

# The Effect of SAK EMKM Implementation on the Accuracy of Financial Statements

**Samaria Simangunsong<sup>1\*</sup>, Mira Agustia<sup>2</sup>, Siti Zahara<sup>3</sup>, Olivia Deslovita Ginting<sup>4</sup>, Irawan<sup>5</sup>**

<sup>1,2,3,4,5</sup>Department of Accounting, Universitas Pembangunan Panca Budi

E-mail : htbrtria@gmail.com<sup>1\*</sup>, miraagustia74@gmail.com<sup>2</sup>, zaharasiti453@gmail.com<sup>3</sup>,  
gintingolivia5@gmail.com<sup>4</sup>, irawan@dosen.pancabudi.ac.id<sup>5</sup>

E-mail Corresponding Author: htbrtria@gmail.com

## Abstract

This study aims to determine the effect of EMKM SAK implementation on the accuracy of financial statements in Deli. The background of this study is based on the importance of accurate financial statements for business continuity, especially in terms of decision making and access to financing. However, there are still many businesses that have not implemented accounting standards appropriately in financial management. This study uses a quantitative approach with a survey method through the distribution of questionnaires, and the data is analyzed using the Partial Least Squares - Structural Equation Modeling (PLS-SEM) method with SmartPLS 4 software. The results of the study show that SAK EMKM has a positive and significant effect on the accuracy of financial statements. This finding confirms that improving understanding of accounting standards encourages the creation of accurate, reliable, and accountable financial reports. These results are important as a basis for SMES development policy making.

**Keywords :** SAK EMKM, Accuracy, Financial Reports.

## I. INTRODUCTION

An important factor in assessing the expansion and survival of a company is the accuracy of its financial statements. Accurate, relevant, and reliable financial statements are very important for stakeholders such as investors, the government, and financial entities. The accuracy of financial statements is crucial because it has a direct impact on access to financing, business decision-making, and compliance with financial regulations. However, various studies show that small companies still face various challenges in preparing quality financial statements (Pakaya et al., 2024).

Human factors and simple recording systems are the main obstacles in ensuring the accuracy of financial statements (Afriansyah et al., 2021; Amalia Lestari et al., 2022; Nabila & Khoiriawati, 2023; Widiastoeti & Agustin Endah Sari, n.d.). In addition, a lack of awareness of the importance of good financial reporting also hinders the potential of companies such as SMES to develop their businesses more broadly.

One approach applied to improve the accuracy of financial statements is the financial accounting standards for micro, small, and medium entities (SAK EMKM). These standards were created to simplify the process of preparing financial statements for SMES, while still following relevant accounting principles. Several studies show that the application of SAK EMKM can improve the transparency and accuracy of financial statements.

SMES, which ultimately facilitate access to financing and increase stakeholder confidence (Ayudhi, 2020; Nikmatuniayah et al., 2023; Pakaya et al., 2024). However, the implementation of these standards still faces obstacles, particularly related to limited financial literacy and the readiness of business actors to adopt a more systematic recording system (Maulida et al., 2020; Purbowanti & Lutfi, 2023). In addition, other factors such as financial literacy and SMES perceptions of accounting standards also affect the effectiveness of SAK EMKM implementation (Oktaviranti & Alamsyah, 2023; Putri & Kusmila, 2023). The lack of training and socialization from the authorities and the lack of assistance for SMES in implementing these standards further slow down implementation in the field.

For some companies, the implementation of SAK EMKM is a major factor contributing to the challenges of preparing structured financial reports that comply with accounting standards (Arip et al., 2023). Many businesses in this sector still rely on manual recording or do not even have an adequate recording system. In addition, the use of information technology, SIA, and human resource competency elements also contribute to improving the accuracy of financial reports (Biis et al., 2022; Lusy, 2023; Sofwan et al., 2023). The accuracy of SMES financial reports also increases with the implementation of SAK EMKM, but the main obstacle to its implementation is the level of knowledge and readiness of business actors. Therefore, assistance and training from the government and business associations are needed to accelerate the adoption of accounting standards.

