International Journal of Economic Integration and Regional Competitiveness
Homepage : https://e-journal.antispublisher.id/index.php/IJEIRC
Email : admin@antispublisher.com

e-ISSN : 3032-1301
IJEIRC, Vol. 3, No. 4, April 2026
Page 41-55
© 2026 IJEIRC :
International Journal of Economic Integration and Regional Competitiveness

Implementation of Accounting in Financial Control in Elvala Bawang Distributor MSME's in Krian District

Ayu Kurniawati Aplan[1], Nihlatul Qudus Sukma Nirvana[2]
[1,2]Muhammadiyah University of Sidoarjo, Indonesia

DOI : https://doi.org/10.61796/ijeirc.v3i4.516

Sections Info

Article history:
Submitted: January 20, 2026
Final Revised: February 18, 2026
Accepted: March 08, 2026
Published: April 27, 2026

Keywords:
MSME's
Accounting
Financial controllership

ABSTRACT

Objective: *This study aims to identify and analyze the extent to which accounting implementation support financial control in MSME's.* ***Method:*** *MSME's have an import role in the Indonesian economy admist increasingly Competition in the global economy but still face obstacles such as limited capital san low understanding of accounting so that financial recording is not yet optimal. Therefore, the implementation of good accounting and financial control is very necessary so that businesses are more efficient, transparent, reduce financial risk and support business decision-making for MSME's owner.* ***Results:*** *That research reveals that accounting practices remain rudimentary and do not yet comply with established accounting standarts where accounting is still done simply. Thus Financial control is not yet running optimal due to the absence of a structured recording system. Monitoring of cash flow and inventory remain weak, leading to a potential for error and fund leages.* ***Novelty:*** *Improvements in the recording system and an increase in accounting understanding are required to make financial control effective.*

INTRODUCTION

The increase in the global economy in the past few years shows that the dynamics of competition are increasingly competitive. In the midst of these competitive dynamics, the Micro, Small and Medium Enterprises (MSMEs) sector plays an important role as a driver of the country's economic growth in developing countries such as Indonesia. The government provides great support to Micro, Small and Medium Enterprises. So that MSME businesses are expected to develop more and can absorb a lot of labor in an effort to improve the national economy[1]. The definition of MSMEs regulated in the Law of the Republic of Indonesia No. 20 of 2008 that Micro, Small and Medium Enterprises are productive businesses that can be owned by individuals and individual business entities domiciled in Indonesia with MSME business criteria as stipulated in the Law[2].

Based on a source from the Ministry of Finance, the Directorate General of Treasurer, MSMEs in 2024 recorded that MSMEs have contributed around 61 percent of the National GDP, which shows a vital role for the Indonesian economy, thus making it the backbone of national economic growth and 123 million have succeeded in absorbing the workforce[3]. The government decided to simplify the classification of business categories for MSMEs in Indonesia to facilitate the acceleration of business capital and MSME business owners get a business sector forum under the auspices of the Indonesian Chamber of Commerce and Industry so that MSMEs can have a container.

Data on the number of MSMEs in Indonesia based on the Indonesian Chamber of Commerce in 2024

Category: MSMEs	Quantity	Percentage
Non-Agricultural and Fisheries MSMEs	30.178.617	50,7%
Agriculture and Fisheries MSMEs	29.341.033	49.3%

Source : Data processed in 2024[4]

Based on this number data, MSMEs show an important position in National Economic Growth, although they have shown an important position, many MSME actors still have to experience severe challenges, such as limited access to business capital financing even though this sector mostly contributes to the National GDP. In line with previous research conducted shows that many MSME actors still have difficulty getting business capital due to difficult financial requirements and the lack of human resources about understanding accounting[5]. Financial institutions are afraid to provide capital to MSME actors for fear of unclear financial risks[6].

Accounting recording is the process of recording financial transactions that is carried out regularly to produce accurate financial information[7]. Through accounting records, business actors can find out the financial condition of the business, cash flow, profit and loss, as well as the position of assets and liabilities owned[8]. In addition, accounting recording also functions as a financial control tool to minimize the occurrence of recording errors and is useful for the financial health of the business[9]. The results of previous research show that financial statements have not been used optimally so that business stability is likely to experience funding disruptions for production in the future due to limitations in obtaining capital from financial institutions[10].

As well as low knowledge literacy in MSME actors who do not have an understanding of accounting principles, cash flow planning and business capital management, many MSMEs are not consistent in recording, this has an impact on transparency and accountability, making it difficult to evaluate financial performance performance because poor financial management causes many MSMEs to go out of business.[11]. Meanwhile, accounting records have an important role in managing the business, from recording cash flow, calculating profits and losses to helping to plan finances in the long term [12].

Previous research shows that many MSME actors have not compiled complete reports due to lack of knowledge about accounting recording and are only limited to their abilities[13]. Accounting is the process of collecting data and documenting each transaction recording in a business or business[14]. Accounting records play a role as a control tool to analyze a cash flow transaction in a business which will later produce reporting that can be used to make the right business decisions in the future and prevent fraud[15]. Previous research has shown that weak financial control causes difficulties in monitoring fund management, which is likely to happen in the future[16].

