

The Implementation of Indonesia Accounting Principle SAK EMKM and PSAK 72 on Cv Smart Management

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Abstract— This paper aims to answer the problem formulation on applying and recognizing SAK EMKM and PSAK 72 revenue in micro CV Smart Management business. The qualitative research method used a literature study approach and content analysis. Financial data are collected directly from the first sources, and other data are gathered from direct interviews. The secondary data was gathered from many kinds of literature, such as sources from the Indonesia Accounting Association (IAI) in the form of SAK EMKM, specifically designed for micro and medium-sized companies and PSAK 72 regulations, and equipped with books and scientific research as a tertiary data. In this research, the researcher elaborates on a comparison of the Indonesia accounting principle SAK EMKM and PSAK 72 to its implementation on CV Smart Management. The results obtained are that CV Smart Management has implemented SAK EMKM based on accounting standards according to SAK EMKM and PSAK 72 with revenue recognition based on the five stages of the model in PSAK 72. From this research, it can be concluded the financial report are not complete. The company did not perform notes on the financial statement report. There is an inappropriate arrangement regarding the liquidity of accounts. In the implementation of PSAK 72, CV Smart Management has not allocated the obligations in details of obligation identification so it can impact the income recognition.

Keywords— Indonesia Accounting Principle, SAK EMKM, PSAK 72.

I. INTRODUCTION

Economists and environmentalists often remind us that we live in a world with limited resources. Relevant information plays a significant role in allocating these resources effectively and efficiently (Sulistiani, 2020). The role of this information can be clearly seen within the company. One of the important sources of information in a company is the financial report, which contains both express and implied financial information. Financial statements, also known as financial registers, are the final result of an accounting process, a summary of financial transactions during a particular financial year. This financial report mainly contains information of a quantitative nature, which has a significant role in making

decisions in the allocation of resources. The presentation of financial statements in line with industry standards will assist firm management in obtaining a variety of benefits, such as the ability to establish future company policies, acquire loans from third parties, and so on (Syukrina & Janrosl, 2018).

To establish the company's goal to make a profit, he must obtain sources of raw materials and funds and use these sources efficiently and effectively so that these goals can be used effectively. Every business relies heavily on its accounting system to be competitive and make correct financial choices. But how to use and utilize accounting sources. Problems in the company are not only related to the process being recorded and recorded in correct accounting principles so that the company's performance can be known well. According to Indonesia Accounting Association (IAI), with an accounting standard in the role, the company will then have a standardized financial statement according to Indonesia Accounting Association (IAI).

Most companies in Indonesia have applied the rules and standards of SAK EMKM regarding the company's form. The implementation of SAK depends on the form of the company. Up to this moment, there are five criteria of SAK are : PSAK IFRS, SAK TETAP, SAK Syariah, SAK SAP, and SAK EMKM (Ikatan Akuntan Indonesia, 2016),

SAK EMKM (*Entitas Mikro Kecil Menengah*), which stands for Micro, Small, Medium Entities. With reference to Law no. 20 of 2008. Entities or business entities whose SAK-ETAP requirements have not been fulfilled use this type. That way, financial statements can be prepared explicitly without exception regarding the compliance of SAK-EMKM in the recording of financial statements. Compliance is seen when the entity has complied with the requirements of SAK-EMKM. This means that the financial statements' recording of transactions, events, and conditions is made consistently.

SAK EMKM has recently been released in conjunction with the development of UMKM in presenting its financial accounts. These accounting standards are supposed to offer an overview of UMKM management's historical performance and future prospects, allowing them to be trusted and relied on by Management, UMKM members, and external parties with other interests in UMKM. Since SAK EMKM, many parties' assessments

of the new standard's efficacy, efficiency, convenience, and usefulness have evolved.