According to several studies, the implementation of SAK EMKM has a positive effect on the accuracy of financial statements because it increases transparency

and accuracy in financial recording (Ayudhi, 2020). However, other studies show that SAK EMKM does not have a positive effect on the accuracy of financial statements, especially when SMES actors do not have human resources or accounting expertise, which can cause the implementation of these standards to be suboptimal (Purbowanti & Lutfi, 2023). The differences in the findings of previous studies have prompted research to investigate the effect of EMKM SAK implementation on financial statements. This study examines the impact of EMKM SAK implementation on the accuracy of financial statements. The findings of this study aim to assist in formulating policies that can improve the effectiveness of SMES financial statement accuracy, strengthen business owners' financial literacy, and support more sustainable economic growth.

## II. LITERATURE REVIEW

### 1.1. Positive Accounting Theory (PAT)

Positive Accounting Theory (PAT) views that the selection of accounting policies by management is not neutral, but is influenced by economic incentives and contractual pressures faced by entities (Watts & Zimmerman, 1990). PAT assumes that owners/managers tend to choose accounting methods that minimize costs, increase efficiency, and maximize economic benefits (Scott et al., 2019). In the context of SMES, business owners will choose the accounting standards that are easiest to apply, cheapest to implement, and provide the greatest benefits, such as increasing the chances of obtaining credit or funding (Siregar et al., 2022). The application of SAK EMKM can be understood as a rational response by SMES to the need to produce better financial reports, while remaining within their capacity. Therefore, PAT becomes the theoretical basis for explaining why the implementation of SAK EMKM can improve the accuracy of financial reports: because business actors tend to choose standards that provide the greatest economic value and convenience.

### 1.2 Accuracy of Financial Statements

The accuracy of financial statements refers to the extent to which the information presented meets the elements of reliability, relevance, timeliness, comparability, and understandability so that it can support objective decision making (Sari et al., 2023).

Accurate information means that it is free from material misstatement, prepared in accordance with the correct standards, and accurately describes the financial condition of the entity (Widyaningsih et al., 2023). For SMES, the accuracy of financial statements is very

important for assessing business performance, meeting financing needs, and enhancing business credibility in the eyes of external parties (Rompas & Kindangen, 2022). The accuracy of reports is also greatly influenced by the use of appropriate accounting standards. The more appropriate the standards used, the lower the risk of inaccuracy in recording and reporting.

### 1.3 SAK EMKM

SAK EMKM is compiled as a simple, relevant, and easy-to-apply accounting guideline for micro, small, and medium entities. This standard emphasizes simple accrual-based recording, uncomplicated measurement of assets and liabilities, and a concise yet informative financial statement format (Qurrota'ayun & Widyawati, 2022).

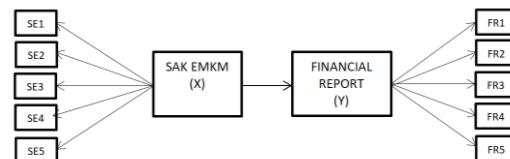
SAK EMKM is designed to improve the ability of SMES to produce more accurate, comparable, and credible reports (Hidayat et al., 2021). The existence of standard benchmarks allows business owners to reduce subjectivity in recording, thereby reducing the risk of recording errors and misstatements (Manullang et al., 2023).

### 1.4 The Effect of SAK EMKM Implementation on the Accuracy of Financial Statements

The consistent implementation of SAK EMKM has been proven to improve the accuracy of financial statements because it provides standard guidelines that must be followed in the recording and reporting process (Prasetyo et al., 2023). These standards help SMES produce reports that are more organized, accurate, relevant, and verifiable, thereby improving the quality of information (Rahmawati et al., 2022).

From a PAT perspective, the choice of SMES to implement SAK EMKM is a rational decision to minimize information costs and increase economic benefits, for example in obtaining access to financing or assessing business performance more accurately (Siregar et al., 2022). When standards are properly implemented, the accuracy of reports increases because the recording process becomes more systematic and compliant with ISO accounting (Lubis et al., 2021). The implementation of SAK EMKM has great potential to improve the accuracy of SMES financial reports because it provides a simple, focused, and accountable accounting principle-based standard framework.

### Research Framework



**Figure 1. Research Framework**

A hypothesis is a tentative answer to a research question that will later be proven in the research. The hypothesis obtained in this study is as follows:

H1: SAK EMKM has a significant positive effect on improving financial reporting.

