

THE ROLE OF ACCOUNTING INFORMATION SYSTEMS FOR INCREASING THE SCALE OF MSMEs IN SUSTAINABLE DEVELOPMENT

Camelya Adelyani Br Hutagalung¹, Indra Fauzi², Ardhansyah Putra Hrp³,
Yudi Harianto⁴, Melissa Rambe⁵

^{1,2,3,4,5} Faculty of Economics and Business, Universitas Muslim Nusantara Al-Washliyah
Email: Adelyani1309@gmail.com

Abstract

This study aims to analyze the role of accounting information systems (AIS) in increasing the scale of micro, small and medium enterprises (MSMEs) in the context of sustainable development. By utilizing AIS, MSMEs are expected to be able to improve operational efficiency, accuracy of financial data, and quality of decision-making. This research will review related literature, conduct case studies on several MSMEs, and analyze qualitative and quantitative data. The results of this study are expected to contribute to the development of an effective AIS model for MSMEs and provide recommendations for MSME actors and other stakeholders in an effort to increase business scale in a sustainable manner.

Keywords : *Accounting Information System (AIS), MSMEs, Sustainable Development, Business Scale*

INTRODUCTION

MSMEs is a stand-alone productive business unit, which is carried out by individuals or business entities in all economic sectors (Tambunan, 2012:2). The Accounting Information System is not just a computer program, but a system that is able to manage financial data more efficiently and accurately. The application of Accounting in business activities among MSMEs still feels difficulties, the causes include limited human resources, lack of human resource ability in managing finances for MSMEs, and the absence of guidelines that will be used as a reference for financial management in MSMEs. As the business develops, the bookkeeping and accounting system must also develop. At a time when the number of transactions in the business is increasing and it will be difficult to do it manually, at this time the use of technology is very necessary to be applied.

For micro, small, and medium enterprises (MSMEs), the implementation of an accounting information system makes it easier for business people to make decisions about their business development. market, prices, financial statements in accordance with accounting standards, and others in connection with that, the provision of accounting information is also necessary in relation to the relationship between small business relations with the government and creditors (banks) Information There is a possibility that accounting can help with planning. supervision, control, and decision-making in business activities, so in addition, SMEs must have the ability to use accounting information to have the ability to analyze their work. The SME Law on Taxation Law No. 2 of 2007 and Law No. 9 of 1995 concerning the Development of Small and Medium Businesses and Cooperatives in it. The role of accounting is to provide information as a basis for business decision-making. According to Pinasti (2007: 322) accounting information can be a reliable basis for decision-making in small business management, including market development decisions, pricing, and others.

The accounting information system (AIS) is one of the important components in supporting the company's financial and operational management. In the midst of rapid technological developments and the increasing complexity of the business environment, accurate and efficient management of financial information is one of the main keys in increasing the competitiveness of MSMEs. Proper implementation of SIA can help MSMEs in preparing more transparent financial statements, making better decisions, and meeting existing tax and regulatory obligations. However, even though the benefits of SIA are huge, there are still many MSMEs that have not fully utilized this

Camelya Adelyani Br Hutagalung¹, Indra Fauzi², Ardhansyah Putra Hrp³, Yudi Harianto⁴, Melissa Rambe⁵

system, and some even do not understand the importance of accounting information systems in managing their businesses. This article aims to discuss in depth the role of accounting information systems in scaling up MSMEs. In this discussion, various important aspects related to the implementation of the accounting information system, the challenges faced by MSMEs in its implementation, and the benefits that can be obtained from the use of this system will be described. In addition, this article will also discuss how accounting information systems can be an effective tool in supporting strategic decision-making oriented towards the growth and development of MSMEs.

Some of the issues that will be discussed in this article include how accounting information systems can improve the transparency and accuracy of MSME financial statements, speed up the decision-making process, and improve operational efficiency. In addition, this article will also explore the role of information technology in introducing a digital-based accounting system that is more accessible and more affordable for MSMEs. Ultimately, this article aims to provide a comprehensive insight into the importance of accounting information systems for MSMEs and how proper implementation can help them to grow and scale their businesses. Without good financial management, MSMEs are at risk of failure in decision-making, difficulties in accessing funding, and inability to meet applicable tax obligations and regulations.

On the other hand, with the development of information technology, many software solutions are now available to assist MSMEs in managing their accounting systems. A digital-based accounting information system or integrated accounting software can make it easier to record financial transactions, make financial reports, and analyze financial performance. However, another big challenge is how to provide the right understanding and training to MSME actors regarding the benefits and how to use the technology. The application of technology in accounting systems also allows MSMEs to manage data in a more integrated and real-time manner. This not only increases efficiency, but also provides a clearer picture of the financial performance of the business. Thus, MSME owners can immediately find out potential problems or opportunities that need to be overcome or utilized.