Based on this, the importance of neat and quality financial record management can provide quality financial information that can help the effective decision-making process starting from funding, investment, tax calculations, and future business planning[17]. The importance of implementing accounting for MSME actors provides benefits for controlling waste so that their business can develop to be good[18]. Financial accounting practices in Micro, Small and Medium Enterprises (MSMEs) are still weak and low, which is because MSME actors still do not carry out the accounting process in its entirety, only recording if there is a large transaction value[19]. That the perspective of the perpetrator based on the research of MSMEs doing recording considers something troublesome and takes a lot of time so that they only do limited bookkeeping[20].

Accounting management practices are still much less than optimal due to the lack of knowledge of business actors about the accounting bookkeeping cycle procedures[21]. This results in MSME owners not controlling their finances so that they have difficulty evaluating the financial performance of the business[22]. Based on previous research that has been conducted, it is explained that MSME actors only practice financial recording based on memory alone still do not have the ability to present financial statements completely and accurately[23].

Research on the application of accounting in MSMEs has so far been dominated by the manufacturing or production sector based on formal accounting standards. Meanwhile, studies that discuss MSMEs in the trade sector, especially distributors of agricultural commodities, are still relatively limited. Disclosure of the role of accounting practices in supporting business financial control in MSME operational activities[24]. Financial control for MSMEs has an important role in improving the national economy, so there is a need for good financial control because the main key in determining business success is the need for an adequate recording and control system.

According to previous research, MSMEs have not implemented adequate accounting recording, thus weakening the function of financial control, especially related to cash flow, stock, inventory, goods and other costs[25]. Previous research has shown that MSMEs that have internal control can reduce fraud, ensure stock accuracy and can increase customer confidence[26]. Therefore, this research presents a renewal by examining the application of accounting and financial control in MSMEs trading distributors in the agricultural sector by emphasizing accounting as a practical financial control tool that is in accordance with the real conditions of business operations.

Elvala Bawang Distributor MSMEs located in the Sidomulyo area, Krian District, East Java. It is an MSME in the Fisheries and Agriculture category that distributes onions and spices as goods that have high economic value and can maintain food prices. Elvala Bawang Distributor MSMEs were chosen as the object of research because they are business actors engaged in the field of distributors and have transaction activities in recording and financial control. This condition makes Elvala Distributor an object to study the application of accounting in financial control. In addition, based on the observation of Elvala Distributors, the initial implementation of accounting and control systems is still carried out simply and has not been fully structured in accordance with

applicable accounting principles. This has the potential to cause obstacles in monitoring business financial conditions and managerial decision-making. The researcher also sees the potential for financial leakage if appropriate accounting recording is immediately implemented as a control tool.

From the above phenomenon, how is the application of accounting in supporting financial control in MSMEs of Elvala Bawang distributor in Krian?. In line with this, the purpose of the research is to find out and analyze the extent of the application of accounting in supporting financial control in MSMEs of Elvala Bawang Distributor in Krian. In Elvala Distributor MSMEs, distribution activities involving financial transactions that are quite high require an appropriate accounting system and financial control. Without the implementation of proper accounting, Elvala Distributors will have difficulty overseeing cash flow, controlling inventory, and assessing business performance so that they can consider future business decisions. By applying the right accounting principles, Elvala Distributors are expected to minimize the risk of losses and improve their operational efficiency.

This research is expected to provide benefits both theoretically and practically. Theoretically, this research can help develop the accounting literature of MSMEs, especially related to the application of accounting recording in improving financial control in distribution businesses. In addition, this study provides an overview of simple accounting records that can help minimize financial risks in small and medium-scale distribution businesses. Practically, for Elvala Bawang Distributors, this research can be an input for owners and management to understand the financial condition of the business more accurately, improve the accounting recording system to be more systematic so that it can minimize the risk of fund leakage and receivables recording errors, and support strategic decision-making based on appropriate financial information. This research is also expected to provide recommendations in the preparation of financial statements for future business planning and development. For researchers, this research can deepen understanding of the financial and operational characteristics of distribution companies, especially related to the application of accounting and financial control in MSMEs.

RESEARCH METHOD

A. Data types and Sources

This research method, the author uses a qualitative research method with a Case Study Approach. The researcher uses this approach to understand in depth the application of accounting and financial control practices carried out by Elvala Bawang Distributor MSMEs based on real conditions in the field. The researcher tries to get as complete information as possible about how MSME actors understand the implementation of the accounting standards charged and find an in-depth data on objects in the field by collecting data through surveys, analysis, photography and interviews[27].

B. Research Location

The location of this research was carried out at the Elvala Bawang Distributor which is engaged in distributing onions in the Krian District area.

