

The Application of Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) in BUMDes MM

Ayu Chairina Laksmi¹, Defi Tria Amanda²

Faculty of Business and Economics, Universitas Islam Indonesia, Yogyakarta

Corresponding email address: ayucl@uii.ac.id

Abstract

BUMDes (Village-Owned Enterprises) are business entities formed by the village to improve the welfare of village communities. This BUMDes financial report is important for the interests of BUMDes management, village government and village communities. By having transparent and accurate financial reports, BUMDes can monitor financial performance and make better decisions for the sustainability and development of businesses in the village. This research aims to determine the suitability of BUMDes MM's financial reports with the provisions of SAK ETAP. This research uses qualitative methods. The data taken for this research used primary data, namely interviews with the director and treasurer of BUMDes MM and also secondary data with data obtained through the BUMDes MM Treasurer in the form of ready-made financial reports and organizational structures. The results of this research explain that BUMDes MM has not presented financial reports in accordance with SAK ETAP because it only presents profit and loss reports but has not presented balance sheets, cash flow reports, changes in equity reports and notes to financial reports.

Keywords: *BUMDes, Financial Reports, SAK ETAP.*

INTRODUCTION

According to Government Regulations of the Republic of Indonesia Number 11 of 2021 about Village-Owned Enterprises, Village-Owned Enterprises or BUMDes is a legal entity that has various activities with the aim of making a profit and providing benefits to village communities. BUMDes is a village tool in the field of economic movement which is characterized by a collective spirit and mutual cooperation to carry out village tasks and village community goals (Adilah & Rani, 2020). The movement of BUMDes in the village economy sector is one of the important things for implementing appropriate accounting principles, such as implementing and preparing financial reports. The preparation of BUMDes financial reports must be guided by and in accordance with Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) with the aim of providing information and quality financial reports that are accurate, reliable and relevant.

A financial report is considered to be high quality if the information presented in the financial report can be understood by the users and help them in making decisions, does not give wrong information, and reliable. Furthermore, a high quality financial report can be used as a comparison with financial reports in previous periods (Limarjani et al., 2022). Preparing a high quality financial reports also can help ongoing business developments. By preparing high quality financial reports and in accordance with applicable standards, entities and organizations will be able to make plans developing their business in the future.

Government Regulation Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages states that BUMDes manager and director have the authority to make financial reports for all BUMDes business units every month. Therefore, financial reports play an important role in assessing the development of a BUMDes since that reports can provide information to determine the level of business development in BUMDes. BUMDes uses SAK ETAP as an financial accounting standard and a guideline in preparing financial reports. BUMDes is not a public company, hence, it does not have public accountability. However, BUMDes stil have to follow

SAK ETAP, which is a guideline for preparing financial reports for their accountability (Gaghenggang et al, 2022). The BUMDes financial reports based on SAK ETAP consist of a balance sheet, business results report/profit and loss report, cash flow report, change in equity report, and notes to the financial report. For this reason, BUMDes can be said to have presented financial reports well if they have prepared all of those five financial reports.

BUMDes is one of the business entities that the government pays close attention to. BUMDes receive their working capital from village funds and the village funds are given by the government. However, there are still many cases of suboptimal development of BUMDes, especially in financial reporting. This is shown by previous studies explaining that many BUMDes financial reports do not comply with the financial accounting standards SAK ETAP. According to Gaghenggang et al (2022), BUMDes in Lihunu Village in Minahasa, North Sulawesi province have not implemented financial recording and reporting in accordance with SAK ETAP. Apart from that, Aliah et al. (2022) found that the management of BUMDes Pematang Serai in Langkat, North Sumatra province did not properly understand the recording of accounting reports based on financial accounting standards SAK ETAP. Thus, it can be concluded that there are BUMDes that have not prepared and presented financial reports based on applicable accounting standards which is SAK ETAP.