Two considerations impact the company's decision not to provide financial reports based on SAK EMKM, namely. Factor The absence of supervision from parties interested in Micro, Small Medium Enterprise (MSME) financial reports (stakeholders), such as the government, relevant institutions, and regulators, is an internal element, whereas the absence of supervision from parties interested in MSME financial reports (stakeholders) is an external issue.(Handayani, 2018)

Profit information is used as one measure for performance appraisals as well as the basis for calculating other measures, such as financial ratios. Thus the information must be relevant and appropriately presented so that it is useful in the decision-making process for its users. According to the Indonesian Institute of Accountants, PSAK 72 was ratified on July 26, 2017, effective on January 1, 2020. The presence of PSAK 72 is able to add new references in the field of Accounting. Based on the discussion forum on the Implementation of New Financial Accounting Standards held by IAI on May 9 2019, Mardiasmo, Deputy Minister of Finance, confirmed that PSAK 72 has the nickname "*sapu jagat*" because it is considered to have replaced many previous standards into a single standard.

From the several definitions put forward, it can be concluded that accounting is a science whose function is to provide reliable information. This accounting information will be presented systematically and regularly so that it can be useful to assist the parties concerned in the decision-making process. To obtain appropriate accounting information and enable users of the information to conduct a comparative analysis of accounting principles according to the company CV. According to SAK EMKM concerning financial statement and PSAK 72 for revenue recognition, Smart Management is a micro-enterprise with accounting principles.

The problem with the company CV. Smart Management facing right now is the company having issues with the completion of SAK EMKM, and the terms and condition of implementation of PSAK 72 is still new in the financial statement of CV Smart Management.

Based on the information above, this reliable report might comply or not with the standards, namely reporting standards according to PSAK. In this thesis, the author focuses on SAK EMKM and PSAK 72, which are the latest PSAK that have been implemented since 2020. According to the issues, the author would like to conduct research on the topic "The Implementation Of Indonesia Accounting Principle SAK EMKM And PSAK 72 On CV. Smart Management."

The problem formulation made by the author can be seen as follows : Does the company fully implement SAK EMKM and PSAK 72 regarding the company's form as a micro-enterprise and how does the company recognize the process of revenue recognition?

The objective of this research to get an accounting theory approach, especially regarding SAK and PSAK in

presenting financial statements and to obtain a clear picture of the application of Indonesian accounting principles in the presentation of financial statements contained in CV. Smart Management. Furthermore to compare the difference before and after regarding the implementation of PSAK 72 and discuss the problems faced by the company regarding the completeness of financial statements based on SAK EMKM. The research results can be formulated to conclude and provide constructive suggestions and concepts.

II.LITERATURE REVIEW

A. *General View of SAK EMKM*

On January 1, 2018, DSAK IAI will implement a new SAK tailored to Micro, Small, and Medium Enterprises (SAK EMKM). SAK EMKM was established to aid EMKM in Indonesia, which currently has 57 million enterprises. SAK EMKM is designed for usage by small and medium micro-entities, according to SAK EMKM (2016). Micro, small, and medium-sized enterprises that fulfill the definition and requirements of micro, small, and medium-sized economies as governed under Indonesian legislation for at least two consecutive years, as stated in SAK EMKM. According to Lestari & Hidayatulloh, (2019), UMKM also have several criteria base on net worth. Micro Business are to have a net worth of at most Rp. 50,000,000.00, Small Business is a business that has a net worth of more than Rp. 50,000,000.00 up to a maximum of Rp. 500,000,000.00 and for Medium Enterprises are as follows, having a net worth of more than Rp. 500,000,000.00 up to a maximum of Rp. 10,000,000.00.

According to Pertiwi et al., (2020), SAK EMKM is different from other available SAK in Indonesia, as this standard is designed specifically for small and middle businesses. SAK EMKM is a financial accounting standard that is much simpler than SAK ETAP. For example, from a technical point of view, SAK EMKM purely uses a historical cost measurement basis so that EMKM simply records its assets and liabilities at cost.

According to Purba et al., (2019), SAK EMKM characteristics are :

1. Accounting rules that stand-alone (not referring to General SAK).
2. According to the majority, it only controls transactions that Small and Medium Enterprises regularly carry out.
3. SAK is arranged more straightforwardly than General SAK.