C. Research Resource Persons

The selection of the main informants in this study is 1. Mr. MH as the Owner of Elvala Distributor MSMEs, 2. Mrs. DL Admin of Elvala Bawang Krian Distributor. As well as additional resource persons from 3. The academic, namely Mrs. DR

D. Research Techniques

Data collection techniques with the steps taken in data collection include:

a) *Library Research* Namely collecting theoretical data from the literature that is needed as reading material for the discussion of the problems faced in this study[28].
b) *Field Research* Namely collecting research data and direct observation on Elvala Bawang Distributors using 3 (three) ways, namely[29]:
   1. The interview conducts interviews with business owners, employees of the finance department who can provide the necessary information in connection with the writing of this research.
   2. Observation held direct observation of the implementation of procedures at the Elvala Bawang Distributor.
   3. Documentation

E. Analytical Techniques

The analysis technique used is model data analysis, namely [30] :

1. Data collection The researcher collects data according to the data to be generated. The data taken includes interviews, observations, documentation and field notes.
2. Data reduction is data that is obtained and then reduced by combining and grouping data
3. Data presentation
4. Conclusion drawing

F. Research Stages

Briefly, it can be seen that there are several steps in the research stage, namely: [31]:

1. Identify existing problems to be solved through qualitative research
2. Clearly formulate problems and limitations
3. Determine the goals and benefits of research
4. Conducting literature studies related to problems
5. Designing research methods to be used in research, namely determining population, samples, sampling techniques, data collection techniques and analyzing data
6. Collecting, organizing, analysing and creating research reports

G. Data Validity

To ensure the validity of the data with the aim of testing the reliability of the research data, the researcher uses a data test with a triangulation technique in the hope that the results of this study will be valid and accountable. Data triangulation is the process of checking data by collecting data from a variety of different sources, methods and perspectives to compare to obtain an accurate understanding. It is like a response to

a problem from the point of view of several things so as to obtain the desired result by the researcher [32].

RESULTS AND DISCUSSION

Results

A. Object Description

Elvala Bawang Distributor is a micro, small and medium enterprise (MSME) that focuses on the distribution of agricultural products that meet the criteria as MSMEs according to law no. 20 of 2008. This business was founded by Mr. Moch Hasan and then now held by his son-in-law named Dilla established in 2016 and is located at Sidokukuh no 97, Sidomulyo, Krian District. Elvala Bawang Distributor is an MSME business in the Agriculture and Fisheries sector distributing agricultural goods to consumers through cash and credit sales methods.

Currently, Elvala Bawang Distributor MSMEs have 6 (Six) employees consisting of 2 (Two) Women and 4 (Four) Men. Businesses like this have opportunities to contribute to additional regional income and can reduce the unemployment rate, therefore the Government continues to try to encourage MSMEs by providing assistance to strong and independent MSMEs. The government hopes that Micro, Small and Medium Enterprises (MSMEs) can grow and contribute to the economy both at the regional and national levels.

Support for this is shown by the government through the implementation of special accounting standards for micro, small and medium enterprises. However, in practice, many MSME actors have not implemented an accounting recording system. They only record daily sales revenue and record the cost of goods and expenses that must be incurred. Based on an interview with the MSME finance admin, Elvala Bawang Distributor still uses manual and excel recording because he thinks it is complicated. This is due to a lack of human resources and concerns about additional costs if using software and the use of professional accountants. In this case, the role of the government is very important to provide special supervision and training for MSME actors.

1) Applied Accounting Recording System.

Based on the results of the research and observations, the researcher confirmed directly to the Owner of the Elvala Distributor and Mrs. DL the financial admin regarding the implementation of the recording system carried out at the Elvala Distributor has done recording or bookkeeping but is still limited. This can be seen from the interview statement:

"Currently, MBK is still keeping simple financial records. I haven't used the application yet, the important thing is that I know the income and expenses of this business". **(Excerpt of interview with Mr. MH 2026)**

The Finance Admin explained that recording is done manually and uses simple help

"Already. Only basicly, I only record daily transactions, income and expenses, usually in the book and then transferred to Excel". **(Excerpt of an interview with DL's mother 2026)**

Mrs. DR as an Accounting Lecturer also revealed that:

"Actually, for those who are micro or medium-scale, it is actually for the initial level. So, a day's worth of cash records, then the debts are still allowed It's enough like that However, if the business has started to grow, it would be good for MSMEs to also have to record and apply accounting in recording it And the next step is to apply accounting standards for MSMEs So, for the initial stage, okay." **(Excerpt of an interview with Mrs. DR 2026)**

Furthermore, the data is moved or recapped into Microsoft Excel to facilitate the processing and preparation of reports. However, at Elvala Distributors, the recording is still simple and incomplete based on information from DL's mother

"The recording carried out is still basic, only the income and expenditure reports of income and loss statements are not complete and detailed". **(Interview excerpt from DL's mother 2026)**

In line with that, Mrs. DR also explained that MSME actors still do not implement accounting records that meet the standards:

"According to the data, it is still low for the implementation of our SAK EMKM in Sidoarjo, if MSME financial reporting uses the SAK EMKM standard, many MSMEs record the Cash Flow Incoming and Cash Flow reports based on memory, otherwise they are recorded manually, so it is still low for the implementation of accounting. Then, don't go to the standard that records regularly, rarely. So, especially MSMEs, in my opinion, are still low, even if there are still manuals, and there are also those who still use memory. So, we have not yet reached the standard, even to record it, there are still many that have not been carried out in the field" **(Excerpt from the interview with Mrs. DR 2026)**

2) Financial Control Analysis at Elvala Distributors

Based on the results of the research, the financial control system at Elvala Distributors is still carried out simply and is not yet full in implementing good internal control principles. Even so, this business has an organizational structure with a fairly clear division of tasks between owners, financial departments, operations and employees. This has shown that the work unit of Elvala Distributor has started to implement the element of separation of functions in the organization. Although Elvala Distributors still experience limitations in human resources, they have not run optimally in accounting management.

