

Optimizing Financial Reporting for Women MSMEs in Masamba Village

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Abstract

MSMEs managed by women in Masamba Village face challenges in compiling accurate and standard financial reports. Limited accounting knowledge and lack of training are the main obstacles. This service aims to increase the financial reporting capacity of women MSMEs through intensive training and mentoring. The methods used include technical training, individual mentoring, and evaluation of reporting results. The results showed an increase in participants' understanding and ability to prepare simple financial statements. This article concludes the importance of continuous training to support the sustainability of MSME businesses.

Keywords: Women's MSMEs, financial reporting, training, optimization, Masamba Village

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role as the backbone of the Indonesian economy. In Masamba Village, MSMEs managed by women have great potential to support the local economy while empowering women in the community. However, despite their significant role, MSMEs in the region still face various challenges, especially in managing financial administration. Ignorance of good and correct financial reporting is often the main obstacle in accessing business capital, monitoring business performance, and fulfilling tax obligations [1].

The rapid and dynamic development of business requires business actors, especially Micro, Small and Medium Enterprises (IMKM) and Micro, Small and Medium Enterprises (MSMEs) to move quickly to keep up with the times. The goal is to maintain the market and consumers and expand the business network. The demands of technological advancement can also be two different sides of a currency, can greatly help business development or actually worsen the business condition of the MSMEs/IMKM actors [2].

The main problem faced by MSME actors in Masamba Village is related to the lack of understanding of simple accounting standards. Many business actors are not familiar with financial reporting practices due to the lack of adequate training or mentoring. This condition is exacerbated by their low awareness of the importance of financial statements as a tool to measure business success, make strategic decisions, and meet administrative requirements needed by external parties such as banks or investors.

Seeing these problems, this community service is designed to provide concrete solutions for female MSME actors in Masamba Village. This program aims to improve their understanding of the importance of financial reporting in running a business. With a better understanding, MSME actors are expected to be able to manage their businesses more professionally and organized, so that they are able to compete in an increasingly competitive market.

As a first step, training and mentoring will be focused on the practice of preparing simple financial statements. This includes an introduction to income statements, balance sheets, and

daily transaction recording techniques. This approach is designed so that participants can understand the basic concepts of accounting and apply them directly in their business operations. Thus, MSME actors are not only taught theory but also trained to integrate financial reporting into their daily activities.

Through this program, it is hoped that women MSMEs in Masamba Village will be able to significantly improve their financial governance. With neat and accurate financial reports, they can identify business strengths and weaknesses, gain trust from third parties, and expand access to financial resources [3]. The success of this program will also make a positive contribution to women's empowerment, as well as support sustainable local economic growth.

2. Method

1) Initial Survey

The initial stage of this service activity began with a survey of the need to deeply understand the problems faced by women MSME actors in Masamba Village in terms of financial reporting. The survey was conducted through interviews and direct observations, involving business actors from various sectors. The information collected includes their level of understanding of accounting, the obstacles faced in compiling financial statements, and relevant training needs.

The survey results show that most MSME actors do not have basic accounting skills. They also admitted that they did not understand the importance of financial statements in business management. In addition, it was found that most MSME actors record their business transactions manually and unstructured, making it difficult to use in decision-making. This data is the basis for designing training that suits their needs.

The survey also aims to establish initial communication with participants, as well as raise their awareness of the importance of financial reporting. A participatory approach was used during the survey, so that participants felt involved in the activity planning process [4]. With this approach, participants are more enthusiastic to participate in activities that are specifically designed according to their needs.

2) Training

The training stage began with an introductory session on the basics of accounting for MSMEs. In this session, participants were taught basic accounting concepts, such as the importance of recording income and expenses regularly, introduction to income statements, and simple balance sheet components [5]. The material was delivered using easy-to-understand methods, such as business transaction simulations and real case examples that are relevant to the participants' daily lives.

The second session of this training focused on the practice of preparing simple financial statements. Participants are trained to prepare income statements by recording all their business income and expenses during a certain period. In addition, participants are also taught to create a balance sheet that includes their assets, liabilities, and business equity. This hands-on approach is designed so that participants can directly practice the knowledge they have gained in managing their respective business finances.

To make the material easier to understand, the training uses visual media such as diagrams, tables, and financial recording simulations using concrete examples. Participants were also given a simple guidebook that could be used as a reference in daily practice. With this approach, it is hoped that MSME actors can understand the basics of financial reporting well and be able to apply them independently.

3) Assistance

After the training, participants are given individual assistance to ensure they are able to prepare their respective business financial statements. In this stage, each participant is

accompanied by a facilitator to record their business transactions, make profit and loss statements, and prepare balance sheets. The assistance is carried out intensively to ensure that each participant understands the process of preparing financial statements as a whole.

The facilitator also helps participants to identify errors or deficiencies in the financial statements they have made. With this approach, participants not only learn from their own experiences but also get direct feedback that can improve their understanding [6]. This assistance is also a moment to provide solutions to specific obstacles faced by each participant.