B. *Presentation of Financial Statements in Accordance with SAK EMKM*

In accordance with SAK EMKM, according to Sutapa (2020) there are some standards the company need to follow in order to implement SAK EMKM are, namely :

1. Presentation of financial statement

The consequences of transactions, events and other factors must be accurately presented in financial statements in line with the definitions and criteria for recognizing assets, liabilities, income, and costs. Disclosure is necessary when compliance with certain

SAK EMKM standards is insufficient for users to comprehend the impact of transactions, events, and other factors on the entity's financial status and performance.

2. SAK EMKM compliance

Entities that comply with SAK EMKM in their financial statements must include a clear and unequivocal declaration of conformity in the notes to the financial statements. Financial statements may not claim to conform with SAK EMKM unless they meet all of the standards set out in SAK EMKM.

3. Business continuity

The Management of an entity that utilizes SAK EMKM evaluates the entity's capacity to continue as a going concern while producing financial statements. Unless Management plans to liquidate or halt operations or has no practical alternative, an entity is considered a going concern. If Management is aware of a material uncertainty linked to events or situations that put considerable doubt on the company's capacity to continue as a business, the entity must disclose the uncertainty when conducting the going concern assessment.

4. Reporting frequency

At least once a year, the entity must provide comprehensive financial statements (including comparative information).

5. Consistent presentation

Unless otherwise specified, the presentation and classification of items in financial statements must be consistent between periods.

6. Comparative information.

When it is necessary to comprehend the current period's financial statements, an organization must offer comparison information for narrative and descriptive information.

7. Materiality and Aggregation

Immaterial things are merged with quantities of a comparable kind or purpose in the financial statements, whereas material items are reported individually.

A Statement of Financial Position, Income Statement, and Notes to Financial Statements are included in the preparation of financial statements based on Accounting Standards Entity Finance, Micro, Small, and Medium (SAK EMKM) but Micro, Small Medium Enterprise was unable to apply the Notes to Financial Statements (Efendi, 2019)

According to Ikatan Akuntan Indonesia., (2016) SAK EMKM cited by Pertiwi et al., (2020), there are several elements of reports in the presentation of financial statements, namely :

a. Balance Sheet

A balance sheet is a summary of a company's financial condition. A statement of financial position, often known as a balance sheet, is a list that depicts a company's financial status, including the composition and amount of its assets, liabilities, and equity at a given point in time.

b. Income statement

The income statement is a report that summarizes the company's performance over a specific time period. An entity can produce a profit or loss statement, which represents the financial performance of the entity over a period, according to IAI in SAK EMKM.

c. Notes to financial statements

Contains information in addition to the information presented in financial statements. The notes to the financial statements provide a narrative explanation or details of the amounts presented in the financial statements and information on items that do not meet the criteria recognition in reporting.

The reported financial statement must follow the degree of liquidity. Accounting liquidity measures a company's debtors' ability to pay their debts, which is usually expressed as a percentage of current liabilities. For example, the current ratio can be calculated as current assets divided by current liabilities, which is useful in determining the company's liquidity so that it does not face a liquidity crunch. (Afriani et al., 2021).

According to Safitri & Afriyenti (2020), the following is the composition of liquidity of Balance Sheet report , namely Current Assets, Non-Current Assets, Current Liabilities, Long Term Debt and Equity

C. The Definition of PSAK 72

According to PSAK 72 (IAI, 2017), PSAK 72 governs contract revenue from customers and is a universal PSAK since it governs nearly all revenue transactions arising from customer contracts. There are five stages of revenue recognition according to PSAK 72, which pertain to contracts between sellers (goods/services) and their consumers. The third step is to figure out how much this transaction will cost.

PSAK 72 have used one standard, namely principle-based. Principle-based accounting standards are an accounting system in which general accounting concepts are described, but the specific application to various business activities is not defined (Rizal et al., 2020).

