



The Impact of Accounting Information System Implementation on Financial Management Effectiveness in Small and Medium Enterprises (SMEs) in Buleleng Regency

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Abstract

In the digital age, the adoption of Accounting Information Systems (AIS) is no longer limited to large enterprises but is also increasingly relevant for Small and Medium Enterprises (SMEs). SMEs play a significant role in job creation and improving community welfare. However, many SMEs face difficulties in managing their financial resources efficiently. AIS has been proposed as a practical solution to enhance financial management and operational effectiveness in SMEs. This study aims to examine the effectiveness and efficiency of AIS implementation in financial management among SMEs in Buleleng Regency, Indonesia. The research design is quantitative with an associative level of research explanation. The population consists of 75,267 SMEs, and a sample of 100 SMEs was selected through random sampling, based on Slovin's formula with a 10% margin of error. Data collection was conducted using a structured questionnaire grounded in the Technology Acceptance Model (TAM), focusing on perceived usefulness and perceived ease of use in technology adoption. The findings indicate that AIS has a positive and significant impact on the financial management effectiveness of SMEs. AIS supports accurate transaction recording, timely financial reporting, and informed decision-making based on reliable data. The results emphasize the importance of strengthening digital capabilities and providing information technology-based accounting training for SME operators. This effort is essential to support the sustainable development of SMEs in Buleleng Regency and to enhance their competitiveness in an increasingly digital economy.

Keywords: Accounting Information Systems, Financial Management, SMEs, Technology Acceptance Model

1. Introduction

Small and Medium Enterprises (MSMEs) are a sector that plays a strategic role in economic development in Indonesia. The central government pays close attention to the development and sustainability of MSMEs through several programs launched to assist and support them. With increasingly fierce competition, MSMEs must strive to maintain and improve their competitiveness to survive in the market, given their significant role in the national economy, including in Buleleng Regency, Bali Province. MSMEs contribute significantly to job creation and increased community



income. However, MSMEs face several challenges that hinder their growth and development.[1]. Suboptimal financial management is one of the obstacles to the development of MSMEs. Other obstacles include: MSMEs often have limited access to financial resources, making it difficult for them to expand their business operations. MSMEs may lack the knowledge or resources necessary to utilize technology in their business operations, leading to financial inefficiencies and reduced competitiveness.[2]. MSMEs' understanding of the importance of accounting and financial management for their business operations still appears to be lacking, leading to poor decision-making and financial performance.[3]. Awareness of the importance of financial management remains very low among MSMEs. As a result, financial management effectiveness is less than optimal, potentially hampering long-term business development.

In facing these obstacles, one of the solutions offered is the implementation of an Accounting Information System (AIS), which is able to increase effectiveness in recording, processing and reporting financial information.[4]. According to[5]An AIS is a system that collects, records, stores, and processes accounting data to produce relevant financial information for decision-making. In the context of MSMEs, the implementation of an AIS is expected to help businesses improve the accuracy of financial reports, improve resource efficiency, and facilitate data-driven decision-making. Accounting information can serve as a guide for decision-making.

Buleleng Regency, located in the northern part of Bali Province, is one of the regencies whose regional economic activity is dominated by MSMEs, namely 11,510 businesses out of a total of 75,267 MSMEs according to data from the Department of Trade, Industry and Cooperatives, Small and Medium Enterprises, Buleleng Regency. The high number of MSMEs in Buleleng Regency shows that the local community is worthy of pride because it has high potential to create new jobs. However, this is not in line with government programs related to increasing the adoption of digital technology in MSMEs. The phenomenon in the field shows that until 2023 there will still be a gap between the need for and the implementation of AIS among MSMEs in Buleleng Regency. Most micro-scale MSMEs have not been able to adopt modern accounting technology due to limitations in understanding, costs, and human resources. Meanwhile, small and medium-scale MSMEs are starting to adapt, but still face obstacles in consistent implementation.

The use of accounting information systems in MSMEs has a positive impact on their success. AIS is a vital resource for businesses because of its ability to facilitate effective decision-making, planning, and control of organizational activities.[6]. According to[7]The higher the level



of use of accounting information systems, the higher the level of success of a business. MSMEs can use accounting information for business planning, controlling business activities, making decisions in business management, and evaluating business activities, all of which can support business success. Research results[8]And[9]stated that accounting information systems have a positive and significant effect on MSME performance. However, this differs from the results of the study.[10]And[11]which states that the accounting information system has a negative effect on the performance of MSMEs.

This research is expected to provide an empirical picture of the extent to which SIA is able to support the effectiveness of MSME financial management, as well as provide recommendations for local governments, business actors, and other stakeholders in formulating sustainable MSME development strategies.