In addition to providing technical assistance, this assistance also aims to build participants' confidence in managing their business finances. With mentoring that focuses on individual needs, participants feel more confident to integrate financial reporting into their business activities [7]. This personal approach is the key to success in optimizing the participants' abilities.

4) Evaluation

The evaluation stage is carried out to measure the effectiveness of the training and mentoring that has been carried out. The evaluation was carried out by comparing the abilities of participants before and after participating in the activity [8]; [9]. Prior to the training, participants were asked to fill out an initial questionnaire that measured their level of understanding of financial reporting. The results were compared with the final questionnaire given after the activity was completed.

In addition to the questionnaire, the evaluation was also carried out by reviewing the financial statements that had been prepared by the participants. These reports are evaluated based on their completeness, accuracy, and suitability with the concepts taught during the training. The results of the evaluation showed that most of the participants were able to prepare simple financial statements well, although there were still some shortcomings that needed to be improved.

This evaluation also provides an overview of areas that need further improvement, such as the need to strengthen certain concepts or increase mentoring time. With the results of this evaluation, similar programs in the future can be designed more effectively to meet the needs of women MSME actors in Masamba Village.

5) Location and Participation of Activities

This activity was carried out in Masamba Village, North Luwu Regency, involving 10 female MSME actors. This village is known as an area with considerable local economic potential, but most businesses are still managed traditionally and are not optimal. Limited capital and management capacity make it difficult for the business to develop into a significant economic source. In this context, the presence of MSMEs is important as a driver of the village economy that is able to encourage business actors to create new innovations. With the role of mediators and facilitators, MSMEs can help market household products while supporting the growth of the home industry in this village.

The empowerment process is not without challenges because field obstacles will be encountered such as fiscal limitations and technological problems [10], so all elements need to take part. empowerment partners. The parties will collaborate on the program.

3. Result and Discussion

The financial reporting training conducted in Masamba Village succeeded in providing a new understanding to female MSME actors about the importance of financial reporting in business sustainability. A total of 10 participants who participated in this activity showed high enthusiasm during the training. In this training, a simple bookkeeping method is applied to make it easier for participants to understand and apply the concept of financial reporting in their business.



Figure 1. Simple Financial Record-keeping Training

After participating in the training, participants were able to understand the importance of financial statements as a tool to measure business performance. Awareness of the importance of recording income and expenses in a structured manner began to grow among participants. They realize that financial statements are not only important to meet administrative requirements, but also as a basis for planning future business development.

The ability to prepare simple financial statements is also one of the successes of this training. Most of the participants succeeded in making an income statement that reflected the financial condition of their business. In this practice, the facilitator provides step-by-step guidance, from recording daily transactions to compiling a final report. This helps participants to be more confident in managing their business finances.

The participants were also taught how to use financial statements as a basis for decision-making. By looking at the income statement that they have prepared, participants can identify business areas that need improvement or strengthening. Some participants even stated that they are now able to prioritize spending and assess the effectiveness of business strategies that have been implemented.

The impact of this training can be seen from the significant increase in knowledge among participants. Based on the evaluation carried out, around 80% of the participants showed an increase in understanding after the training. Before the training, most participants did not understand the basic concepts of accounting. However, after being given a briefing, they began to be able to explain the concept of simple financial statements quite well. The hands-on practice applied during the training also yielded positive results. Most participants are able to compile simple financial statements with the help of facilitators. This shows that practical approaches and intensive mentoring are effective in improving participants' abilities. Participants also stated that the simple bookkeeping methods taught were in accordance with their needs as MSME actors.

However, despite the success of this training, some challenges were still faced during the implementation of the activity. One of the main obstacles is the diverse level of literacy of participants. Some participants took longer to understand the basic concepts of accounting, especially those related to recording transactions and preparing income statements. To overcome this obstacle, facilitators use a simple and visualization approach to explain the material. Relevant diagrams, tables, and case examples are used to help participants understand concepts more easily. This approach has proven to be effective, although some participants still need additional assistance to better master the material.

This training also provides new insights for participants on the importance of good financial management. With financial statements, participants now feel more confident in managing their businesses [11]; [9]. They also realize that financial statements can be a powerful tool to gain the trust of external parties such as investors or financial institutions.

Overall, this training has a positive impact on women MSME actors in Masamba Village. With the increase in their knowledge and ability to prepare financial statements, it is hoped that the businesses they manage can grow more organized and sustainable. This success is also the first step to empower women in the village in supporting the local economy.

4. Conclusion

Optimizing financial reporting through training and mentoring has had a positive impact on the management of women's MSME businesses in Masamba Village. Through this activity, participants are not only able to compile simple financial statements such as income statements and balance sheets, but also understand the importance of these reports in managing their businesses. Awareness of the benefits of financial statements helps participants monitor business performance, make strategic decisions, and increase opportunities to access business capital.

The sustainability of training programs is critical to ensure continuous capacity building. With advanced training and periodic mentoring, participants can delve deeper into financial concepts and apply more complex management techniques. This also allows them to adapt to the challenges that arise in business operations, while strengthening the contribution of women MSMEs to the local economy in Masamba Village.

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