Based on information from the Admin, Elvala Distributors have also used notes in their business activities.

"If the proof of the note has been duplicated, it is important that one is for the customer, the other to be kept, it is used if there is an error or checking the transaction".**(Excerpt from Interview with Mrs. DL 2026)**

Likewise, the owner of MSMEs Elvala Bawang added

"I also directly checked the transaction notes made. So you can know how much business finance is mbk. " **(Excerpt of an interview with Mr. MH 2026)**

This memorandum acts as a tool for supervision and proof of responsibility if there is a problem with the buyer, thus contributing to maintaining transparency and security

in financial transactions. Information from the results of the interview with the Owner is known to have made financial separation to facilitate management as conveyed that.

"For this business, we have separated the mbk, because if we don't separate, we are afraid that in the future there will be a disaster and it will be easy to control it**". (Excerpt from Interview with Mr. MH 2026).**

This is also in line with the opinion of the resource person from Academician Mrs. DR as an Accounting Lecturer

"Financial control that definitely separates personal and business needs is important because if the results of the business are combined with personal ones, it will not be good for the financial health of MSMEs". **(Excerpt from Interview with DR Mother 2026)**

3) Obstacles faced in the Implementation of Accounting at Elvala Distributors

Based on the results of the research on Elvala Bawang Distributors, several common obstacles were found in the implementation of accounting that affect the effectiveness of financial control. These obstacles come from the aspects of human resources, recording systems, and habits in financial management.

a. Limitations of Accounting Understanding

The first obstacle experienced by Elvala Bawang Distributor MSMEs in compiling financial statements in accordance with Financial Accounting Standards is due to the lack of understanding of MSME owners, Mr. Hasan

"I don't know if mbk doesn't understand, I just learn by understanding what I learn and I understand" **(Interview Quote with Mr. MH 2026)**

In line with that, the Admin also added:

"Not in-depth, only limited to income and expenses, not yet grouped accounts in detail based only on my understanding and everything is still manual" **(Quote from an interview with Mrs. DL 2026)**

Financial recording is carried out based on simple understanding without referring to applicable accounting principles. This causes the recording process to not include the classification and presentation of complete financial statements.

b. Simple Recording System

The next first obstacle by Elvala Bawang Distributor MSMEs in compiling financial statements in accordance with Financial Accounting Standards is due to the lack of understanding of Elvala MSME Admin, Mrs. DL

"The recording that is done is still basic, only income and expenditure reports, simple profit without using an application". **(Excerpt from Interview with Mrs. DL 2026)**

That shows that the financial records on Elvala Distributors are still using manual methods and Microsoft Excel assistance. Although this has helped in basic recording, it has not been able to produce complete financial statements according to accounting standards. In addition, the lack of an integrated system causes financial data to not be systematically compiled. This shows that the accounting information system used is still simple and needs to be developed.

c. There is no socialization about accounting recording in MSMEs

All recording activities are still carried out by business owners directly. This causes financial recording to be less than optimal due to limited time and focus of owners who also have to manage business operations. As a result, recording is often not done regularly and is less structured. Based on the results of the interview with Mr. MH

"There is no financial preparation training here, only understanding learning from school" **(Interview Quote with Mr. MH 2026)**

In line with the statement of the MSME Owner, Mrs. DL also gave the following statement:

"This business has not used the system, so I record it according to what I understand and the important thing is that all transactions are recorded and there is evidence". **(Excerpt from Interview with Mrs. DL 2026)**

Meanwhile, according to Academics as Accounting Lecturers

"If the obstacle is one of them, the second is the habit or education which may be lacking Financial literacy and the third one, MSMEs may be because in terms of turnover it is still low So, he doesn't want to be complicated Don't want to have difficulties If he just takes notes, why is it so difficult that it's important to play So, he doesn't want to have difficulties Then, in terms of education or literacy" **(Excerpt from Interview with Mrs. DR 2026)**

Discussion

A. Accounting Applications

Accounting recording is the process of recording all financial transactions that occur in a business in an orderly and systematic manner. Based on the results of the research that has been conducted, Elvala Distributor MSMEs have not prepared complete financial statements in accordance with existing Financial Accounting Standards. This can be seen from the recording system that is still very simple, which only focuses on recording income and expenses without the preparation of structured financial statements [33]. This recording includes income transactions, expenses, sales of goods, and customer receivables which aims to find out the financial condition of the business The following records were obtained from observations and interviews at Elvala Bawang Distributor MSMEs as follows.