BUMDes activities in the economic sector require the people directly involved, especially the BUMDes management, to understand the importance of financial accounting standards in financial reporting. The application of financial accounting standards SAK ETAP in BUMDes financial reporting has a purpose to increase public trust and make reporting easier. Financial accounting standards is critical for BUMDes in preparing their financial reports in order to ensure information presented is complete and useful for the users of the financial reports (Adilah & Rani, 2020). For this reason, preparation and reporting must be in accordance with the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP).

This research focuses on analyzing the application of financial accounting standards SAK ETAP in BUMDes MM. BUMDes MM is located in Ponorogo, East Java province. BUMDes MM was founded in 2016 and after undergoing a major organizational structure changes at the end of 2017, it was able to operate again in 2018. The aim of this research is to determine whether BUMDes MM have followed SAK ETAP in preparing its financial reports and to investigate whether there are any problems in implementing SAK ETAP.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Literature Review and Hypothesis Development

This research uses agency theory as its theoretical basis. Agency theory states that in general all shareholders are part of the management level and have their own interests (Jensen & Meckling, 1976). The relationship between agency theory and the quality of financial reports in this research is characterized by the importance of management providing verifiable information, the quality of the information provided, and the relevance of the information. Financial reports are one of the accountability tools that the agents can use to convince the principals that the agents have provided maximum operational efficiency in accordance with applicable regulations. For financial reporting to be useful, organizations need people who can be trusted, people who can prepare financial reports professionally based on their special skills and experience (Lathifatun, 2022).

In this case, the BUMDes management plays an important role in providing financial information by preparing good and correct financial reports in accordance with applicable standards.

a. Financial Statements

Definition of Financial Statements

Financial reports are part of the financial reporting process. According to SAK ETAP, accounting is a part of the financial reporting process which includes balance sheets, profit and loss reports, reports on changes in financial position. Financial reports are part of overall financial reporting.

Characteristics of Financial Reports

According to the Institute of Indonesia Chartered Accountant (IAI, 2024) there are four main qualitative characteristics of financial reports that provide information in financial reports and are useful for users (*user*) as follows:

1. Understandable
Ease of quick understanding for users of financial reports is an important quality of financial reports.
2. Relevant
In presenting financial reports, information in financial reports must be relevant to meet user needs in the user's economic decision making process and can be used as material for evaluating past, current and future events.
3. Reliability
In this case, information can be said to be reliable if the information in the financial statements is free from misleading, material errors and can be relied upon by users of the financial statements.
4. Comparable
With the existence of financial reports, it is hoped that they can be used as a comparison for a company to identify trends (*trend*) financial position and performance.

b. Accountancy

Accounting can be interpreted as the art of recording, classifying and summarizing, the end result of which is to produce information about all the financial activities of a company. The purpose of accounting in financial reports is to provide information to help users make decisions.

Financial reporting is a form of accountability to internal and external stakeholders. The internal parties mentioned above are divided into three groups: management, shareholders or investors, and employees. The external parties may consist of customers, creditors, the government and the society.

c. Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP)

Financial Accounting Standards (SAK) are a series of financial reporting procedures designed to ensure consistent presentation of financial reporting. What is meant by "For Business Entities Without Public Accountability" (SAK ETAP) is financial reporting aimed at business entities whose financial reporting cannot be held accountable to the public. In general, SAK ETAP is used by small and medium businesses that do not buy and sell shares on the capital market. According to IAI (2024), with the existence of SAK ETAP, it is hoped that they will be able to prepare their own financial reports, can be audited, and obtain audit opinions, so that access to funding will be wider.

According to the Institute of Indonesia Chartered Accountant, Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) are intended for use by Entities Without Public Accountability (ETAP), which are entities that do not have significant public accountability and publish general purpose financial statements for external users. Examples of external users are owners who are not directly involved in managing the business, creditors and credit rating agencies. SAK ETAP aims to create flexibility in its implementation and is expected to provide ETAP with easy access to funding from banks. SAK ETAP is a stand-alone financial accounting standards and does not refer to general financial accounting standards, most of which use the historical cost concept; regulate transactions carried out by ETAP; a form of arrangement that is simpler in terms of accounting treatment and remains relatively unchanged over several years.