According to Casnila & Nurfitriana, (2020), PSAK 72 includes three new criteria, namely:

1. Specific criteria are given to determine when performance obligations are met over time
2. The cost of the contract is capitalized if certain criteria are met
3. New, wider disclosures

According to Casnila & Nurfitriana, (2020), the main considerations for applying PSAK 72 are:

1. Accounting and Reporting
Select and implement transition options, analyse changes in revenue models and their impact on financial statements and update accounting policies and chart of accounts.
2. Key performance indicators and compensation plan
Determine if key performance indicator targets and income-dependent compensation plans should be adjusted.
3. Training
Provide training to employees affected by the change.
4. Investor Relations

Communicate the main changes from PSAK 72 and how they will affect the financial statements and have initial discussions with lenders to renegotiate existing agreements if necessary.

5. Process

Identify required changes in business processes and internal controls.

6. Data and System Management

Prepare contract data and identify required changes in information technology systems.

According to Halim & Herawati, (2020), the purpose of PSAK 72 implementation is to establish the principles that an entity applies to reporting information that is useful to users of financial statements about the nature, amount, timing and uncertainty of income and cash flows arising from the contract with the customer.

A principle-based agreement has a number of fundamental and supportive grounds, including: The corporation is in charge of controlling the economic rewards of interactions, such as pricing and realizing the bulk of cash flows from sales, as well as customer connections and keeping promises to give items to customers (Arista, 2013).

D. The Implementation of PSAK 72

According to PSAK 72, companies must establish principles for providing information related to income regarding the nature, amount, timing and uncertainty of income and cash flows that arise. In PSAK 72 the company will provide goods or services to customers from normal activities and generate rewards (Rahayu, 2020). The financial performance of the enterprises displays an undesirable situation, when adopting revenue recognition based on PSAK 72. Because revenue can be recorded when a transaction or process of transferring assets to consumers is finished, PSAK 72 gives an overview of the company's condition (Febriani, 2020).

In the implementation of PSAK 72, Figure 1 depicts the core notion of the five-stage model framework:

1. Contract identification
2. Identification of implementation obligations
3. Determine the transaction price
4. Allocating transaction prices to performance obligations
5. Recognizing allocated revenue

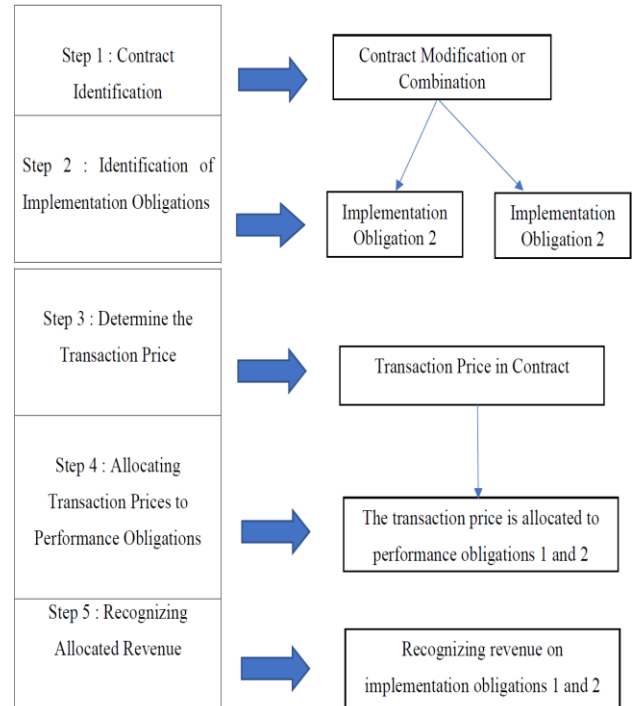


Figure 1. PSAK 72 Five Steps Model

E. Contract Identification

According to IAI (2016), PSAK 72 is only applicable to contracts if all of the following five requirements are met:

- a. The parties agree to the contract and are committed to fulfilling their commitments.
- b. Each party's items can be identified
- c. Payment terms can be identified
- d. Commercial substance
- e. Reward collectability is likely to occur.