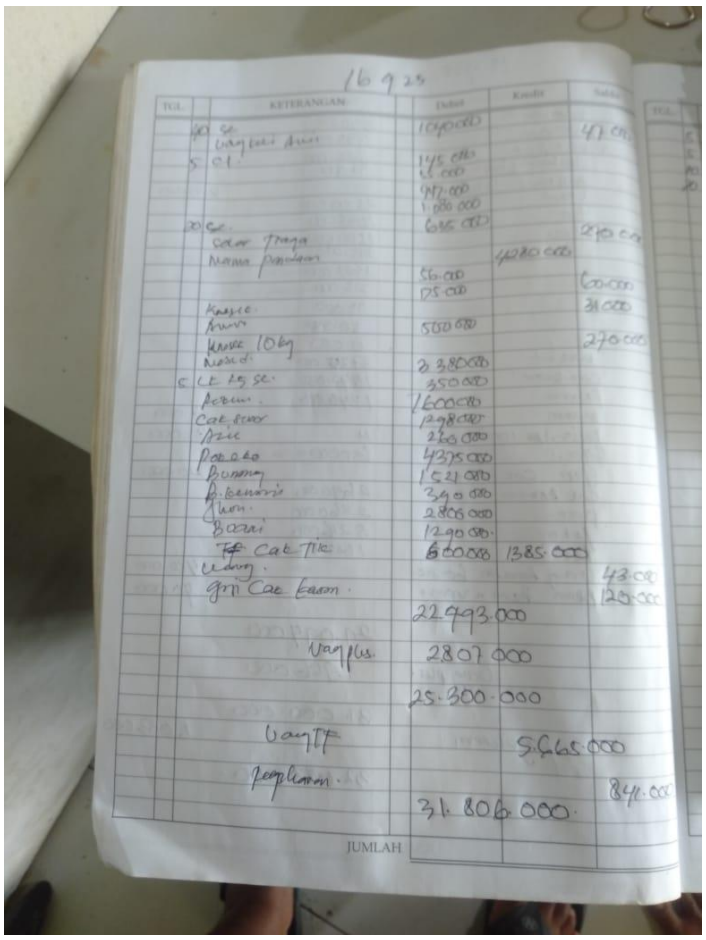

Figure 1. Registration of MSMEs of Elvala Distributors

It shows that the financial statements are still made simply and have not been prepared according to the SAK EMKM standards. The Company has also not prepared a profit and loss statement, financial position statement (balance sheet), capital change report, or complete notes on financial statements. This condition shows that the accounting practices applied are still not in accordance with the applicable accounting principles in accordance with existing standards. The MSME owner also revealed that he did not prepare financial statements according to the standards due to a lack of understanding of the existing recording standards and he only prioritized daily operational activities and only prioritized income and expense reports.

B. Financial Control

Financial control is a process carried out to supervise, regulate, and maintain financial management so that it runs properly and reduces the risk of errors and misuse of funds[34]. At Elvala Distributors, financial control is carried out through transaction recording, the use of notes, and direct supervision from business owners. The first control is carried out through recording income and cash expenditure. Every transaction that occurs is recorded by the financial admin to find out the amount of money that comes in and out. With the existence of recording, it is expected to be able to monitor the condition of business cash flow and find out financial developments every day. The control of the two MSMEs Elvala Distributor has used the memorandum as proof of transaction.