Presentation of Financial Reports based on SAK ETAP

According to SAK ETAP, the balance sheet reflects the assets, liabilities and equity of a company at a certain time after the end of the reporting period and includes at least the following items: cash and cash equivalents, trade receivables and other receivables, inventory, fixed assets, intangible assets, trade payables and accounts payable others, assets and liabilities for taxes, liabilities or debt and estimates and equity (IAI, 2024).

The income statement includes all income and expense items recognized in a period unless SAK ETAP has other requirements. SAK ETAP regulates different treatment for the impact of corrections for errors in changes in accounting policies which are given as adjustments to previous periods, not as part of natural profits or losses in the period in which the change occurred. The minimum profit and loss statement includes the following items: income, financial expenses, share of profit or loss from investments using the equity method, tax expenses, net profit or loss (IAI, 2009).

The statement of changes in equity presents the entity's profit or loss for a period, items of income and expenses recognized directly in equity for that period, the effect of changes in accounting policies and corrections of errors recognized in that period, and the amount of investments and dividends and other distributions to equity owners. during that period. The statement of changes in equity includes: retained earnings at the beginning of the period, dividends declared and paid or payable during the period, restatement of retained earnings after correction of errors in the previous period, restatement of retained earnings after correction of errors in the previous period, restatement of retained earnings after changes in accounting policies and retained earnings at the end of the reporting period (IAI, 2009).

Moreover, there is cash flow statement that provides information regarding changes in the entity's cash and cash equivalents which are shown separately that occurred during the period of operating, investing and financing activities (IAI, 2009). Lastly, there are notes to Financial Reports which provide information in addition to the information provided in the financial statements. This report explains the details of the amounts presented in the financial statements and information on items that do not meet the recognition criteria in the financial statements (IAI, 2009).

d. Village Owned Enterprises (BUMDes)

According to Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration Number 3 of 2021 concerning Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and/or Services for Village-Owned Enterprises/Joint Village-Owned Enterprises, BUMDes is a legal entity established by a village and/or together with villages with the aim of managing business, utilizing assets, developing investment and productivity, providing services, and/or providing other types of business for the greatest welfare of village communities

According to Hasan dan Gusnardi (2018) BUMDes is a business entity that can help the community in all ways, including meeting daily needs, providing business opportunities or employment opportunities, as well as broadening the village community's insight. BUMDes financial management is generally regulated by the Ministry of Home Affairs No. 39 of 2010 (Ministry of Home Affairs, 2010) and Government Regulation Number 72 of 2005 about Village, which explains that the source of BUMDes capital comes from community savings, village government, assistance from district, city and provincial governments, loans, capital from other parties or work same for the results.

METHODS

This research method used a qualitative research design. Qualitative research aims to understand social phenomena from participants who are interviewed, observed, and people who provide data for research (Willis et al., 2007). A qualitative approach is used to analyse the financial reports of BUMDes MM whether they are in accordance with SAK ETAP. Based on the data obtained, the researcher analyze the model for recording BUMDes MM financial reports based on SAK ETAP to determine the suitability of financial reports for BUMDes MM based on SAK ETAP.

The data collection techniques in this research are as follows:

1. Interview, researchers conducted questions and answers to BUMDes management regarding the general profile of BUMDes, how many and types of business units are running, problems faced when preparing financial reports, and the types of financial reports prepared as well as the Accounting Standards used in preparing BUMDes MM financial reports.

2. Documentation/document analysis, researchers obtained data in the form of notes and financial report files from BUMDes administrators. The purpose of this documentation is to find out information related to the data that will be used as research material.

Research instruments are tools used by researchers to collect data with the aim of facilitating research and improving results. In this study, data was collected by interviews hence the research instrument are the interview questions. The following is a description of the questions that will be used in interviews with the management of BUMDes MM. The interview questions related to the general profile or identification of BUMDes MM were adopted from research by Lintong, et al. (2020).