### III. RESEARCH METHODOLOGY

A quantitative approach was used, utilizing primary data collected directly from respondents. Partial Least Squares Structural Equation Modeling (PLS-SEM) was the methodology used in this study, and smartPLS 4 software was used for the analysis. The purpose of this study is to investigate and evaluate the relationship between financial statement accuracy and the implementation of SAK EMKM. Financial statement accuracy (Y) in this study is defined as the level of compliance of MSMEs in preparing financial statements based on applicable accounting principles (Jauhari et al., 2021). Financial statements are measured based on several aspects, including periodic depreciation of financial statements, comprehensibility of statements for users, reliability in reflecting actual business conditions, the usefulness of statements for business decision-making, and their use in business strategy and investment planning. Thus, the accuracy of financial statements is an aspect that reflects the transparency and accountability of SMES in managing their business finances.

SAK SMES (X1) was created specifically for SMES to improve consistency in financial reporting and recording. This variable is measured through respondents' understanding of SAK EMKM, its application in financial recording, participation in training related to this standard, ease of access to SAK EMKM information, and the impact of its application on transparency, accountability, and business growth. Proper implementation of SAK EMKM is expected to help SMES in preparing systematic financial reports and relevant accounting principles (Setiawati, 2021).

**Table 1**  
Operational Definitions and Variable Indicators

Variable	Indicator	Scale
Financial Statements (Y) Financial statements are a summary of information regarding the financial position and performance of a business that is used to support economic decisions. The accuracy of financial statements is determined by their comprehensibility, reliability, relevance, and usefulness for business decisions	Preparation of Financial Statements Comprehension	Likert's

(Sari et al., 2023). In SMES, accurate reports help assess business performance and increase transparency for external parties (Rompas & Kindangen, 2022). The indicators for this variable include report preparation, comprehensibility, reliability, usefulness for decision-making, and use of financial statements (Widyaningsih et al., 2023).	Reliability
Benefits for Business Decisions	
SAK EMKM (X1)	Use of Financial Statements
SAK EMKM is a simple standard designed for SMES to make financial reporting easier, more accurate, and in accordance with accounting principles (Qurrota'ayun & Widyawati, 2022). The implementation of SAK EMKM improves the quality of record keeping, transparency, and accountability of businesses and helps business owners produce reliable financial reports (Hidayat et al., 2021). The indicators of this variable include knowledge of SAK EMKM, implementation of standards, training/access to information, impact on transparency, and contribution to business growth (Manullang et al., 2023).	Knowledge About SAK EMKM
Implementation of SAK EMKM	
Training and Access to Information	Likert's
Impact on Transparency and Accountability	
Contribution to Business Growth	

Source: processed data (2025)

## IV. RESULTS AND DISCUSSION

### 3.1. Result

SMES actors who have implemented SAK EMKM are the population in this study. Purposive sampling was used as the sampling technique with certain criteria, such as SMES that have been operating for at least 3 years and have financial reports. The research sample consisted of 100 respondents, with demographic details shown in the following table:

**Table 2**  
Respondent characteristics

Characteristics	Number	Presentation
Male	97	97%
Female	3	3%
Age 20-30	10	10%
Age 30-40	30	30%
Age >40	60	60%
High school/ Vocational school graduate	70	70%

D3/S1 graduate	30	30%
----------------	----	-----

Source: processed data (2025) Online and offline questionnaires were used to collect data. The survey was distributed directly to respondents who did not have internet access and online using WhatsApp and Google Forms. A 5-point Likert scale was used in the questions to measure respondents' opinions. The analysis was conducted using the PLS-SEM approach with SmartPLS. The analysis steps included :

1. Testing the validity and reliability of the construct.
2. Outer model analysis (convergent validity, discriminant validity, construct reliability).
3. Inner model analysis to test the relationship between variables.
4. Hypothesis testing using path coefficient and t-statistic values.

This study examined the effect of SAK EMKM on the accuracy of financial reports. This study involved 100 SMES (farming) business respondents in Deli Serdang, with the majority being male. Respondents were predominantly aged over 40 years old, with most having a vocational school education. This indicates that the research sample came from a group with experience and skills in managing SMES financial reports.