When the customer contract does not meet the criteria of the PSAK 72 contract, the consideration received is recognized as revenue only if the entity has no remaining obligation to transfer the goods or services to the customer and the customer promised benefits have been received and are non-refundable, or in other words, the contract has been terminated, and the consideration received from customers are non-refundable.

F. Identification of Implementation Obligations

A service obligation is a promise either explicitly or implicitly to transfer to a customer either goods or services of nature or a series of goods or services that are substantially the same in nature and have the same pattern of transfer to the customer. Performance obligations are identified at the inception of the contract and determined based on the terms of the contract and general business practice (Rahayu, 2020).

G. Determine The Transaction Price

The transaction price is the amount of consideration that the entity expects to be entitled to in exchange for

transferring the promised goods or services to the customer (Puspamurti & Firmansyah, 2020).

If the transaction price includes a variable amount, then the entity must :

1. Estimate the amount of consideration that the entity will be entitled to in exchange for transferring the promised goods or services to the customer.
2. Considering future events that will or will not occur.
3. Include the amount of variable consideration in the transaction price only if it is probable that a significant reversal of the recognized cumulative amount of revenue will not occur when the uncertainty regarding the variable consideration is resolved.

H. Allocating Transaction Prices to Performance Obligations

According to Puspamurti & Firmansyah (2020), the important things about the selling price itself are:

- a. Measurement of benefits if the entity is unable to determine the fair value of the non-cash consideration.
- b. Allocation of transaction prices in accordance with step 4 of PSAK 72
- c. Determination of contract modification
- d. Determination of whether accounting contracts are combined or separated
- e. Determination of material rights

An entity is normally required to use an approach that maximizes the use of observable inputs and accurately describes the selling price or service promised if the entity sold the goods or services separately to similar customers in similar circumstances and applies the method chosen consistently to estimate the standing selling price for goods and services that have similar characteristics.

I. Recognizing Allocated Revenue

An entity recognizes revenue when it fulfills a performance obligation by transferring promised goods or services to customers. An asset is transferred when a customer obtains control over the asset, such as the ability to direct how the asset is used, obtaining substantially all of the remaining benefits of the asset and the ability to prevent another entity from directing the use of and obtaining benefits from the asset (Puspamurti & Firmansyah, 2020).

For each performance obligation that is met over time, an entity applies a single method that reflects progress towards the full completion of the performance obligation.

According to Puspamurti & Firmansyah (2020), Methods that are included in revenue allocation are divided into two ways :

1. Output method

A direct measurement of the value of the goods or services transferred to the customer to date, relative to the remaining goods or services promised in the contract.

Examples implementation survey completed to date, assessment of results achieved, and milestones achieved.

2. Input method

The entity's efforts or inputs for fulfilling performance obligations relative to the total inputs expected to fulfill these performance obligations.

Examples include resources consumed, costs incurred, labor charged, and machine hours used.

III. METHODOLOGY

A. Research procedure

The description of the research can be seen in Figure 2, where in this study, a comparison will be made of Indonesian accounting principles SAK EMKM and PSAK 72 in their application to CV Smart Management.

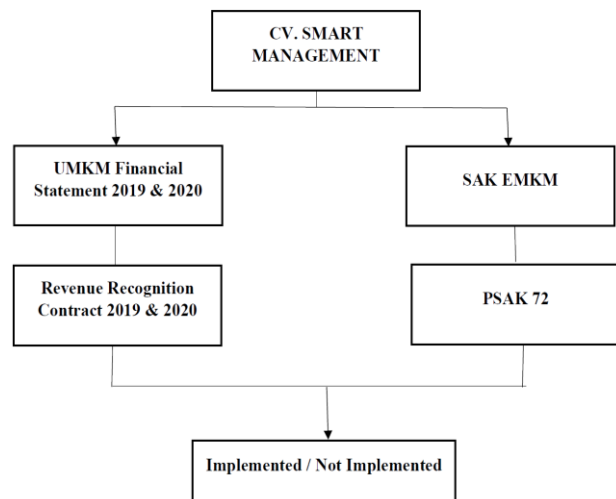


Figure 2. Research Model

This type of research is descriptive qualitative and field research with a case study approach. Case studies are one of the data collection techniques needed by drawing samples from certain related sample units and studied in more depth. In this case, the technique that researchers use is descriptive analysis. This type of qualitative descriptive research is often used to analyze social events, phenomena, or circumstances. This type of qualitative descriptive research displays the results of the data as they are without any manipulation process or other treatment (Rukin, 2019)

