

Analysis Of The Implementation Of Accounting Information Systems In Enhancing The Effectiveness Of Financial Management For Msmes

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Abstract

This study aims to analyze the implementation of Accounting Information Systems (AIS) in enhancing the effectiveness of financial management for MSMEs. A qualitative approach with a descriptive design was employed. The study utilized a literature review methodology, drawing on secondary data sources such as scientific journals, academic books, conference proceedings, and official documents obtained via online platforms. Data analysis followed the Miles and Huberman model, consisting of data reduction, data display, and conclusion drawing. The results indicate that the implementation of AIS plays a crucial role in improving MSME financial management effectiveness by facilitating structured transaction recording, enabling faster access to financial information, and supporting the management of cash, accounts receivable, accounts payable, and inventory. The information generated can also serve as a basis for business evaluation and decision-making. However, implementation faces challenges, including limited accounting and technological competencies, reliance on manual recording habits, inconsistent record-keeping, constraints regarding costs and infrastructure, and the commingling of personal and business finances. Thus, the effectiveness of AIS depends not only on the technology used but also on user capabilities and consistent application. Strengthening competencies and providing guidance are essential to ensure the optimal and sustainable utilization of AIS.

Keywords: Accounting Information Systems, Financial Management, MSMEs

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INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are a type of business that engages in a wide variety of transaction activities, from purchasing materials and selling products to paying operational costs, to receiving and disbursing cash (Hamid et al., 2026) . These developments require MSMEs to focus not only on production and marketing activities but also on managing their finances effectively. Good financial management is essential for business owners to understand their financial situation more clearly and use this information as a basis for making business decisions (Sugiasuti et al., 2025) . Bank Indonesia also places transaction recording and the provision of financial reports as a crucial part of MSME management, particularly as weaknesses in recording can hinder MSMEs' access to financing (Kurniawati et al., 2026) .

In practice, financial management in some MSMEs still faces the problem of simple and inconsistent record-keeping. Business transactions are sometimes only recorded in notebooks, notes, or even based solely on the owner's memory (Susanti & Khabibah, 2021) . This condition can make it difficult to accurately obtain information regarding income, expenses, profits, and cash flow (Marshanda, 2025) . Furthermore, when business records are not separated from personal finances, owners will have difficulty seeing the true results of their business (Hasanah & Candra, 2026) . These problems demonstrate that MSME financial management cannot be done solely based on habit but requires a more organized and user-friendly recording system.

One way to improve this situation is to implement an Accounting Information System (AIS). An Accounting Information System (AIS) is a system used to collect, record, process, and present financial information needed by management in the decision-making process. (Iswarno et al., 2026) . For MSMEs, implementing an AIS does not always mean using a complex system, but can be tailored to the scale of the business, information needs, user capabilities, and available resources (Nurdiansyah et al., 2024) . The use of computer-based systems or simple applications can help reduce manual recording work and make it easier for owners to obtain the necessary financial information (Manoppo et al., 2026) .

The implementation of an AIS is also related to the effectiveness of financial management. Effectiveness in this context can be seen from a business's ability to produce more orderly records, accurate and easy-to-understand information, financial reports that are available when needed, and information support for monitoring and decision-making processes. With more organized financial information, MSME owners can more easily understand the flow of income and expenses, evaluate business conditions, and consider decisions related to capital use and business development. Thus, an AIS functions not only as a recording tool but also as a supporter in the business management process.



Several previous studies have shown a relationship between the implementation of AIS and the financial management of MSMEs. (Nurdiansyah et al., 2024) found that the implementation of accounting information systems in MSMEs has not been carried out comprehensively. Meanwhile, research (Kairupan, 2025) found that AIS has a positive and significant effect on the financial management of MSMEs in South Tondano District. Research (Mariana & Imelda, 2026) also showed a positive and significant influence of AIS implementation on the financial management of MSMEs. These results show that AIS is related to financial management, but previous research has mostly emphasized the relationship or influence between variables quantitatively, while studies that describe in more detail how AIS implementation takes place in MSME financial management activities and which parts support its management effectiveness still need to be strengthened.