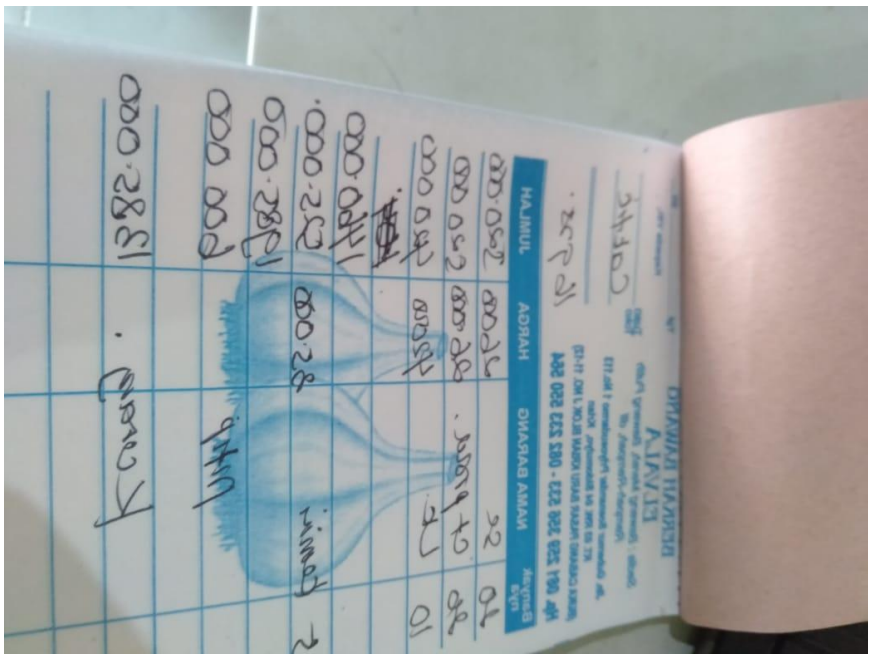

Figure 2. Memorandum of MSMEs of Elvala Distributor

The use of this memorandum is a form of financial control that is quite important, because it can be the basis for recording and as a means of verification of every transaction that occurs. The note is used as proof of the transaction of selling goods to customers. The existence of a duplicate memorandum helps companies in re-checking transactions that occur so that they can minimize recording errors and reduce the risk of fraud. Financial control is also carried out through recording the sale of goods and recording customer receivables. Recording the sale of goods helps the company know the number of goods sold as well as the revenue the company earns. Meanwhile, receivables recording is used to monitor customers who still have payment obligations to the company. With this recording, companies can reduce the risk of losing transaction data and delaying receivables payments. From the results of the study, it shows that in practice the management of notes at Elvala Distributors is still not fully optimal. Existing memorandums have not been compiled or archived systematically, making it sometimes difficult to find transaction data. In addition, the lack of regular matching between notes and financial records is also one of the weaknesses in the control system implemented.

C. The Relationship of Accounting Implementation with Financial Control at Elvala Distributors

Based on the results of the research, accounting recording has a very important relationship with financial control at Elvala Distributors. Through recording cash income and expenses, companies can find out the financial condition of the business and monitor the cash flow that occurs every day. The recording helps business owners in supervising the use of funds so that they are more controlled. Accounting functions to record, group and present financial information while Financial Control aims to supervise and ensure financial management runs in accordance with business objectives[35]. On the other hand, Elvala Distributors, the work structure has been available for the division of labor and has been carried out in Elvala's business, There is a separation of finances carried out

by individuals and businesses. Elvala distributors already have several things in their financial control including the use of notes, the existence of a division of labor, and the separation of business and personal finances. It shows that the basis for building good financial control aspects has been had.

However, the practice of accounting records is still carried out manually and is not in accordance with accounting standards so that it becomes weak financial control, which can result in the financial control system not running properly because of these obstacles. The main challenges in the implementation of accounting in MSMEs include the habit of recording that has not been formed in doing accounting recording in businesses, lack of access to information for MSMEs, the assumption that accountants are difficult and waste of time for business actors and the high cost if you want to use accounting services or create applications. This situation triggers MSME actors to tend to avoid a more complicated recording system, so that the implementation of accounting cannot be carried out optimally. In addition, the attitude of business actors is more focused on operational continuity rather than administrative order is also a barrier in the implementation of accounting. The supervision of cash flow and inventory that is still weak can be seen from several operational conditions. In cash flow, the recording of income and expenditure is not carried out routinely, so there is a potential difference between the recorded cash and the actual cash. As for inventory management, the weakness of supervision can be seen from the absence of structured stock recording. As a result, it is difficult for businesses to know the number of available stocks and risk fraud.

Therefore, there is a need to increase financial understanding and awareness of the importance of good recording so that financial management can be more efficient and support business growth. Unorganized financial records and the absence of financial reports that are made regularly have an impact on the information produced to be incomplete and inaccurate due to limited human resources and knowledge. So that it has the potential to pose a risk of errors in financial management and ineffectiveness of work at Elvala distributors such as recording errors, delays in recording, or loss of transaction documents.

Thus, it can be affirmed that the quality of accounting implementation greatly determines the effectiveness of financial control. In Elvala Distributors, even though they already have a foundation for good financial control such as financial separation, Memorandum users and the existence of an organizational structure for implementation are still not optimal. Therefore, it is necessary to improve integrated financial preparation, increase financial understanding and optimize the functions of each organizational structure so that financial control can operate effectively, efficiently and accountably and can support business decision-making in the future. As well as for MSMEs to have added value to facilitate capital and expand the business network of Elvala Distributors.

CONCLUSION

Fundamental Finding : The results of the research conducted by the author regarding the Application of Accounting in Financial Control in MSMEs the case study of Elvala Bawang Distributor can be concluded that it is still classified as not in accordance with SAK-EMKM and is still simple where financial recording is still done manually and assisted by Microsoft Excel. Limited to recording cash income and expenditure, and has not been prepared in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities. This condition shows that the accounting function as a complete, structured, and reliable provider of financial information has not been utilized optimally. Limitations in accounting understanding, human resources, and the absence of a standardized recording system are the main factors that affect the implementation of accounting in the business. On the other hand, financial control at Elvala Bawang has shown quite good efforts through the application of basic elements such as the use of transaction proofs, separation of duties between the owner and the administration department, and periodic checks. However, these controls are not fully effective because they are not supported by an adequate accounting system and complete financial statements as an evaluation tool. **Implication :** Thus, it can be emphasized that the application of accounting has a very important role in increasing the effectiveness of financial control, so it is necessary to improve and develop the accounting system so that businesses can run more controlled, transparent, and sustainable. Based on the results of the research that has been carried out, it is recommended that Elvala Bawang MSMEs improve the application of accounting by conducting financial records more systematically and compiling financial reports in accordance with the SAK EMKM so that the information produced is more accurate and can be used as a basis for decision-making. In addition, business owners are expected to increase their understanding of the importance of accounting and consider the use of technology such as accounting software to make it easier to record and process financial data. For related parties, such as the government or MSME assistance institutions, it is expected to provide training and assistance related to the implementation of accounting and financial control. **Limitation :** The research indicates that the implementation of accounting at Elvala Bawang MSMEs is still limited because financial recording is only focused on cash income and expenditure, is carried out manually with the assistance of Microsoft Excel, and has not been prepared in accordance with SAK EMKM. In addition, limitations in accounting understanding, human resources, and the absence of a standardized recording system affect the implementation of accounting in the business. **Future Research :** Meanwhile, for future researchers, it is expected to develop this research by adding other variables or expanding the research object to obtain more comprehensive results.

