



Analysis of the Implementation of Accounting Information Systems in Improving the Quality of Financial Statements of Village-Owned Enterprises

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Abstract: BUMDes institutions have an important role in improving the village economy through community-based business management. However, the results showed that the application of accounting information systems (AIS) in BUMDes is still very limited. Financial recording is only done manually in the form of cash in and cash out without producing financial reports in accordance with accounting standards. This condition causes several problems, including delays in report preparation, low recording accuracy, and lack of transparency in financial management. This study aims to analyze the application of SIA and financial reports at BUMDes and provide relevant solutions. The research method was conducted through observation, interviews, and document analysis of BUMDes financial reports. The results of the analysis show that limited human resources, lack of technology utilization, and low understanding of the importance of financial reports will be the main obstacles. The solution offered is the implementation of digital-based AIS and basic accounting training for BUMDes administrators. With the implementation of a more modern system, it is expected that financial reports can be prepared in a timely, accurate manner and in accordance with accounting standards. The conclusion of this study confirms that digital transformation in BUMDes accounting system can improve accountability, transparency, and sustainable financial performance.

Keywords: Accounting Information System; Financial Report; BUMDes; Transparency; Accountability.

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Introduction

Village-Owned Enterprises (BUMDes) are one of the important instruments in village economic development that is oriented towards improving community welfare. As an economic entity, BUMDes not only performs business functions, but is also required to have financial governance that is transparent, accountable, and in accordance with accounting standards. In practice, BUMDes financial management still often faces obstacles, especially related to recording, reporting, and accountability.[1]–[5] . Therefore, the implementation of an Accounting Information System (AIS) becomes very important to improve the quality of financial reports and support the accountability of village fund management.

Although the existence of BUMDes continues to grow, there are still many BUMDes that have not implemented an adequate financial recording system. The recording process is often done manually, making it prone to errors, delays, and even inaccuracies in the presentation of financial statements. This has an impact on the low quality of the resulting financial statements, making it difficult to use as a basis for decision-making or as a form of

accountability to the community and village government. Another problem is the limited human resources who have an understanding of accounting and information technology, so that the implementation of the AIS has not run optimally .[6]–[10]

To answer these problems, the implementation of Accounting Information Systems is a strategic step. AIS is able to automate the process of recording transactions, simplify the preparation of financial reports, and minimize human error. In addition, the application of AIS can help improve transparency, accountability, and accelerate the presentation of financial reports in accordance with stakeholder needs[11]–[15] . With the support of human resource training and the application of simple accounting applications that are in accordance with the capacity of the village, BUMDes are expected to prepare better quality financial reports.

This study aims to analyze the implementation of Accounting Information Systems at BUMDes and evaluate its contribution to improving the quality of financial statements. Through this research, it is expected to know the extent of the effectiveness of the AIS in supporting the presentation of relevant, reliable, and

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timely financial reports. In addition, this study also aims to provide recommendations to strengthen the implementation of AIS in BUMDes, so that village financial management becomes more professional, transparent, and sustainable.

Method

This research uses a qualitative descriptive approach with the aim of analyzing the application of accounting information systems (AIS) in preparing BUMDes financial reports. The research location was conducted at one of the BUMDes which became the object of study according to the research report.

Types and Sources of Data

The data used consists of:

1. Primary data, obtained through interviews with BUMDes managers, direct observation of the financial recording process, and documentation of transaction recording activities.
2. Secondary data, in the form of financial reports, cash books, and village accounting policy documents and guidelines.

Data Collection Technique

- Observation: conducted to identify the process of recording financial transactions, starting from revenue, expenditure, to report preparation.
- Interviews: conducted with BUMDes administrators, especially the treasurer and chairman, to deepen our understanding of the constraints in implementing the recording system.
- Documentation: collected evidence of recording and previously prepared financial reports.

Data Analysis

The data was analyzed by comparing the recording practices carried out by BUMDes with the basic principles of accounting information systems as well as the financial accounting standards of micro, small and medium entities (SAK EMKM). The analysis also focused on the reliability, timeliness, and understandability of the financial statements.

Results and Discussion

Results

Implementation of Accounting Information System (AIS) in BUMDes

The results showed that BUMDes still use a manual recording system based on a cash book. Financial transactions, both receipts and expenditures, are recorded in a simple table without account classification according to accounting standards. This system is quite helpful in recording cash flows, but is not able to present a comprehensive financial picture. This condition is different from the concept of an Accounting Information System (AIS), which should include the process of recording, classifying, summarizing, and presenting relevant financial reports that can be used in decision-making. In other words, BUMDes is only at the basic

stage of recording transactions, not yet at the stage of producing complete accounting reports.

Quality and Reliability of Financial Statements

The financial statements prepared are only cash in and cash out reports. There is no income statement, balance sheet, or statement of changes in equity that are standard in the preparation of financial statements in accordance with SAK EMKM (Financial Accounting Standards for Micro, Small, and Medium Entities). As a result, village managers and stakeholders do not have a complete picture of the profitability, financial position, and performance of BUMDes.

In addition, financial reports have not been presented regularly. The process of preparing reports is often delayed because manual recording takes a long time to recapitulate. This results in delayed information for managerial decision-making.

Constraints in AIS Implementation

Some of the main obstacles found in this research include: a) Limited human resources: BUMDes administrators, especially treasurers, do not have an adequate understanding of accounting principles. This results in record-keeping that is only oriented towards cash administration, not the preparation of standardized financial statements. b) Lack of technology utilization: BUMDes have not used computer-based or mobile accounting applications. All processes are still manual, making recording errors prone and time-consuming. c) Lack of awareness of the importance of standardized financial reports: Management emphasizes recording merely as administrative evidence, not as a tool for analyzing financial performance.

Discussions

Based on these results, it can be concluded that the implementation of AIS in BUMDes is still far from optimal. This condition has the potential to reduce the accountability and transparency of village fund management. In fact, reliable financial reports are essential for assessing performance, avoiding allocation errors, and increasing public trust in BUMDes.

If BUMDes implements a digital application-based AIS, such as simple accounting software that suits the needs of small businesses, the recording process can be done more quickly, accurately, and according to standards. For example, an accounting application that can automatically generate income statements, balance sheets, and cash flow statements. That way, financial information can be used as a basis for strategic decision-making, both for business expansion and for performance evaluation.

In addition to the use of technology, it is also important to provide basic accounting training for BUMDes administrators. This will improve their ability to manage financial reports and understand the importance of accounting standards. With better MIS implementation, BUMDes financial reports will be more transparent, accountable and compliant. This will increase public trust, strengthen governance, and support the sustainability of the BUMDes business.

Conclusion and Suggestions

This study shows that the application of accounting information systems (AIS) in BUMDes is still limited to manual recording of

cash in and cash out. This system has not been able to produce complete financial reports in accordance with the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM), so the available financial information is not sufficient to support strategic decision-making. The main obstacles faced include limited human resources in understanding accounting, minimal utilization of technology, and low awareness among the board of the importance of standard financial reports. Therefore, the implementation of a digital-based accounting information system is a very relevant solution to improve the accuracy of recording, accelerate the reporting process, and increase transparency and accountability of BUMDes financial management. With basic accounting training and the utilization of simple accounting applications, it is expected that BUMDes can prepare financial reports more professionally, transparently, and according to standards, so as to increase public trust and support business sustainability.

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