Based on the aforementioned research, this study has a novelty in its analytical focus on the application of AIS as a financial management process, rather than simply examining the statistical impact of AIS on financial performance or management. This study is directed at examining how the system is used in recording transactions, managing income and expenses, compiling financial information, and its use in supporting business control and decision-making. The study of AIS implementation is becoming increasingly relevant because the need for financial information for MSMEs is not only related to the preparation of reports, but also to the owner's ability to understand business conditions periodically. Therefore, this study is important to gain an understanding of the extent to which AIS implementation can help MSMEs manage finances more effectively according to the needs and conditions of the business being studied.

Based on the above description, this study aims to analyze the application of Accounting Information Systems in the financial management of MSMEs and determine its contribution to the effectiveness of business financial management. This study is expected to provide an overview of the practices of recording and processing financial information applied, the benefits obtained, and the obstacles faced in the implementation of AIS. Academically, the results of this study are expected to complement previous research on AIS in MSMEs, while practically, it is expected to be a consideration for MSMEs in selecting and developing an accounting information system that suits their business management needs.

METHOD

This study uses a qualitative approach with a descriptive design to analyze the application of Accounting Information Systems (AIS) in improving the effectiveness of financial management for MSMEs. This method aims to understand the phenomenon in



depth through conceptual and interpretive studies based on relevant scientific literature (Moleong, 2018).

The type of research used is a literature study utilizing secondary data sources in the form of scientific journals, academic books, proceedings, and official documents obtained through online platforms. This research does not involve primary data collection, but rather focuses on the synthesis and analysis of previous research findings to build a strong theoretical foundation (Creswell, 2016). Data analysis uses the Miles and Huberman model, which includes data reduction, data presentation, and conclusion drawing. This process includes selecting relevant literature, systematically organizing information in narrative form, and identifying patterns and relationships between discovered concepts (Zed, 2014).

To ensure the validity of the research results, each literature source was evaluated based on the author's credibility, publisher's reputation, and relevance to the research topic. Using this method, the research is expected to provide a comprehensive understanding of the role of AIS in improving the financial performance of MSMEs in the digital era.

RESULTS AND DISCUSSION

Implementation of Accounting Information Systems in MSME Financial Management

Research on the implementation of Accounting Information Systems (AIS) shows that the use of information systems in the financial activities of MSMEs is primarily aimed at improving the recording process, categorizing transactions, preparing reports, and controlling business finances. AIS not only serves as a tool for recording income and expenses, but also serves as a means of transforming daily transactions into information that business owners can use to understand financial conditions and make business decisions. In the context of MSMEs, this function is crucial because financial management is often still carried out in a simplistic manner and is not fully supported by systematic record keeping.

The implementation of AIS can be seen in several key activities, namely routine transaction recording, grouping transactions by type, cash flow monitoring, preparing financial reports, and utilizing financial information for business evaluation. When transactions are consistently recorded, MSME owners can more structuredly assess the amount of revenue, expenses, receivables, inventory, and liabilities. This helps reduce reliance on the business owner's memory, which can lead to recording errors or loss of transaction information.

These findings align with research (Lopung & Rulindo, 2023) on SMEs in Indonesia, which showed that AIS characteristics, particularly *broad scope* and *timeliness*



, are positively related to financial performance. Information with adequate coverage allows business actors to obtain a more comprehensive picture of business conditions, while timely information can be used in the decision-making process. The study also showed that not all AIS characteristics have the same impact, so the existence of a system alone is insufficient if the information generated does not meet the needs of business managers.

In the context of MSMEs, these results demonstrate that the effectiveness of an AIS is best understood in terms of the practical benefits it provides to business owners. A simple system used consistently can be more beneficial than one with many features that are poorly understood and not used routinely. Therefore, AIS implementation needs to be tailored to the business scale, transaction types, user capabilities, and information needs of each MSME.

The Effectiveness of AIS in Improving the Effectiveness of Financial Management

The effectiveness of financial management in this study can be understood through the ability of MSMEs to produce more orderly records, more accurate and timely information, better cash flow control, and decision-making based on financial information. The implementation of AIS brings significant changes because transactions previously viewed only as income and expenditure activities can be processed into information regarding the business's financial condition.