1. When was BUMDes established?
2. Does BUMDes have a legal form or not?
3. How much funding is allocated from the village government each year?
4. What are the types of BUMDes businesses?

The questions that focus on how to record BUMDes financial reports are adopted from Imran et al. (2020) research as follows:

1. Difficulties/problems faced in preparing financial reports?
2. Do you use any method to record BUMDes financial reports? If there is, what kind of recording method is used in the process of recording BUMDes financial reports?
3. Is there a recording of transactions carried out by BUMDes?
4. What financial reports are prepared by BUMDes?
5. When are these financial reports prepared?
6. What is the process for recording financial reports at BUMDes?
7. Have the BUMDes financial reports been prepared using SAK ETAP?
8. Have you previously understood the financial recording standards of SAK ETAP?
9. Was there previously any counselling regarding the preparation of BUMDes financial reports?
10. Is there any hope that you will understand SAK ETAP so that you can prepare BUMDes financial reports in accordance with the provisions?

The data analysis method used in this research is thematic analysis. Thematic analysis is a data analysis method where researchers aim to identify patterns or find themes based on the data collected (Heriyanto, 2018). Heriyanto (2018) also explained that thematic analysis is the basis or foundation of analytical goals in qualitative research. According to Fereday and Muir-Cochrane (2006), thematic analysis is very useful when the research objective is to examine qualitative data in depth to find related patterns in a phenomenon and to explain the extent to which a phenomenon occurs that this is an effective method. The data analysis process begins by reviewing all data obtained from various sources, namely from interviews, official documents from BUMDes, pictures, photos, etc. From the results of the data obtained, the author uses qualitative analysis by describing the state of BUMDes, namely describing the phenomena that occur and it included analyzing the problem of BUMDes financial reports and whether they were in accordance with the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP).

In the data analysis process, the researcher carried out three activities to achieve data validity, namely data reduction, data presentation, and drawing conclusions.

1. Data Reduction

Data reduction is a form of analysis sharpening, classifying, directing, discarding, and organizing data so that the final results can be obtained and verified (Miles & Huberman, 2019). Researchers receive clearer data from reduced data and can carry out further data analysis.

2. Data Presentation

According to Miles and Huberman (2019), data presentation is intended to provide opportunities to find meaningful patterns, draw conclusions, and take action. The aim of presenting data is to find meaningful patterns, draw conclusions in the form of descriptive narratives, images, networks and tables, and provide opportunities to take action. Presenting this data helps researchers understand what is happening and allows them to plan future research based on this knowledge.

3. Data Interpretation or Conclusion Drawing

Data interpretation is the stage of drawing conclusions from data obtained from research results. The purpose of drawing conclusions is to find or understand meaning, regularity, patterns, explanations and cause and effect relationships. According to Hardani et al. (2020), the final step in qualitative data analysis is drawing conclusions. In this section the researcher presents conclusions from the data collected. The analysis process in this research did not only occur once, but occurred interactively during reduction, presentation, conclusion drawing or validation activities during the research period. Drawing conclusions is the final stage of data analysis activities and is also the final stage of data processing.

Thematic analysis is one of the data analysis techniques used in qualitative methods. Thematic analysis provides a complete and detailed picture of the data, allowing researchers to easily interpret various aspects depending on the focus of the research question. Laksmi (2015) explained that by identifying whether there are patterns between pieces of code with certain themes, researchers can test the strength of potential accounts, descriptions and/or explanations. According to Saldana in Laksmi (2015) coding had a focus on finding the most frequent or significant codes to be able to develop which ones are most prominent in the data and requires decisions regarding which initial codes provide the most explanation for the analysis. There are two stages in the process coding:

a. Open coding (*open coding*)

This coding involves giving meaning and labels in the form of words and phrases based on existing data, for example the results of interview transcripts.

b. Axial coding (*axial coding*)

Axial coding is a continuation of open coding and is carried out by creating themes and categories based on words and phrases previously generated during open coding.