THEORETICAL DESCRIPTION

Theoretically, this research can be associated with several key concepts, including:

Accounting Information System (AIS) is a system that processes financial transaction data and produces accounting information that is useful for decision-making. In the context of MSMEs, SIA can help in terms of recording transactions, making financial statements, and analyzing performance. MSMEs are a business sector that has an important role in the economy. However, MSMEs often face obstacles in terms of financial and information management. Sustainable Development emphasizes the balance between economic, social, and environmental growth. In the context of MSMEs, sustainable development means an effort to grow and develop sustainably without sacrificing social and environmental aspects.

Theoretical relationships

This study argues that the implementation of AIS can significantly contribute to the improvement of MSMEs in the context of sustainable development through various mechanisms such as:

- a. Improve operational efficiency: AIS can help MSMEs in automation. Improve business processes, reduce recording errors, and improve the accuracy of financial information. This increases operational efficiency and reduces costs.
- b. Improve the quality of decision-making: Accurate and timely accounting information helps MSMEs make better business decisions such as production planning, pricing, and supplier selection.
- c. Increase access to financing: Financial statements prepared using AIS can increase investor and financial institution confidence and facilitate access to financing for MSMEs.

- d. Increased transparency and accountability: AIS aims to increase the transparency and accountability of MSME financial management so that it can build trust among various stakeholders such as customers, employees, and the government.

The Influence of AIS on the Financial Performance of MSMEs

To strengthen the argument about the influence of AIS on the financial performance of MSMEs, we can refer to several relevant accounting theories, such as:

a. Agency Theory

This theory explains the relationship between the principal and the manager (agent) in the company. AIS can help reduce the problem of asymmetrical information between the two, thereby increasing the owner's confidence in the manager's performance.

b. Signal Theory

AIS can serve as a signal to external parties (investors, creditors) about the quality of management and company performance. Financial statements prepared using a good SIA can give positive signals to external parties.

c. Resource Dependency Theory

This theory emphasizes the importance of resources for the success of a company. AIS can help MSMEs in managing resources efficiently, thereby increasing competitiveness.

However, even though the benefits of implementing AIS have been proven, many MSMEs have not fully implemented this system properly. Some of the factors that cause this include limited accounting knowledge and skills, high costs, and doubts about new technologies. Research by Santoso (2021) revealed that these factors are the main obstacles in the implementation of SIA in Indonesian MSMEs. Therefore, it is important to provide education and training to MSME actors about the importance of AIS and how to use it effectively.

METHOD

The method in this article aims to reveal the role of Accounting Information Systems (AIS) in supporting the scaling of Micro, Small, and Medium Enterprises (MSMEs). Given the importance of accounting information systems in the financial and operational management of MSMEs, this study focuses on analyzing the implementation and impact of the use of AIS on the performance of MSMEs, as well as the obstacles faced in the implementation of this system. For this reason, the approach used in this study is a qualitative method. The qualitative method allows researchers to gain a broader understanding of the perception and experience of MSME actors when implementing the Accounting Information System. However, the purpose of the study is to gain an understanding of the relationship between the application of the Accounting Information System and the increase in business scale in MSMEs.

DISCUSSION

D.1 The Role of Accounting Information Systems for MSMEs

Accounting Information Systems (AIS) have a very important role in supporting operational efficiency and effectiveness in Micro, Small, and Medium Enterprises (MSMEs). Based on a number of studies and journals that discuss the application of AIS to MSMEs, the following are some of the main opinions and findings related to the role and benefits of SIA in the context of MSMEs.

1. Improved Financial Management and Decision-Making

The implementation of AIS can improve the quality of decision-making in MSMEs, especially in terms of financial management. With more structured and accurate information, MSME owners can make better decisions in terms of resource allocation, cash management, and future planning. More precise financial data allows them to plan their working capital needs, determine more profitable product prices, and manage operational costs more efficiently

Camelya Adelyani Br Hutagalung¹, Indra Fauzi², Ardhansyah Putra Hrp³, Yudi Harianto⁴, Melissa Rambe⁵

2. Increase Financial Transparency and Accountability

The use of SIA can help increase financial transparency and accountability in MSMEs. In many cases, MSMEs often face problems related to the lack of clarity of financial statements, which can hinder their relationships with external parties such as financial institutions or investors. With SIA, financial statements become clearer, structured, and in accordance with applicable accounting standards, which in turn increases the trust of external parties in the business.

3. Improving the Quality of Financial Reports

The Accounting Information System is able to improve the quality of MSME financial reports, especially in terms of accuracy and timeliness. The use of AIS allows for automatic and accurate recording of transactions, reducing the risk of human error that often occurs in manual record-keeping. The resulting financial statements become more complete and relevant to be used in business planning and other financial decisions. In addition, better reporting allows MSMEs to meet applicable tax and regulatory requirements

D.2 Accounting Information System (AIS) Supports Sustainable Development

Sustainable development is a concept that includes three main pillars: **economic**, **environmental**, and **social**. Sustainable development aims to meet current needs without sacrificing the ability of future generations to meet their needs. In the context of the business world, especially in the Micro, Small, and Medium Enterprises (MSMEs) sector, the application of technology that supports sustainability is very important, and **the Accounting Information System (AIS)** is one of the tools that can make a major contribution in realizing sustainable development goals.