Descriptive analysis is a method for analyzing data by describing or describing the data that has been collected so that researchers will not perceive that something is indeed the way it is (Rijali, 2019).

The data collected in this study were analyzed using a qualitative descriptive method. The steps taken with this approach are as follows:

1. SAK EMKM

The analysis is used to find out the problems Small and Medium Enterprises face in implementing Financial Reports in accordance with SAK EMKM.

2. PSAK 72

- a. Identify the principle of revenue recognition before and after PSAK 72.

- b. Comparing the identification results to obtain a comprehensive picture of the differences in income principles based on before and after PSAK 72.

Identify the amount of revenue to be calculated to obtain a hypothetical figure based on the revenue recognition principle of PSAK 72

- d. The calculation results will be compared to obtain information regarding the impact of differences in recognition of PSAK 72 on revenue accounts.
 e. The results of the comparison of financial ratios will be explained by analysing the impact of differences in revenue recognition based on before and after PSAK 72 on the company's financial performance.

Figure 3 shows, elaborate The Process of Comparison between before and after the implementation of PSAK 72 on CV. Smart Management.

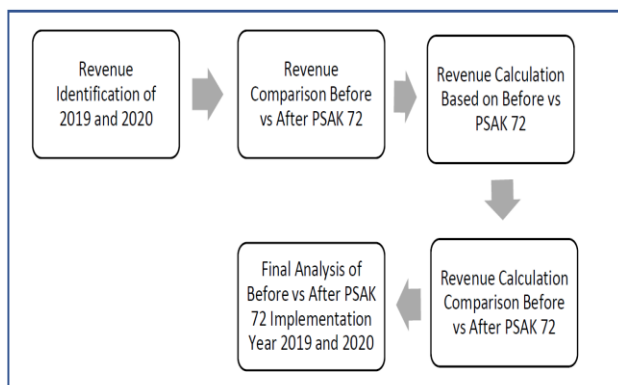


Figure 3. The Process of Comparison PSAK 72

With this technique, the author will describe how the understanding of the principles of Indonesian accounting standards, which focuses on PSAK No. 72 and its impact on CV Smart Management company, accompanied by the legal basis used. So by knowing the two things above, it will also be known why PSAK 72 can affect the revenue and financial statements of the company.

IV. RESULT AND DISCUSSION

A. General View of CV Smart Management

At the members' meeting on September 9 2015, a small business was formed named CV Semesta Pertiwi Management, located in Komp. Bumi Seroja Permai Blok K No. 72 Medan as headquarter office and Timor Street No 14 A Medan as a branch office based on the business establishment letter and Notarial deed No. 34 that publish by Lie Na Rimbawan, SH as the notary and business license No. 3784/3772/1.1/1901/09/2015.

The line of business of CV Smart Management has based on consultant management that focuses on bookkeeping and managing taxes. CV Semesta Pertiwi Management, known as a shortened name, is CV Smart Management, has over 33 employees and 30 clients.

B. Research Result Implementation SAK EMKM

CV Smart Management has presented its financial reports from 2019 to 2020. The financial statements include a balance sheet and income statement. In presenting the company's balance sheet, it is good for users of financial statements that can be misleading. The weaknesses found were in the presentation of estimates that were not in accordance with SAK EMKM implementation.

The following will discuss the application of accounting balances related to the balance sheet :

1. Form and Arrangement

SAK EMKM does not regulate the form of the balance sheet. This does not mean that companies arbitrarily prepare balance sheets. According to SAK EMKM, the treatment is left to the parties concerned for matters that have not been regulated, as long as they do not conflict with standard accounting practices or sound judgment.