2. Method

This research is quantitative with an associative explanatory approach. The research location is MSMEs in Buleleng Regency. The population in this study was 75,267 MSMEs in Buleleng Regency in 2023. The data collection method was carried out using a survey method using a questionnaire instrument. The questionnaire was distributed via Google Form which was sent directly to respondents. The collected data were then analyzed using data quality tests (validity & reliability), classical assumption tests, and simple linear analysis with the help of SPSS. Simple linear data analysis techniques are used to measure and understand the straight-line relationship between one independent variable and one dependent variable. The sample in the study amounted to 100 businesses, which were calculated using the Slovin formula with a margin of error of 10%. The variables tested included the independent variable, namely: Accounting Information Systems (X) and the dependent variable, namely the effectiveness of financial management in MSMEs in Buleleng Regency (Y).

3. Result and Discussion

3.1 Presentation of Results

Data quality testing was performed using validity and reliability tests. The validity of the research instruments was determined by the significance value obtained, which was $0.000 < 0.05$, thus declaring the instrument valid. Meanwhile, the reliability test results showed that all research instruments were reliable, with an overall Cronbach's alpha value of > 0.7 .

Classical Assumption Test

Classical assumption tests were conducted before testing and analyzing data with a regression model. The classical assumption tests in this study included normality tests, multicollinearity tests, and heteroscedasticity tests.

a. Normality Test

This normality test aims to test whether the residuals from the regression model created are normally distributed or not.

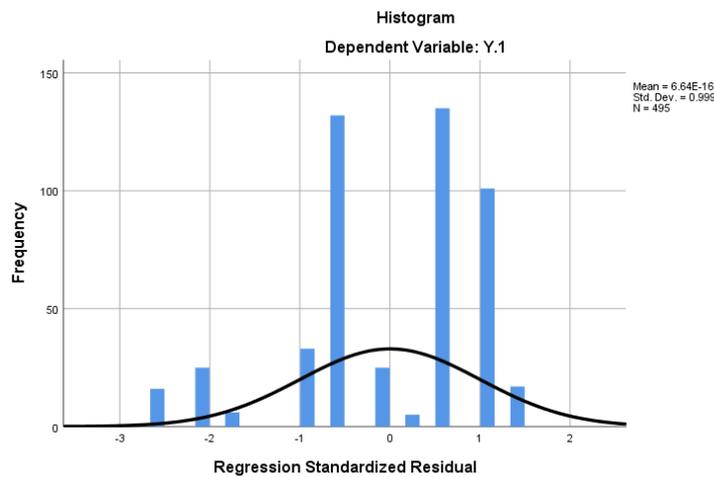
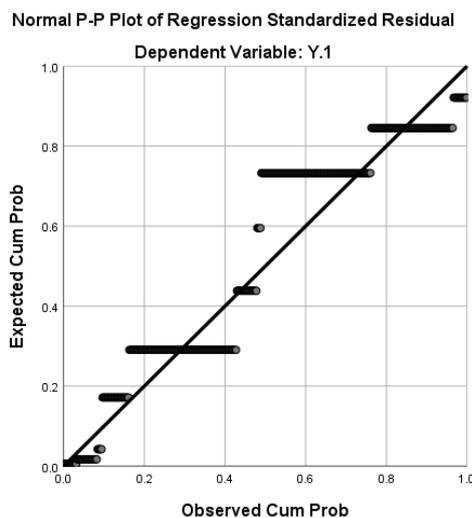


Figure 1. Test Results Normality

The histogram above shows an image that approximates a bell shape or is close to normal. This indicates that the regression residuals are approximately normally distributed.



The figure above shows the same results as the PP Plot of Standardized Residuals. The points are spread out close to and follow the diagonal line, indicating that the regression residuals are approximately normally distributed.

b. Multicollinearity test

The multicollinearity test aims to determine whether or not there is a linear relationship (multicollinearity) between one independent variable and another independent variable.

Coefficientsa

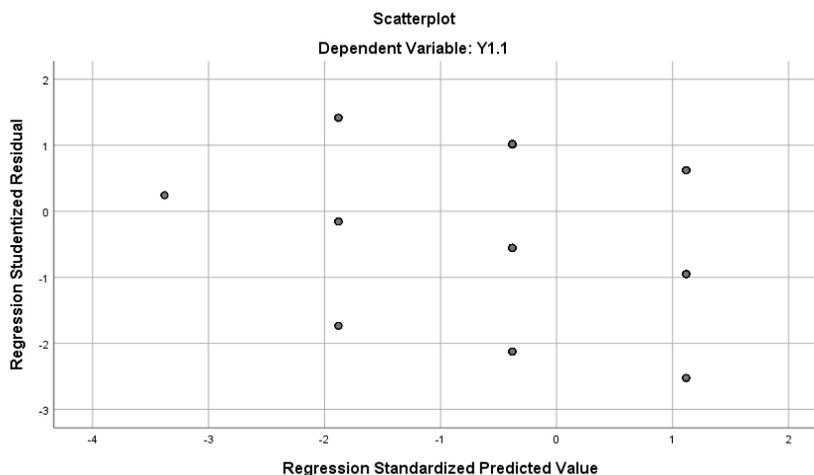
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	X1	1,000	1,000