**Table 3. Construct Reliability and Validity Test Results**

Variable	Cronbach's Alpha	rho_c	AVE
Financial Statement Accuracy	0.910	0.943	0.768
SAK EMKM	0.980	0.986	0.933

Source: processed data (2025)

Based on the analysis results, the Cronbach's Alpha value for all variables is above 0.7, indicating that the instrument has good reliability. In addition, the Composite Reliability ( $\rho_c$ ) value, which is also above 0.7, indicates that the construct has high internal consistency. The Average Variance Extracted (AVE) value for all variables is above 0.5, so the convergent validity requirements are fully met.

**Table 4. R-Square Values**

Dependent Variables	R-Square
Financial Statement Accuracy	0.354

Source: processed data (2025)

The R-Square value of 0.354 indicates that the SAK EMKM variable explains 35.4% of the variation in financial statement accuracy, while other factors not included in this research model account for 64.6%.

Further research analyzes the significant relationship between variables. In this study, hypothesis testing was conducted to measure the effect of two independent variables, namely SAK EMKM, on one related variable, namely financial statement accuracy.



**Figure 2. PLS Structural Model**

Source: Processed data (2025) using SmartPLS 4

The inner model analysis results show that the relationship between variables has the following path coefficients:

**Table 5. Inner model analysis results**

Relationship Between Variables	Path Coefficient	T-Statistic
SAK EMKM → Financial Statement Accuracy	0.595	8.254

Source: Processed data (2025)

Based on the test results, SAK EMKM shows that this accounting standard significantly improves financial reports, with a T-Statistic of 8.254 and a path coefficient of 0.595. This indicates that as the use of SAK EMKM by entities increases, the accuracy of final reports improves.

### 3.2. Discussion

The study found that SAK EMKM has a positive and significant effect on the accuracy of financial statements. This is indicated by a path coefficient of 0.595 and a T-statistic value of 8.254, which is above the limit of 1.96. Thus, the research hypothesis is accepted and shows that an increase in the application of SAK EMKM is directly proportional to an increase in the accuracy of SMES financial statements.

This result supports Positive Accounting Theory (PAT), particularly the part that explains that business actors tend to choose accounting policies that provide economic benefits. In the context of this study, the application of SAK EMKM is used by SMES actors to improve transparency, report accuracy, and stakeholder trust.

Thus, the results of this study are consistent with the theory, which states that accounting standards play a role in encouraging the presentation of accurate financial information as a basis for decision making. The findings of this study are in line with several previous studies

The application of SAK EMKM can improve the transparency and regularity of SMES financial reports (Ayudhi et al., 2020); Understanding accounting based on SAK EMKM affects the accuracy of financial report preparation (Azizah et al., 2020); The application of SAK EMKM affects the reliability and accuracy of SMES financial information (Pebranti Putri et al., 2024). The results of this study are consistent with various previous studies that confirm that SAK EMKM plays an important role in improving the quality of SMES financial reports. The implications of this study show that SAK EMKM not only functions as a formal guideline but also plays an active role in helping SMES prepare financial reports that are more accurate, relevant, and easy to understand. The results of this study emphasize the importance of improving accounting literacy, training, and mentoring for SMES so that the implementation of SAK EMKM can run optimally. These implications reinforce the understanding that simple but structured accounting standards can improve reporting quality, support access to financing, and strengthen the financial credibility of SMES.

## V. CONCLUSION

This study shows that the implementation of SAK EMKM has a positive impact on the accuracy of SMES financial reports. Although corporate principles such as honesty and transparency have a greater impact on the accuracy and reliability of financial information, the implementation of SAK EMKM increases the transparency and credibility of reports. The limitations of this study include the fact that it only looks at two main factors, namely SAK EMKM and SMES in Deli Serdang. Suggestions for further research include expanding the scope of factors, such as government regulations, financial literacy, and the use of technology, to offer more insightful knowledge in improving the accuracy of SMES financial reports.