Validity refers to the suitability between the measuring instrument and the object being measured, meaning that the measurement results obtained reflect the actual size dimensions and can be understood. Reliability in qualitative research is the degree of conformity between the data/description provided by the subject and real life situations. This research employed the following ways to ensure the validity and reliability of the data.

1. Triangulation

According to Moon (2019) triangulation is one method that can help in increasing the validity, reliability, and legitimation, which encompasses credibility, dependability, confirmability, and transferability, of research findings. Thus, the purpose of triangulation is to determine the validity of data obtained in a qualitative research. This research uses triangulation of data collection techniques namely conducting interviews and analysing documents to produce detailed data regarding actual problems encountered at BUMDes MM.

2. Member Check

Member validation or Member Check is a process where researcher review data received from data providers with the aim of validating the accuracy of the data and its interpretation (Meleong, 2018). The data obtained must be adapted to the data provider so that the data and information can be used in preparing reports according to the intentions of the information provider (participants). Member check in this study was conducted after the transcription process were finished. Each of the participants were given their respective interview transcripts and they were asked to check whether the content of the transcripts were correct and reflected the true conditions at the time of the interviews.

RESULT AND DISCUSSION

Interviews and documentation activities were carried out to find out which elements of the financial reports prepared by BUMDes MM were inappropriate. From this process it was discovered that there were several discrepancies in the preparation of financial reports prepared by BUMDes MM based on SAK ETAP.

The recording of BUMDes MM financial reports was made manually using methods that were understood by the BUMDes MM management obtained from existing assistance. This was explained by Participant 1:

"Actually we have recorded it, but the methods we use are in accordance with our local wisdom, this clear manual for the methods we use is an application given from our initial assistance."

This was confirmed by participant 2 who also stated that the BUMDes MM financial report prepared the report by applying a method that was understood by the management, namely using its own method.

"Yes, use our own method, manual."

According to participant 2, BUMDes MM administrators experienced difficulties in preparing financial reports and were aware that the reports made were not correct and did not comply with the accounting standards. Participant 2 also said that the main purpose of preparing financial reports is only to provide information to the public, regardless of whether the financial reports were right or wrong. Participant 2 stated as follows:

"Well, there are a lot of difficulties, because you can't make a report. Our BUMDes are considered by people who understand finance to be incorrect, and up until this moment we have been looking for reports that are correct. Nobody teaches us (about financial reporting). So as of today, yes, we need to make a report, yes, we can basically make a report to the community, but they (the reports) are incorrect. That's right, it's not that important to take care of the report."

The difficulty in preparing BUMDes financial reports was also mentioned by Participant 3 who is the treasurer of BUMDes MM. Participant 3 explained that the aim of making financial reports is that they can be understood and accepted by the public. Participant 3 said that the background of administrators who were not majoring in economics was one of the factors that made it difficult for administrators to make reports. In preparing financial reports, BUMDes treasurers only learn from Google. However, during the interview Participant 3 expressed the desire to take part in learning such as socialization or training in financial reporting, this was said by participant 3 during the interview as follows:

"There are difficulties, because we are all (just) administrators, not (from) advanced economics majors. So as much as we can, we just learn from Google for the details, like that. Whether it's wrong or whether it's right we don't know it yet. At that time, it was accepted among the public, but we understand, sis, it's just that. Yes, I think so, yes, if there is a better learning, that's what we want."

1. Balance Sheet

A balance sheet is a financial report that shows the assets, liabilities and equity of a company or business entity in a certain reporting period. SAK ETAP explains that companies must display short-term and long-term assets, short-term liabilities and long-term liabilities. Meanwhile, the findings show that BUMDes MM did not prepare and submit a balance sheet report. Therefore, it can be said that BUMDes MM did not submitted a complete financial report in accordance with SAK ETAP.

2. Income statement

According to SAK ETAP, unless otherwise determined by SAK ETAP, the profit and loss statement must contain income and expense items recorded in a certain period. SAK ETAP regulates that the profit and loss statement must at least contain the following:

- a. Income
- b. Financial burden
- c. Portion of investment profits or losses using the equity method
- d. Tax burden
- e. Net profit or loss.