ACKNOWLEDGEMENTS

Alhamdullilahirabbil'alamin, praise be to Allah SWT for all his blessings and blessings so that the author can complete this thesis. The author realizes that without the help and guidance of several parties it is quite difficult for me to complete this thesis on

time, therefore the author would like to express my deepest gratitude to the Supervisor, the Staff of the University of Muhammadiyah Sidoarjo, especially in the Accounting study program, especially to my parents, the late father and the late mother, I offer a small gift for all the affection and childhood of your little daughter, My two beloved siblings, sister-in-law, nephew, and Doctors Lita and Awalia who helped me during the writing of this thesis at the hospital.

REFERENCES

[1] F. Syarief, Buku_Pengemb&Pemberdayaan Umkm_Jan-Gjl2019, vol. 1. 2020.

[2] BPK RI, "UU NO 20 tahun 2008," BPK RI. [Online]. Available: https://peraturan.bpk.go.id/Details/39653/uu-no-20-tahun-2008

[3] K. keuangan D. Bendaharaan, "Jaga UMKM Dari Resesi." [Online]. Available: https://pip.kemenkeu.go.id/berita/58/jaga-ekonomi-nasional-dari-resesi-umkm-perlu-didukung

[4] S. Kadin, "UMKM Indonesia", [Online]. Available: https://kadin.id/data-dan-statistik/umkm-indonesia/

[5] S. B. Nihlatul Qudus, "Implementasi Digital Marketing Pada Umkm Di Kabupaten Sidoarjo Saat Era Revolusi Industri 4.0," Menara Ilmu, vol. 17, no. 2, 2023, doi: 10.31869/mi.v17i2.4280.

[6] Risal and R. Wulandari, "Analisis Penerapan Akuntansi Pada UMKM di Kota Pontianak," JRAK (Jurnal Ris. Akunt. dan Bisnis), vol. 7, no. 1, pp. 14–26, 2021, doi: 10.38204/jrak.v7i1.517.

[7] H. Kartikahadi, R. U. Sinaga, L. Leo, M. Syamsul, S. V. Siregar, and E. T. Wahyuni, "Standar Akuntansi Keuangan SAK ETAP No. 11: Persediaan," p. 68, 2023.

[8] Putri Aulia Fitriani, "Analisis Penyusunan Laporan Keuangan Berdasarkan Standar Akuntansi Keuangan EMKM," J. Aktual Akunt. Keuang. Bisnis Ter., vol. 4, no. 2, pp. 109–113, 2021.

[9] Syamsul, "Analisi Pencatatan dan Pelaporan Keuangan," vol. 10, no. 1, pp. 33–42, 2022.

[10] Ni Nyoman Yuliati, Sofiati Wardah, and Baiq Widuri, "Penerapan Akuntansi pada Usaha Mikro Kecil dan Menengah (Studi pada UMKM Kerupuk Kulit Tradisional Kelurahan Seganteng)," J. Akunt. dan Keuang. Syariah - ALIANSI, vol. 2, no. 2, 2019, doi: 10.54712/aliansi.v2i2.40.

[11] K. S. P. D. K. C. M. Junaidi, "UMKM HEBAT, PEREKONOMIAN NASIONAL MENINGKAT." [Online]. Available: https://djpb.kemenkeu.go.id/kppn/curup/id/data-publikasi/artikel/2885-umkm-hebat,-perekonomian-nasional-meningkat.html

[12] A. Afif, "Implementasi Pengelolaan Keuangan Pelaku Umkm Berdasarkan Sak-Emkm," Akuntansi, Audit. Investasi, vol. 2, no. 1, p. 4, 2021.

[13] R. P. Andarsari, "IMPLEMENTASI PENCATATAN KEUANGAN PADA USAHA KECIL DAN MENENGAH (Studi pada Sentra Industri Kripik Tempe Sanan di Kota Malang)," J. Ilm. Bisnis dan Ekon. Asia, vol. 12, pp. 59–64, 2018.

[14] D. Anwar, Pencatatan Akuntansi pada UMKM, vol. 17. 2023.

[15] A. S. Mulyani, E. Nurhayaty, and K. Miharja, "Penerapan Pencatatan dan Laporan Akuntansi Pada Usaha Mikro Kecil Dan Menengah (UMKM)," J. Abdimas BSI J. Pengabdi. Kpd. Masy., vol. 2, no. 2, pp. 219–226, 2019, doi: 10.31294/jabdimas.v2i2.5818.