AIS, as a system used to collect, process, store, and generate reports related to financial information, not only provides benefits in financial management, but also has the potential to support sustainability in various aspects. This article will discuss how AIS can play a role in supporting sustainable development in a variety of ways.

1. Supporting the Economic Aspects of Sustainable Development

The economic aspect of sustainable development aims to ensure inclusive, sustainable, and sustainable economic growth in the long term.

2. Supporting the Social Aspects of Sustainable Development

The social aspect of sustainable development focuses on equitable distribution of welfare and poverty reduction, as well as strengthening people's capacity to improve their quality of life.

3. Supporting the Environmental Aspects of Sustainable Development

One of the main challenges in sustainable development is to preserve the environment. AIS, although it focuses more on the financial aspect, can also play a role in supporting environmental sustainability in several ways:

a. More Efficient Management of Natural Resources

By using AIS, MSMEs can more easily monitor the use of natural resources, such as energy, raw materials, or water, which is very important for companies engaged in the manufacturing sector. SIA allows companies to estimate raw material needs more accurately, thereby reducing material and energy waste. This efficiency in the use of natural resources not only reduces operational costs but also contributes to the reduction of negative impacts on the environment.

b. Application of Green Accounting Principles

Green accounting is an approach used to measure and manage the environmental impact of a company's activities, as well as to integrate environmental considerations into financial statements. AIS can support the principles of green accounting by enabling the measurement and reporting of the environmental impact of a company's operations. For example, by using SIA, companies can record and manage carbon emissions, waste generated, or the use of renewable energy in their operations.

c. Supporting the Development of Environmentally Friendly Products

Companies that have better control over finances and resource management have the potential to be better able to invest in environmentally friendly product or process innovations. AIS allows

MSMEs to monitor and assess the benefits of developing environmentally friendly products. With the right data, companies can be more confident in making decisions to develop more sustainable products, such as using more environmentally friendly raw materials or reducing waste.

d. Better Environmental Planning and Reporting

AIS also allows companies to do better environmental planning. The reports produced by AIS can include indicators related to environmental impact, so that companies can identify areas that need special attention in terms of environmental sustainability. This will encourage them to formulate more proactive policies in preserving the environment. According to Anna, Sentot, Ma'ruf, Agusdiwana (2017:34), the main purpose of building an internal control system is to create an environment where internal control becomes a healthy management culture. In addition, AIS intends to:

- a) Collect and store data on the company's financial activities and operations
- b) Processing data into information that can be used in business decision-making
- c) Control all aspects of the company.

The results of this study are supported by the research of Arlianto and Tenny (2004) which states that the use of accounting information systems is proven to have an effect on the success of small and medium enterprises.

CONCLUSION

Accounting Information Systems (AIS) have proven to be a very valuable tool for Micro, Small, and Medium Enterprises (MSMEs) in improving business performance and sustainability. AIS is investment that is very important for MSMEs. By utilizing this technology, MSMEs can increase their competitiveness, achieve sustainable growth, and contribute to more inclusive economic development. SIA helps improve the quality of decision-making in MSMEs, especially in terms of financial management. More precise financial data allows them to plan for working capital needs, determine more profitable product prices, and manage operational costs more efficiently.

Sustainable development is a concept that includes three main pillars: economic, environmental, and social. AIS plays a role in supporting sustainable development in various ways. The economy of AIS aims to ensure inclusive, sustainable, and sustainable economic growth in the long term. AIS social focus is on equitable distribution of welfare and poverty reduction, as well as strengthening people's capacity to improve the quality of life.

REFERENCES

- Tambunan, Tulus, 2012, Understanding the Crisis of Economic Policy Development, Jakarta.
- Pinasti, M. 2007. "The Effect of the Implementation and Use of Accounting Information on Small Entrepreneurs' Perception of Accounting Information: An Experimental Research". Indonesian Journal of Accounting Research, Vol 10, No 3, September
- Arlianto and Tenny.2014. The Effect of the Use of Accounting Information on the Success of MSMEs in the Convection Industry in Padurenan Village, Gebog District, Kudus Regency
- Syarifuddin, S., & Mutia, S. 2019. Identify factors that affect the performance of MSMEs. Profita Journal, 12(2), 242.
- Utami, H. T. 2018. The Effect of Owner's Knowledge, Business Scale, and Business Age on the Success of Business Performance with the Use of Accounting Information as a Moderation Variable (Survey on Typical Food SME Business Owners in Banyumas Regency). ElJizya : Journal of Islamic Economics, 6(1), 23– 48.
- Wahyuni, T., Marsdenia, M., & Soenarto, I. 2018. Analysis of the Influence of the Implementation of Accounting Information Systems on the Measurement of MSME Performance in the Depok Region. Indonesian Vocational Journal, 4(2).
- Anna, Sentot, Ma'ruf, Agusdiwana .2017.Accounting Information Systems: theory and practice. UM Publishing Surabaya Publishing.