a. Dependent Variable: Y1

Table 2. Multicollinearity Test

The results of the multicollinearity test show that the tolerance value of the accounting information system implementation variable is 1,000, indicating a value greater than 0.1, and the VIF value of the variable is 1,000, indicating a value less than 10. Based on these results, it shows that the overall value of the independent variables for the tolerance value is > 0.1 and for the VIF value < 10 , so it can be concluded that the research data is free from multicollinearity.

c. Heteroscedasticity Test





From the graph above, it can be seen that the points are spread out without a pattern from the right and left of the number 0 (zero), so the regression equation can be declared free from the problem of heteroscedasticity.

Model Feasibility Test

a. Simple Linear Regression Analysis

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,341	.185		18,055	.000
	X.1	.253	.043	.256	5,879	.000

a. Dependent Variable: Y.1

Table 2. Results of Simple Linear Regression Analysis

It is known that the constant (a) is 3.341 and the regression coefficient (b) is 0.253. The regression equation $Y = a + bX = 3.341 + 0.253b$ can be made. The constant of 3.341 indicates that if there is no application of an accounting information system, then financial management will be 3.341. The regression coefficient of 0.253 indicates that every additional score of the application of an accounting information system will increase the effectiveness of financial management by 0.253.

b. Hypothesis Testing

Based on the regression table above, it can be seen that the sig. value of the accounting information system implementation variable is 0.000, with B being positive. This means that the effect of accounting information implementation on financial management effectiveness is significantly positive because it is less than 0.05.

c. Coefficient of Determination Test (R²)

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.256a	.665	.640	.63730

a. Predictors: (Constant), X.1

b. Dependent Variable: Y.1



Table 3. Test of the Coefficient of Determination (R²)

The results of the determination coefficient analysis show that the Adjusted R square value is 0.64, which means that the influence of the variable influencing the implementation of accounting information systems on the effectiveness of financial management is 64% and the rest is influenced by other factors outside the research model.

3.2 Creating a Discussion

The results of the regression analysis indicate that the AIS implementation variable has a significance value of <0.05 , thus accepting the proposed hypothesis. This means that the better the AIS implementation, the more effective the organization's financial management. This is evident in the increased speed, precision, and accuracy of financial report presentation after the organization uses AIS. This finding aligns with theory.[5]which states that a good AIS can provide relevant and reliable information to support management decision-making processes. Digitalization of accounting systems has a positive impact on the quality of accounting information, cost reduction, and more effective decision-making, especially for SMEs in developing countries like Indonesia.[12].[7]In his research, he also stated that the higher the level of use of accounting information systems, the higher the level of success of a business. Therefore, accounting information can be used by MSMEs for business planning, controlling business activities, making decisions in business management, and evaluating business activities, all of which can support business success. The research conducted by[13],states that the implementation of accounting information systems has a positive effect on the ability to prepare financial reports and the company category does not affect the ability to prepare financial reports.

Based on the questionnaire data obtained, the majority of respondents stated that AIS helps minimize recording errors and accelerates the process of preparing financial reports. With a computerized system, the transaction recording process becomes more precise and accurate. This impacts the efficient use of business funds, and accurate financial reports are very helpful in business decision-making. However, although the research results show a positive impact, several obstacles were identified, including limited understanding of technology by human resources, lack of training, and resistance to system changes. These findings indicate that the success of AIS implementation depends not only on the technology, but also on user readiness. Based on the



research results, it can be concluded that organizations/governments need to pay more attention to strengthening human resource capacity and management support so that AIS implementation can be optimally utilized. Without these supporting factors, the benefits of AIS for the effectiveness of financial management cannot be optimally achieved.

4. Conclusion

Based on the research results, it can be concluded that the implementation of an accounting information system has a positive and significant impact on the effectiveness of financial management. The better the implementation of an AIS, the more effective financial management will be, in terms of speed, accuracy, and efficiency. Future research is expected to focus not only on the implementation of accounting systems but also expand on this by examining MSME productivity, financial literacy, the education level of business owners, and government support.

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