II. SOLUTIONS TO PKM PARTNERS

| Problems Problem | Solutions |
|---|---|
| Partners are not able to make good bookkeeping based on ETAP | Provided training and assistance on how to make ETAP standardized bookkeeping |
| Still limited understanding of partners in reading reports financial | Training on presentation and interpretation of the types of financial information contained in ETAP-based MSME financial reports |
| Partners are hampered in carrying out procedures and analyzing the preparation of financial reports addressed to the Bank | Training and assistance in preparing financial report procedures intended for financing to banks or other official financial institutions |

II. IMPLEMENTATION METHODS

Method of activity used in this community service is the action research method, which is a method used by carrying out activities while solving problems faced by participants. *Action research* in the traditional view is a problem-solving framework, where collaboration occurs between researchers and *clients* in achieving goals [3], while Davison, Martinsons and Kock [4] argues that action research, as a research method, was founded on the assumption that theory and practice can be closely integrated. Thus, *action research* connects theory with practice.

The approach method in the training program carried out is:

- First, collect data on partners to what extent the partners understand about bookkeeping/accounting so that the condition of the partners' knowledge of the business they are running can be known by pretesting first.
- Conducting the first teaching in the form of theory about the basics of accounting and accounting. how to prepare good financial reports.
- Doing the second teaching in the form of basic accounting theory for MSMEs based on ETAP (Entity Without Public Accountability), how to carry out accounting for MSMEs and making financial reports for their businesses.

- Conduct discussions between resource persons and training participants on cases that occur and look for problem solving.
- Partners are provided with assistance in practicing preparing financial reports for their businesses.
- Partners are given assistance in preparing their business financial reports and proposals for credit applications to develop their businesses.

III. RESULTS AND DISCUSSION

A. Results

1) *Characteristics of participants:* Participants who attended this training were a total of 22 participants consisting of BINONG JATI knitting SMEs, which on average have machines as capital to operate in knitting. Most of the participants were male at 86% and the rest were female at 14%, see the figure 2 below.

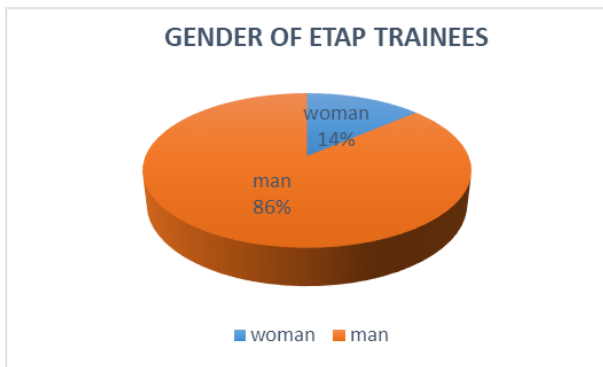


Fig. 2. Gender of ETAP Trainees

The average age of participants in ETAP-based bookkeeping training at Knitting Binong Jati is aged 20 – 29 (4.54%), 30 – 39 (4.54%), 40 – 49 (40.91%) and aged 50 – 59 by 50%. Based on the data above, the average majority of trainees are over 40 years old at 90.91%, see the figure 3 below.

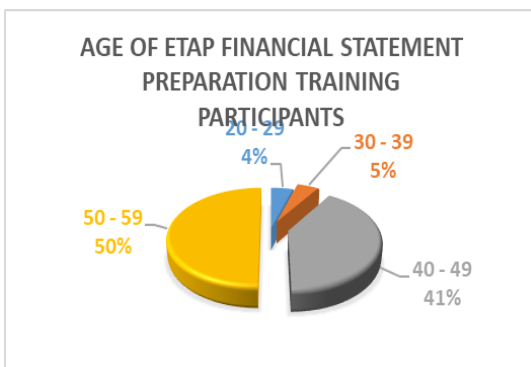


Fig. 3. Age of Etap-based bookkeeping training participants.

Meanwhile, the average education of ETAP-based bookkeeping training participants is with a high school education of 90.91%, 4.54% for undergraduate and 4.54% for Diploma (See figure 4).

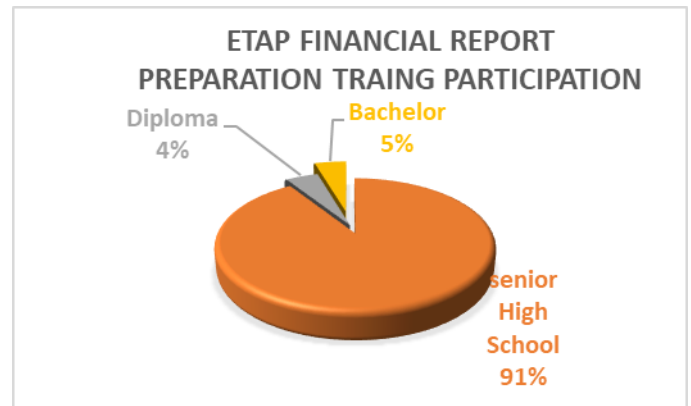


Fig. 4. Education of Participants in ETAP-Based Bookkeeping.

2) *Success indicators:* Prior to the training, we measured the participants' pretest on their ability to prepare financial reports with the following Table 3: to prepare financial.