[16] I. Suriyanti, N. Afsari, and R. Ayuni, "Penerapan Akuntansi Pada UMKM Tenun Mak Ngah Kabupaten Bengkalis," J. Locus Penelit. dan Pengabdi., vol. 2, no. 4, 2023, doi: 10.58344/locus.v2i4.937.

[17] F. Fauziah, PENGANTAR DASAR AKUNTANSI BUKU 1 Teknik dan Konsep Penyusunan Laporan Keuangan. 2020.

[18] M. W. Maher, C. P. Stickney, and R. L. Weil, Managerial Accounting:An Introduction to Concepts, Methods and Uses. 2019.

[19] I. Wayan Agus Pradita, I. Julianto Putu, and P. Sukma Kurniawan, "Pengaruh Tingkat Penerapan Sistem Pencatatan Akuntansi, Tingkat Pemahaman Akuntansi dan Tingkat Kesiapan Pelaku UMKM Terhadap Penerapan SAK EMKM," Ejournal.Undiksha.Ac.Id, pp. 286–297, 2019.
[20] Rizki Hidayat, "Analisis Penerapan Akuntansi Pada Usaha Toko Bangunan di Kecamatan Seberida Kabupaten Indragiri Hulu," 2020.
[21] J. Wardi, E. Putri, and Liviawati, "PENTINGNYA PENERAPAN PENGELOLAAN KEUANGAN BAGI UMKM Jeni Wardi, Gusmarila Eka Putri, Liviawati," 2020, [Online]. Available: https://repository.unilak.ac.id/2514/3/Pentingnya Penerapan Pengelolaan Keuangan bagi UMKM.pdf %281%29.pdf
[22] Nadia Anzani, Marliyah, and Laylan Syafina, "Analisis Penyusunan Laporan Keuangan UMKM Berdasarkan SAK EMKM pada Toko Sahrul di Kabupaten Batubara," El-Mal J. Kaji. Ekon. Bisnis Islam, vol. 5, no. 8, pp. 1–12, 2024, doi: 10.47467/elmal.v5i8.4632.
[23] R. Nur and N. Anny, "Implementasi pencatatan laporan keuangan," vol. 2, no. 4, p. 6, 2021.
[24] Muhammad Suras, Darwis, and Syahriyah Semaun, "Pengelolaan Keuangan Usaha Mikro, Kecil, Dan Menengah (Umkm) Pada Usaha Bumbung Indah Kota Parepare (Analisis Manajemen Keuangan Syariah)," Monet. J. Manaj. Keuang. Syariah, vol. 2, no. 2, pp. 28–41, 2024, doi: 10.35905/moneta.v2i2.9003.
[25] Sussang dkk, "Sussang dkk (2024)_PK," vol. 4, pp. 96–100, 2024.
[26] & S. Savitri, R. V., "Pencatatan akuntansi pada usaha mikro kecil dan menengah (studi UMKM Mr. Pelangi Semarang). Jurnal Manajemen Bisnis Dan Inovasi, 5(2), 117–125," Pencatatan Akunt. pada usaha mikro kecil dan menengah (studi UMKM Mr. Pelangi Semarang). J. Manaj. Bisnis Dan Inovasi, 5(2), 117–125, pp. 42–54, 2018.
[27] Syafrida, Buku ini di tulis oleh Dosen Universitas Medan Area Hak Cipta di Lindungi oleh Undang-Undang Telah di Deposit ke Repository UMA pada tanggal 27 Januari 2022. 2022.
[28] Suwartono, "Dasar-Dasar Metodologi Penelitian".
[29] Zuhri, kualitatif, vol. 17. 2021.
[30] M. P. Saleh Sirajuddin , S.Pd., "Analisis Data Kualitatif," 2017.
[31] K. Perreault, "Research Design: Qualitative, Quantitative, and Mixed Methods Approaches," Man. Ther., vol. 16, no. 1, p. 103, 2021, doi: 10.1016/j.math.2010.09.003.
[32] Sugiyono, Metodologi Penelitian Kuantitatif, Kualitatif dan R & D. 2020.
[33] B. N. Achadiyah, "Otomatisasi Pencatatan Akuntansi Pada Umkm," J. Akunt. Multiparadigma, vol. 10, no. 1, 2019, doi: 10.18202/jamal.2019.04.10011.
[34] lalu takdir Aulia latifah, Baiq Anggun, "Peningkatan Literasi dan Inklusi Keuangan di Sektor Jasa Keuangan Untuk Konsumen," J. Risma, vol. 1, no. 4, pp. 1–12, 2021.
[35] Tiwuk Puji Hariyanti and A. G. Puspita, "ANALISIS PENERAPAN SISTEM PENCATATAN AKUNTANSI KEUANGAN PADA USAHA MIKRO KECIL MENENGAH (Studi Kasus pada Rumah Produksi Kletek Cassava Restu SDM)," JAT J. Account. Tax, vol. 2, no. 2, pp. 136–150, 2023, doi: 10.36563/jat.v2i2.877.

Ayu Kurniawati Aplan
Muhammadiyah University of Sidoarjo, Indonesia

***Nihlatul Qudus Sukma Nirwana (Corresponding Author)**
Muhammadiyah University of Sidoarjo, Indonesia
Email: nihlaqsn@umsida.ac.id