## VI. RECOMMENDATIONS

Based on research findings showing that the implementation of SAK EMKM positively affects the accuracy of financial reporting, SMEs are encouraged to consistently apply accounting standards. This includes strengthening their understanding of SAK EMKM concepts, improving the quality and orderliness of daily transaction recording, and ensuring proper documentation. SMEs are also advised to participate in continuous accounting training and mentoring to enhance competencies and adapt to standard changes. The adoption of SAK EMKM-

based accounting applications is recommended to improve efficiency and reduce errors. Ultimately, strengthening internal commitment to transparency and accountability will enable SMEs to produce reliable financial reports that support decision-making, business development, and competitiveness.

Future studies are encouraged to expand sample size and research areas to better represent SME conditions. Researchers may include additional variables such as financial literacy, accounting technology adoption, training quality, and tax compliance to deepen analysis. Using qualitative or mixed-methods approaches can provide richer insights into SMEs' motivations and challenges in implementing SAK EMKM. Longitudinal studies are also recommended to observe changes in accounting behavior and financial reporting quality over time. Furthermore, examining the roles of government, SME associations, and supporting institutions is important, as successful implementation depends not only on internal capabilities but also on the strength of the surrounding support ecosystem.

## VII. REFERENCES

Abed, I. A., Hussin, N., Haddad, H., Almubaydeen, T. H., & Ali, M. A. (2022). Creative Accounting Determination and Financial Reporting Quality: The Integration of Transparency and Disclosure. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(1), 1–23. <https://doi.org/10.3390/joitmc8010038>

Afriansyah, B., Niarti, U., & Hermelinda, T. (2021). Analysis Of The Implementation Of The Preparation Of Financial Statements Based On Micro, Small And Medium Entity Accounting Standards (Sak Emkm). In *Science Journal* (Vol. 19, Issue 1).

Amalia Lestari, F., Erlina Sasanti, E., & Suryantara, A. B. (2022). Implementation of Accounting in Micro, Small, and Medium Enterprises Based on Sak Emkm (A Study of MSMEs in Mataram City) (Vol. 2, Issue 1).

Arip, H., Karim, N. K., & Kartikasari, N. (2023). Application of Sak Emkm in MSMEs in Pringgabaya District (Vol. 3, Issue 1).

Ayudhi, L. F. R. S. (2020). Application of Financial Accounting Standards for Micro, Small, and Medium Enterprises (Sak Emkm) in MSMEs in Padang City. *JOURNAL OF ACCOUNTING AND AUDITING STUDIES*, 15(1), 1–15. [www.antarasumbar.com](http://www.antarasumbar.com)

Azizah, N., & Wildania, N. (2020). The Effect of Accounting Information Technology Utilization, MSME Business Competence, and Understanding of MSME Financial Statements on the Accuracy of MSME Financial Statements (An Empirical Study of MSMEs in Wonokromo District, Surabaya).

Biis, E. R., Supeno, B., & Seswandi, A. (2022). Factors Affecting the Accuracy of Financial Statements of KUD Tani Sejahtera in Bono Tapung Village, Tandun District, Rokan Hulu Regency. *Accounting and Finance Science*, 1(1), 76–90.

Harahap, M. A., & Siregar, S. (2022). Development of Accounting Theory: A Review of Selected Literature. <http://jurnal.stie-aas.ac.id/index.php/jap>

Jauhari, H., Hazisma, S., & Dewata, E. (2021). The Influence of Local Financial Accounting Systems and Government Accounting Standards on the Accuracy of Government Financial Reports. *JAK (Journal of Accounting) Scientific Accounting Studies*, 8(1), 91–103. <https://doi.org/10.30656/jak.v8i1.2487>

Kejriwal, M. A. (2022). Positive accounting theory: A critical evaluation. *International Journal of Health Sciences*, 6(S3), 4500–4509. <https://doi.org/10.53730/ijhs.v6ns3.6886>

Lusy. (2023). Msme Financial Report Quality Seen From Human Resource Competence, Implementation Of Financial Accounting Standards, And Social Capital. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, 7(2).

Pebrianti Putri, & Vina Merliana. (2024). The Effect of SAK EMKM Implementation, Education Level, Human Resource Competence, and Business Scale on the Accuracy of SMES Financial Reports (in SMES in Pameungpeuk District, Bandung Regency). *JEMSI (Journal of Economics, Management, and Accounting)*, 10(3), 1956–1966. <https://doi.org/10.35870/jemsi.v10i3.2491>