One of the main benefits lies in increased record-keeping accuracy. System-based record-keeping allows transactions to be stored in a more structured manner, making it easier for business owners to review them. This information can also be used to compare income and expenses over a specific period. This way, MSME owners not only know how much money is coming in and going out but can also assess whether their business activities are generating adequate profits and which areas require control.

Effectiveness is also reflected in the timeliness of information. In manual recording systems, financial recaps are often prepared after a certain number of transactions have accumulated. This can result in delayed availability of financial information. Conversely, using digital applications or systems allows transactions to be recorded and summarized more quickly. More timely information can help business owners determine material purchasing needs, control expenses, set prices, and estimate cash needs.

These findings are reinforced by research (Christanty et al., 2023) on 400 MSMEs in Magelang. The study found that AIS and financial reporting quality positively impact MSME performance. These results demonstrate that information systems have managerial value when the information they produce supports business management, not simply produces administrative records.



Thus, the implementation of AIS in this study can be viewed as part of the process of improving the quality of financial management. Its primary benefit lies not solely in the use of technology, but in changing the way MSMEs manage financial information, moving from simple and sporadic to more organized, documented, and usable as a basis for evaluation.

Information Quality as the Basis for AIS Effectiveness

The effectiveness of an AIS is also determined by the quality of the information it produces. Good financial information must be relevant to business needs, available in a timely manner, understandable to users, and adequately describe transactions. This aligns with the DeLone and McLean information systems success model, which places system quality, information quality, and service quality as critical elements in determining the use, user satisfaction, and net benefits of an information system. This model has been widely used to evaluate the success of information systems.

When it comes to MSMEs, information quality is crucial because business decisions are often made directly by the owner. Owners need simple but relevant information, such as the amount of cash available, current period profits, outstanding debts, receivables, or increasing operating costs. If an AIS can provide this information quickly and easily, the system has direct value to business management activities.

Conversely, a system that produces overly complex information can be less effective for MSMEs if users lack the ability to interpret it. Therefore, AIS implementation requires a balance between information completeness and ease of use. A system suited to the characteristics of MSMEs should be able to provide basic information without burdening users with unnecessary procedures.

In the context of reporting, the implementation of AIS can also be directed towards bringing MSMEs' record-keeping closer to the financial reporting requirements based on the Indonesian Accounting Standards for MSMEs (SAK EMKM). SAK EMKM regulates, among other things, the presentation of a statement of financial position containing assets, liabilities, and equity, as well as additional information necessary to understand the entity's transactions and financial condition. Thus, AIS can be a tool to help MSMEs develop more structured recording habits and support the preparation of more accountable financial reports.

SIA as a Support for Business Decision Making

The implementation of an AIS has broader implications than simply producing financial reports. Well-organized information can be used as a basis for operational decisions and business planning. MSME owners can use sales information to identify the

most popular products, cost information to identify expenses that need to be controlled, and cash flow information to determine the business's ability to meet its obligations.

In practice, this information can be used, for example, when a business owner must decide whether to increase raw material inventory, purchase equipment, extend sales on credit, or increase business capital. Such decisions have financial consequences and therefore require up-to-date information. An AIS helps provide a baseline of information so that decisions are not based solely on estimates or the owner's experience.

Research findings (Lopung & Rulindo, 2023) support this argument, as information characteristics such as broad coverage and timely availability were found to have a positive relationship with the financial performance of Indonesian SMEs. Meanwhile, aggregation and integration characteristics did not show a significant effect in the study. These findings suggest that the information needs of SMEs are not always identical to those of larger companies. An overly complex system may not necessarily provide additional benefits if the level of business complexity is still relatively low.

Therefore, AIS implementation in MSMEs should be geared toward real-world decision-making needs. The system can begin with transaction recording, cash management, simple profit and loss reporting, accounts receivable and payable control, and inventory monitoring. Once these needs are met, the system can be expanded to meet business growth.

Obstacles in Implementing Accounting Information Systems in MSMEs

Although Accounting Information Systems (AIS) offer numerous benefits in financial management, their implementation still faces several challenges. One major obstacle is limited competence in accounting and information technology, as not all business owners understand the procedures for recording and using financial reports. Furthermore, the habit of using manual record keeping makes the adaptation process to digital systems challenging. Consistency of recording is also a problem, as some operational transactions may still be incompletely recorded, resulting in incomplete information reflecting the business's financial condition.