Table 1 displays BUMDes MM's profit and loss report for the 2024 period.

Table 1. Profit and Loss Report for BUMDes MM as of 2024

B	INCOME STATEMENT	
1	INCOME	
No	DESCRIPTION	AMOUNT (Rp)
1	Integrated Water Unit	22.041.000
2	Bringinan Mart II Shop Unit	8.445.000
3	Refill Water Depot Unit	2.345.000
4	People's Credit Unit	8.677.000
5	Wifi Business Unit	3.839.000
6	Post End	937.000
7	Others	1.095.000
	Total Income	47.379.000
2	PRODUCTION	
NO	DESCRIPTION	AMOUNT (Rp)
1	Repair of Office Banners, Depots and Bringinan Mart II Boards	2.000.000
2	2023 and 2024 Taxes	2.500.000
3	Computer Service	80.000
4	Depot Repair	500.000
5	Change Motorbike Tires	250.000
6	Lep Refill Depot	300.000
7	Bringinan Electric Mart I	814.300
8	Office Electricity	1.200.000
9	Major Well Repairs	1.077.000
10	Well Maintenance	370.000
11	Maintenance of Dry Wells	200.000
12	Well Maintenance	150.000
13	Service Sibel	1.000.000
14	Close Needs	500.000
15	Official Travel	600.000
16	BUMDes Financial Accountability Report 2023	3.000.000
17	Shop Debt to Sales	434.500
18	For Unit Effort Notes	460.000
19	Solidarity Dues	550.000
20	Office Stationery	125.000
	Total Output	16.110.800

BUMDes MM profit and loss report contained income and expenses. In 2023, BUMDes MM profit and loss report income accounts from several units in BUMDes MM, which are from integrated water units with a total of IDR 22,041,000, B Mart II shop units with a total of IDR 8,446,000, refill water depot units amounting to IDR 2,345,000, people's credit units amounted to 8,677,000, WIFI business units amounted to 3,839,000, post end amounted to Rp. 937,000, rom other income amounted to Rp. 1,095,000, and the total amount of income in the profit and loss statement amounted to Rp. 47,379,000. Meanwhile, from the expenditure account in BUMDes MM's profit and loss report, 21 expenditures were recorded consisting of several repairs, paying for services, electricity, purchasing goods, maintenance and other expenses with a total recorded expenditure of IDR 16,110,800.

1. Statement of Changes in Equity

The financial report on changes in equity presents changes in equity or capital due to additions and/or deductions from profit/loss and transactions by shareholders or owners. However, BUMDes MM did not report changes in equity. Therefore, BUMDes MM did not follow the requirements in SAK ETAP.

2. Cash Flow Statement

BUMDes MM did not prepare a cash flow report which has a function as a basis for assessing the company's or business's ability to generate cash and cash equivalents and can also be used to assess the company's need to use these cash flows. Cash flow report is required in SAK ETAP, hence BUMDes MM did not comply with the regulation.

3. Notes to Financial Reports

Notes to this financial report contain a detailed description/list/analysis of matters presented in the budget implementation report, balance sheet and cash flow report. Financial report memos have the advantage of assisting users of financial reports in evaluating the performance of the reporting entity's activities during the reporting period, thereby ensuring that all planning, management and control functions of BUMDes assets, liabilities and capital become easier. However, since BUMDes MM had not provided comments on the financial reports, it can be said that BUMDes MM did not comply with the provisions of SAK ETAP.

From the interviews and documents analysis, it can also be concluded that BUMDes MM only made profit and loss reports, but did not make balance sheets, changes in capital reports, cash flow reports, and notes to financial report. Therefore, it did not comply with SAK ETAP. This was also corroborated by participant 3 as the treasurer of BUMDes MM:

"That's all, (we) only (make) the profit and loss report every year."