TABLE III. PREPARE FINANCIAL REPORTS

| Questions | | Pretest | | Post-test |
|--|---|---------|---|-----------|
| Do you understand how statements and how much % | 1 | 63.64% | 1 | 0% |
| | 2 | 13.64% | 2 | 0% |
| | 3 | 18.18% | 3 | 45.45% |
| | 4 | 4.54% | 4 | 50% |
| | 5 | 0% | 5 | 4.55% |
| Have you ever/understood how to make a profit and loss statement | 1 | 59.09% | 1 | 0% |
| | 2 | 13.67% | 2 | 0% |
| | 3 | 18.18% | 3 | 63.67% |
| | 4 | 9.09% | 4 | 22.73% |
| | 5 | | 5 | 13.67% |
| Do you understand how to calculate/calculate the cost of products in the manufacture of knitwear | 1 | 72.72% | 1 | 0% |
| | 2 | 13.64% | 2 | 0% |
| | 3 | 13.64% | 3 | 45.45% |
| | 4 | 0% | 4 | 40.91% |
| | 5 | 0% | 5 | 25% |
| Do you understand how to calculate cost of goods sold? N | 1 | 72.73% | 1 | 0% |
| | 2 | 18.18% | 2 | 0% |
| | 3 | 9.09% | 3 | 54.55% |
| | 4 | 0% | 4 | 27.27% |
| | 5 | 0% | 5 | 18.18% |
| Do you understand how to make a financial statement of financial position/Balance Sheet | 1 | 72.73% | 1 | 0% |
| | 2 | 13.64% | 2 | 9.09% |
| | 3 | 9.09% | 3 | 59.09% |
| | 4 | 4.53% | 4 | 13.64% |
| | 5 | 0% | 5 | 18.18% |

Based on the pretest and posttest, it was seen that there was a very good development, that at first they did not understand financial statements, but after being given training there was increased knowledge from those who did not know to know. After training in the preparation of financial reports, it is continued with supervision/monitoring of the implementation

of financial reports that have been prepared by knitted cooperatives and SMEs who were present at the training.

After the implementation of the financial statements, it is continued by assessing the ability of the management or knitting employees in preparing financial reports. This ability is measured by an assessment score on the financial statement products that have been prepared, namely the balance sheet, operating results report and cash flow statement. Meanwhile, the usefulness of the activities is assessed from the attitude of the knitting actors and cooperative employees towards the activities carried out.

B. Discussion

Financial reports or financial reports on cooperatives based on cooperative law no. 17 of 2012 article 37 states that the cooperative's financial statements which at least consist of the final balance sheet and the calculation of the results of the operations of the financial year concerned and an explanation of the document, furthermore in the law it is stated that the financial statements as intended are made based on the Accounting Standards The applicable [5].

Financial accounting standards the currently applicable Financial Accounting Standards are Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) intended for use by entities without public accountability. An entity without public accountability is an entity that: (a) has no significant public accountability; and (b) issuing *general purpose financial statements* for external users [5]. Based on SAK ETAP, the required financial statements include: Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows; and notes to financial statements. The Binong Jati knitting cooperative is part of an entity without public accountability, so it should implement SAK ETAP. However, many cooperatives have not yet implemented SAK ETAP. With this training, participants are given how to prepare financial reports based on SAK ETAP.

Training activities for preparing Financial Reports based on SAK ETAP For MSME actors, knitting binong teak can be carried out well. This can be seen from the attendance of participants, the discussion process, the practice of preparing financial reports, and evaluation of activities. There were 22 participants (88%) of the 25 invited participants who could be categorized as good. The discussion process that occurred in this training activity ran in an orderly, directed and interesting manner, seen from the active participation of participants in asking questions and expressing their opinions When the practice of preparing financial reports was also going well, it could be seen from the persistence of the participants in working on the cases given by the instructor.

The success of the training can also be seen from the ability of knitted regional administrators or cooperative employees in preparing *financial reports* and the usefulness of activities. The ability of knitting actors, management and employees of cooperatives in preparing financial reports is measured by an

assessment score on the financial statement products that have been prepared, namely balance sheets, reports of operating results and reports of cash flows. Meanwhile, the usefulness of the activity was assessed from the attitude of the actors of Binong Jati knitted SMEs, cooperative employees, management towards the activities carried out.

Based on the results of the pretest and posttest, it can be seen that the score for assessing the ability of participants, in this case knitting SMEs, cooperative administrators, of 22 participants, who had a score above 80 were 12 participants (54.55%), while those who obtained between 60-79 were 9 people (40.91%), who got below 60 were 1 (4.55%), so overall it can be calculated that 95% of participants are quite capable in preparing financial reports financial reports ().

The usefulness of the activity is assessed from the attitude of the perpetrators of knitted Binong Jati SMEs, management or employees of the cooperative in the training process. There are four aspects that are measured are aspects of participation, motivation aspect, the aspect of cooperation, and aspects of the initiative [6]. Score attitude score is above 80, which means the training preparation of financial statements for the management or employees of the cooperative to be well received. From table 4.3 it can be seen that almost all of the 22 participants stated that this activity was very useful in increasing knowledge in preparing financial reports and almost all of the participants had actively participated, had motivation, could work together and took the initiative in the process of training activities.

IV. CONCLUSIONS AND SUGGESTIONS

Based on community service that has been given to knitting business actors in Binong Jati, it can be concluded that MSMEs in the region The industry Binong Jati knitting in general only records income and expenses using petty cash and has not implemented Financial Reports that are in accordance with the Financial Accounting Standards for Entities Without Public Accountability (ETAP), and from the results of service it is found that the obstacles faced are not making ETAP-based financial reports due to the low level of human resource capability in compiling financial reports, this can be seen from the average education level of the majority of high school students as much as 90.9% so that accounting knowledge is still limited which results in each recording only being done for information related to revenues and expenses. Suggestions conveyed during the training of MSME actors are strived to always write down every sale, purchase or expenses and obligations that are expected to always be recorded so that recording errors do not occur and it is hoped that MSMEs can apply Financial Reports that are in accordance with Financial Accounting Standards for Entities Without Public Accountability (SAK). ETAP) so that MSME actors can make good decisions and develop their businesses to be even bigger.

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