Other obstacles relate to limited costs and technological infrastructure, such as devices, internet connections, applications, and training requirements. Furthermore, mixing personal and business finances can reduce the accuracy of the information generated by an AIS. These findings indicate that the success of AIS implementation is determined not only by the availability of technology, but also by user skills, discipline in recording transactions, infrastructure readiness, and separate financial management for personal and business needs. Therefore, strengthening competency and cultivating consistent record-keeping habits are crucial for optimizing AIS utilization in MSMEs.

This finding is in line with research (Sariroh, 2026) which found that although Accounting Information Systems (AIS) provide various benefits in financial management, their implementation still experiences obstacles such as lack of technological understanding, limited infrastructure, and implementation costs.

Comparison with Previous Research

Compared with previous research, the results of studies on AIS implementation in MSMEs show a relatively consistent pattern: AIS is associated with improved financial management and performance, but its benefits are highly dependent on the quality of implementation. Research (Lopung & Rulindo, 2023) demonstrated the importance of information coverage and timeliness, while (Christanty et al., 2023) found that AIS and financial report quality are positively related to MSME performance.

More recent research also demonstrates the development of a digital record-keeping approach to financial management transformation. (Burhanuddin et al., 2026) found that AIS positively impacted the financial performance of MSMEs in Takalar Regency and emphasized the importance of accurate and timely reporting in supporting managerial decisions. Research (Andreani et al., 2026) also showed that AIS digitalization is associated with increased operational efficiency, reporting accuracy, internal control, decision quality, profitability, and revenue growth, but its success is influenced by human resource competency, management support, infrastructure, and organizational readiness.

Thus, this study reinforces the view that AIS should be understood as a supporting tool for financial management, not as the sole factor determining the success of MSMEs. A good system still requires users who understand transactions, consistent recording procedures, and the ability to read and use financial reports. This aligns with a 2026 study in Denpasar that found that accounting digitalization and financial literacy were positively associated with the efficiency of MSME financial management.

Practical Implications

Practically, this research shows that MSMEs need to choose an accounting information system that suits the scale and complexity of their business. MSMEs don't always need complex accounting software. For businesses with relatively simple transactions, an easy-to-use financial recording application can be a good starting point. More important is developing the habit of recording all transactions, separating personal and business funds, conducting regular audits, and using the resulting reports to evaluate the business.

For the government, universities, financial institutions, and MSME mentors, this study demonstrates the importance of digitalization programs that go beyond providing



or introducing applications. Mentoring should encompass basic accounting knowledge, transaction recording practices, report interpretation, financial control, and the use of information for decision-making. This approach is more appropriate for MSMEs, which face challenges not only related to technological limitations but also limited knowledge and practices in financial management.

Meanwhile, for accounting information system developers, the needs of MSMEs demonstrate the importance of a system that is simple, easy to understand, affordable, and suited to the nature of small business transactions. Features for recording sales, expenses, inventory, cash flow, profit and loss reports, and data backup are more relevant than a system that is overly complex but difficult for business owners to use.

CONCLUSION

Based on the research results and discussion, it can be concluded that the implementation of an Accounting Information System (AIS) plays a significant role in improving the effectiveness of MSME financial management through more structured transaction recording, the provision of more accurate and timely information, and better control of cash, receivables, payables, and inventory. AIS not only helps record transactions but also provides information that MSME owners can use to evaluate financial conditions and support business decision-making. This effectiveness is more easily achieved if the system is tailored to the needs, business scale, and capabilities of the users.

Despite its benefits in financial management, the implementation of AIS in MSMEs still faces obstacles such as limited accounting and information technology competencies, manual recording habits, lack of consistency in recording all transactions, limited costs and infrastructure, and the continued mixing of personal and business finances. Therefore, increasing the effectiveness of AIS is not sufficient only through the provision of technology, but also needs to be accompanied by improving user competency, discipline in recording, separation of personal and business finances, and mentoring appropriate to the conditions of MSMEs. These efforts are necessary so that AIS can be used sustainably as a basis for managing and making business financial decisions.

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