CONCLUSION

Based on the results of the analysis and discussion carried out in this research regarding the application of SAK ETAP in BUMDes MM, the following conclusions can be drawn:

1. BUMDes MM used manual methods in preparing BUMDes financial reports.
2. BUMDes MM only prepared monthly reports and annual recap reports to be reported to the public every year.
3. BUMDes MM had not presented financial reports in accordance with SAK ETAP since it only provided a profit and loss report but did not presented a balance sheet report, cash flow report, report on changes in equity and notes to the financial report.
4. BUMDes MM had prepared a profit and loss report.
5. The profit and loss report prepared by BUMDes MM was not in accordance with SAK ETAP.
6. The factors causing the discrepancy in preparing the BUMDes MM financial reports were the human resources that managed BUMDes who did not understand about the preparation of financial reports in accordance with SAK ETAP, and also the lack of trainings on how to prepare BUMDes financial reports in accordance with applicable standards.

This research provides an insight about the application of Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) in BUMDes MM. BUMDes MM management should be aware of the importance of preparing financial reports in accordance with established regulations, specifically SAK ETAP and fostering enthusiasm to understand and improve their skills in preparing BUMDes financial reports correctly and in accordance with applicable regulations. BUMDes MM is expected to be able to improve the quality of its financial reports in accordance with SAK ETAP. BUMDes MM management should also organize and attend trainings related to the preparation of financial reports in accordance with Financial Accounting Standards for Entities Without Public Accountability. BUMDes MM also needs to make more efforts to increase the knowledge of BUMDes management regarding the preparation of good financial reports in accordance with SAK ETAP and improve the quality of its human resources.

The limitation of this research is that it only focused on BumDes MM and researcher were only able to interview three informants from BUMDes MM management due to other activities. Other limitation is BUMDes MM management had never heard of SAK ETAP before and, they did not know the process of recording and how to prepare financial reports. Future research may add more participants from other BUMDes as well to get more insights and understanding on the application of SAK ETAP in BUMDes in Indonesia.