2. Current Asset

a) Cash and Cash Equivalents

The type of cash in the company is cash on hand and cash on the bank. Cash is assets that include payment instruments that are ready and free to be used by the company. Cash on hand is petty cash to fund the company's daily activities. Cash on bank is a place for polling the cash of the transaction related to the company business. Based on this, the company separated cash into two types and stated it on the balance sheet. It is not proper to state the number of cash separately. The position cash must be presented into one account named cash and cash equivalents in the balance sheet. The disclosure of the cash should be defined on the notes of the financial statement if not on the balance sheet. According to SAK EMKM provision of the balance sheet, in order for information to be understood, it must be stated in terms according to the limits of the user's understanding.

b) Prepaid Items and Account Receivables

The prepaid on the company is a kind of advance payment of office space rent payments for one year. Account receivable is derived from the services payments that the company has not received.

Based on the confirmation, due in one month. The company states prepaid items prior to account receivable. The account on the balance sheet should be stated based on the liquidity. The presentation of prepaid items in the CV Smart Management balance sheet prior to account receivable is improper. Both prepaid items and account receivables do not have disclosure in detail, and the information should be stated on the financial statement notes.

3. Fixed Asset

Fixed assets belonging to the company have been presented in detail, including the price of office inventory and accumulated depreciation as a deduction from fixed assets.

4. Current Liabilities

The tax payables presented include the installments of corporate income tax for December, which will be paid in January 2019 and January 2020, plus the difference between the amount of income tax calculated on profit before tax and the installments that have been paid each month and includes employee income tax payable withheld from employee salaries which will be deposited into the state treasury in early January.

5. Equity

The capital presented by the company is part of the owner's rights in the company, in the form of the difference between existing assets and liabilities. The company has Rp 50.000.000,- amount of capital based on the rule according to SAK EMKM.

The following will discuss the performance of the company related to the presentation of the income statement :

1. Form and Arrangement

The form of the income statement are performed accordance in accrual basis. The company prepares an income statement in the form of bookkeeping and presents the company's income and expenses. This form is in accordance with SAK EMKM. SAK EMKM requires a complete presentation and an appropriate classification, arrangement, and terms.

2. Revenue

Revenue is computed as the average sales price multiplied by the number of services sold. The income presented by the company is the result of the company's business.

3. Expenses

Expenses is an expenditure of company that occurs in order to generate revenue. The company does not present disclosure information regarding to the notes of financial statement.

In 2019 and 2020, CV Smart Management implemented SAK EMKM as the key to reporting financial statements. Problems that may appear when the company implements SAK EMKM are SAK EMKM accounting policy disclosure. SAK EMKM also states that the notes on the financial statements in the summary of significant accounting policies must be disclosed on the measurement basis used in the preparation of the financial statements and other accounting policies used that are relevant to an understanding of the financial statements. The company has separated cash into two types and stated it on the balance sheet as the company should be presented into one account and the company needs to present the disclosure information on the financial statement notes. According to SAK EMKM, completeness in the presentation of financial statements is considered very crucial and beneficial for the company and other parties concerned.

With SAK EMKM, the form and arrangement are not presented in order based on the liquidity. As the company has presented, the prepaid items and account receivable are not in order with the liquidity, and the company does not state the information regarding the notes of the financial statement.

C. Research Result Implementation of PSAK 72 SAK on CV Smart Management.

CV Smart Management presents all accounts in the financial statements in detail. Regarding PSAK 72, it can be known through changes in the balance sheet and company income. Furthermore, regarding the accounting policies applied to the recognition of contract revenue from customers in accordance with PSAK 72, the financial statements consist of a profit and loss statement and a balance sheet for the year 2020. But there is some weakness regarding the implementation of PSAK 72 on CV Smart Management, as follows :

1. Changes in Balance Sheet Items

a. Contract Asset

The company's contract asset is the asset the company has received from the revenue recognition. The company has not served the account in detail, and there will be an unknown contract the company has missed throughout the transactions.

b. Contract Liabilities

The company have presented the account of contract liabilities in the balance sheet of 2020, the company haven't received payments from the customer, and the amount is not the same as the contract assets as most of the contract is paid using installment payments, and the company doesn't have the price list.

2. No Commercial Substance

According to PSAK 72, companies must establish principles for providing information related to income regarding the amount, timing and uncertainty of income and cash flows that arise. Issues were made when the contract was unclear, and some people made a contract but did not have commercial substance in the transaction. PSAK 72 emphasises the entity that makes financial statements to distinguish the two types of transactions. As CV Smart Management didn't present the commercial substance, it has not become the CV Smart Management cash flow measurement. CV Smart Management cannot measure the cash flow risk that arises since the company doesn't provide any information about cash flow.

3. Price Allocation for Separate Obligations

As the company has implemented the five steps model of PSAK 72, the way CV Smart Management implement a contract with its customer is based on the five steps model of PSAK 72. The five steps models of PSAK 72 are contract identification, identification of performance obligations in the contract, determining the transaction price to separate performance obligations and revenue recognition with the customer. CV Smart Management has identified the contract with the customer and has identified obligations that CV Smart Management needs to fulfill. But the company did not attach details information regarding the right and obligations to the contract, and the company should specify the price allocation for the implementation obligation in the second step. The company has determined the price for the implementation obligation, and the customer has

agreed to the price made by CV Smart Management regarding the third step; the company did not use a stand-alone selling price and did not present the price list regarding the price allocation of separate obligation as it is mandatory regarding the five steps of revenue recognition in PSAK 72. In 2020, in the reported information attached to the PSAK 72, there are changes in the balance sheet as the company starts the PSAK 72 implementation that includes balance sheet items of contract assets and contract liabilities. As it is suggested to make a statement of cash flows as the basis of measurement regarding the commercial substance. With the company have implemented on the five steps of PSAK 72, the company does not have the price list for the separate obligation. With the company not allocating the implementation of obligations in detail based on the progress, the company will find it difficult to recognize revenue, which is related to the fifth step in the five model of PSAK 72.

Table 1 explains, with the implementation of PSAK 72 in CV Smart Management, there are changes and conditions this company experience after implementing PSAK 72.

Table 1. Before and After Implementation of PSAK 72

Before	After
There are no contract implementation of CV Smart Management in making transactions	Every transaction made with the customer must have contract
Performance obligations are flexible and is based with the rule thumb	Performance obligation does not consist the price list and is based with the rule of thumb
The revenue gained in the year 2019 are Rp 339.000.000,-	The revenue gained in the year 2020 are Rp. 334.8000.000,-
Revenue can be gained freely from the customer as the obligation have not finished	Revenue can be recognized when the obligation are finished by the company to the customers.

V. CONCLUSION

The implementation of SAK EMKM in CV Smart Management is not fully implemented. The company's accounting cycle starts from evidence or documents then journalizes and posted to the financial statement. The company's financial statements include balance sheets and income statements, prepared on December 31 each year by referring to SAK EMKM. The financial report of CV Smart Management is the only balance sheet and income statement, and the company did not present notes on the financial statement. There are inappropriate forms and arrangements of cash accounts and account receivables. The company's cash accounts are divided into cash on hand and cash on the bank. The company should combine two accounts into one account named cash and cash equivalents, and the detailed information of the cash account should be disclosed in the notes of the

financial statement. The presentation of accounts in SAK EMKM policy must be arranged based on account liquidity level. There is a misposition of prepaid items and account receivables that are not in accordance with the position of liquidity. Based on the nature of the account, account receivables have higher liquidity than prepaid items regarding the level of liquidity of the account.

CV Smart Management has to implement PSAK 72 started in the year 2020. The company has not fully implemented PSAK 72. Even though the company follows the five steps in recognition of revenue and identification of performance obligations, the company did not have detailed information regarding the allocation of the price in the contract. Hence, the company will experience difficulties in income recognition.

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