REFERENCES

- Adilah, H., & Rani, U. (2020). Kajian teoritis pelaporan keuangan pada BUMDes ditinjau dari SAK ETAP. *Gorontalo Accounting Journal*, 3(2), 116-127.
- Aliah, N., Rizkina, M., & Fadilah, N. (2022). Penyusunan laporan keuangan yang baik dan benar pada BUMDes. *Owner: Riset dan Jurnal Akuntansi*, 6(3), 2457-2462.
- Fereday, J., & Muir-Cochrane, E. (2006). Demonstrating rigor using thematic analysis: A hybrid approach of inductive and deductive coding and theme development. *International Journal of Qualitative Methods*, 5(1), 80-92. <https://doi.org/10.1177/160940690600500107>
- Gaghenggang, M., Karamoy, H., & Kapojos, P. M. (2022). Analisis penerapan SAK ETAP dalam pencatatan dan pelaporan keuangan pada badan usaha milik desa (BUMDes) di Desa Lihunu Kecamatan Likupang Timur Kabupaten Minahasa Utara. *Jurnal LPPM Bidang EkoSosBudKum (Ekonomi, Sosial, Budaya, dan Hukum)*, 6(1), 1013-1022.
- Government Regulations of the Republic of Indonesia Number 72 of 2005 about Village (2005). <https://peraturan.bpk.go.id/Details/49852/pp-no-72-tahun-2005>
- Government Regulations of the Republic of Indonesia Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages (2014). <https://peraturan.bpk.go.id/Details/5482/pp-no-43-tahun-2014>
- Government Regulations of the Republic of Indonesia Number 11 of 2021 about Village-Owned Enterprises (2021). [https://peraturan.bpk.go.id/Details/161841/pp-no-11-tahun-2021#:~:text=ABSTRAK%20PERATURAN&text=Peraturan%20Pemerintah%20\(PP\)%20NO.,go.id%20%3A%2052%20hlm.&text=ABSTRAK%3A,tentang%20Badan%20Usaha%20Milik%20Desa](https://peraturan.bpk.go.id/Details/161841/pp-no-11-tahun-2021#:~:text=ABSTRAK%20PERATURAN&text=Peraturan%20Pemerintah%20(PP)%20NO.,go.id%20%3A%2052%20hlm.&text=ABSTRAK%3A,tentang%20Badan%20Usaha%20Milik%20Desa)
- Hardani, Andriani, H., Ustiawaty, J., Utami, E. F., Istiqomah, R. R., Fardani, R. A., Sukmana, D. J., & Auliya, N. H. (2020). *Buku metode penelitian kualitatif dan kuantitatif*. CV. Pustaka Ilmu Group.
- Hasan, A., & Gusnardi (2018). *Optimalisasi pengelolaan Pendapatan Asli Desa dan Badan Usaha Milik Desa dalam meningkatkan pembangunan perekonomian*. Fakultas Ekonomi & Bisnis Universitas Ria.
- Heriyanto, H. (2018). Thematic analysis sebagai metode menganalisa data untuk penelitian kualitatif. *Anuwa: Jurnal Kajian Budaya, Perpustakaan, dan Informasi*, 2(3), 317-324.
- IAI (2009). *Standar Akuntansi Keuangan. SAK ETAP. Mei 2009: Entitas Tanpa Akuntabilitas Publik*. Ikatan Akuntan Indonesia.
- IAI. (2024). *Standar Akuntansi Keuangan Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik*. Ikatan Akuntan Indonesia.
- Imran, P. A., Yusuf, S., & Tarawiru, Y. (2020). Optimalisasi penguatan keuangan BUMDES dalam mendukung kemandirian Desa Rosoan Kabupaten Enrekang. *Jurnal Ekonomi dan Bisnis*, 1(1), 1-12.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-360.
- Ministry of Home Affairs. (2010). Peraturan Menteri Dalam Negeri nomor 39 tahun 2010 tentang Badan Usaha Milik Desa (BUMDes). https://www.arsip.idfos.or.id/wp-content/uploads/2014/11/Permen_39_2010-TentangBUMDES.pdf
- Laksmi, A. C. (2015). *Continuing professional development for the auditing profession: evidence from Indonesia* [Doctoral dissertation]. RMIT University.
- Lathifatun, N. (2022). *Determinan persepsi kualitas laporan keuangan Badan Usaha Milik Desa (Studi pada Badan Usaha Milik Desa di Kabupaten Jepara Jawa Tengah)* [Skripsi]. Universitas Islam Indonesia.
- Limarjani, S., Binti, R. E., Hardi, E., Sari, N. A., Yasin, M., Latif, D. M., Nor, W., Nordiansyah, M., & Yuliani, R. (2022). Pendampingan pembuatan laporan keuangan pada BUMDes Mandi Kapau Timur. *Ilung: Jurnal Pengabdian Inovasi Laban Basah Unggul*, 2(1), 94-101.
- Lintong, J. S., Limpeleh, E. A. N., & Sungkowo, B. (2020). Laporan keuangan berdasarkan SAK ETAP pada BUMDes "Kineauan" Desa Wawona Kabupaten Minahasa Selatan. *Jurnal Bisnis dan Kewirausahaan*, 16(1), 95-101.
- Miles, M. B., Huberman, A. M., & Saldana, J. (2019). *Qualitative data analysis: a methods sourcebook*. SAGE
- Moleong, L. J. (2018). *Metodologi penelitian kualitatif*. PT Remaja Rosdakarya.

- Moon, M. D. (2019). Triangulation: A method to increase validity, reliability, and legitimation in clinical research. *Journal of Emergency Nursing*, 45(1), 103-105.
- Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration Number 3 of 2021 concerning Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and/or Services for Village-Owned Enterprises/Joint Village-Owned Enterprises (2021).
<https://peraturan.bpk.go.id/Details/199689/permendesa-pdt-no-3-tahun-2021>
- Willis, J., Jost, M., & Nilakanta, R. (2007). *Foundations of qualitative research: Interpretive and critical approaches*. SAGE.