

# The Role of Information Technology-Based MSME Financial Reports on the Ability to Identify Financing Risks at KSPPS BMT Istiqlal

Baratadewa Sakti Perdana<sup>a,1,\*</sup>, Hendri Hernawan Adinugraha<sup>b,2</sup>, Dhimas Ilham Sejati<sup>b,3</sup>

<sup>a</sup> Master of Sharia Economics UIN KH Abdurrahman Wahid., Jl. Kusuma Bangsa No.9, Pekalongan, Postcode 51141, Indonesia

<sup>b</sup> Postgraduate UIN KH Abdurrahmanwahid, Jl. Kusuma Bangsa No.9, Pekalongan, Postcode 51141, Indonesia

<sup>c</sup> Master of Sharia Economics UIN KH Abdurrahman Wahid., Jl. Kusuma Bangsa No.9, Pekalongan, Postcode 51141, Indonesia

<sup>1</sup> baratadewa.sakti@gmail.com; <sup>2</sup> hendri@gmail.com; <sup>3</sup> dhimas@gmail.com

\* Corresponding Author

## ABSTRAK

This research aims to examine the extent to which technology-based financial reports presented by Micro, Small and Medium Enterprises (MSMEs) can help KSPPS BMT Istiqlal in identifying financing risks so as to reduce financing risks. In an era driven by the Industrial Revolution 4.0, information technology plays an important role in global financial and communication activities. This research uses a qualitative methodology, combining in-depth interviews and document analysis as a data collection tool from respondents who are KSPPS BMT Istiqlal customers. Increasing the effectiveness of technology-based financial reports in sharia financing at KSPPS BMT Istiqlal not only has a positive impact on their operations, but also stimulates investment growth. Increased investment provides wider employment opportunities for the community, ultimately contributing to sustainable economic growth. Therefore, this research has important significance in deepening understanding of the role of technology-based financial reports in reducing financing risk. As a result, this research contributes to the prosperity and welfare of the people in Pekalongan. The main findings emphasize that information technology-based financial reports with the 3in1 model used by MSMEs produce financial reports that are easier, faster, more accurate and affordable in order to assess their financial condition. This is because the financial position report (balance sheet), profit and loss report and cash flow report are displayed on one worksheet. So it really helps KSPPS BMT Istiqlal with timely and accurate information to evaluate financing risks effectively. Additionally, it also increases trust between financial institutions and clients, creating an environment that supports sustainable growth.

## KEYWORDS

Financial statements,  
Information Technology,  
3in1 model,  
Risk Identification,  
Sustainable Growth



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## 1. Introduction

Micro, Small and Medium Enterprises (MSMEs) have an important role in the Indonesian economy [1]. They not only create jobs, but also become the backbone of the local economy [2]. To develop and compete in an increasingly complex market, MSMEs need to get adequate access to financing [3]. This is where the role of the BMT Istiqlal Sharia Savings and Loans Cooperative (KSPPS) as a sharia financial institution becomes crucial. KSPPS BMT Istiqlal has the responsibility to provide financing to MSMEs in accordance with sharia principles [4]. However, in providing financing, KSPPS BMT Istiqlal also needs to identify and manage the risks associated with this financing [5].

In an era where information technology has become an inseparable part of everyday life, MSMEs that adopt information technology have a significant advantage in managing their finances [6]–[9]. One of the important tools in financial management is financial reports [10]–[12]. Financial reports produced using information technology have higher accuracy and can be accessed more easily [11], [13]–[16]. This report provides clear guidance on the financial performance of MSMEs [17]–[21].

Behind the glittering MSME market which is growing rapidly throughout the world, it needs to be acknowledged that there are serious challenges for financing institutions who want to provide financial support to MSME players [22]–[25]. One of the main challenges faced by financing institutions is their ability to identify financing risks to their clients [26]. In fact, business financial reports owned by MSMEs are often manual, and there are many that don't even have financial reports at all. This is one of the main obstacles that must be overcome to increase access to financing for MSMEs in encouraging real sector growth [27]–[31].

MSMEs as the backbone of the economy in many countries have created many jobs, strengthened the economic structure, and played an important role in overall economic growth [32]–[36]. However, MSMEs often operate with limited capacity, which includes financial and technological resources. Therefore, the financial reports they produce are often manual in nature and many even do not have business financial bookkeeping reports at all [37]–[41].

One of the main problems with manual financial reports is the lack of accuracy and consistency [42], [43]. These reports often include human errors that can lead to a false understanding of a business's financial health. Apart from accuracy problems, manual financial reports also tend to be incomplete. Many MSMEs may only record important transactions and ignore broader financial aspects. This can make it difficult for financing institutions to evaluate loan eligibility and understand the associated risks. In some cases, there are MSMEs that do not have financial reports at all, which makes it even more difficult for financing institutions to carry out risk analysis [44].

More deeply, manual financial reports also tend not to comply with applicable accounting standards [45], [46]. This can make the risk evaluation process even more complicated because financing institutions have to work with data that may not be standardized. This can also result in difficulties in comparing financial performance between various MSMEs [47]. On the other hand, KSPPS BMT Istiqlal can actually utilize financial reports produced by MSME actors based on information technology in the process of identifying financing risks. Accurate and up-to-date financial reports can provide valuable information about the financial condition of MSMEs and potential risks that may arise. However, the question is to what extent is the role of information technology-based financial reports of MSME players in the ability of KSPPS BMT Istiqlal to identify financing risks?

This community service aims to answer this question. In this context, the role of information technology-based financial reports of MSMEs in identifying financing risks is further explored. Researchers will examine how financial reports produced by MSMEs using information technology affect the ability of KSPPS BMT Istiqlal to identify financing risks.

This service uses a qualitative approach. This approach was chosen because it provides the ability to gain in-depth insight into the experiences and views of MSME actors who have adopted information technology in their financial management, as well as how their financial reports influence the risk identification process by KSPPS BMT Istiqlal.

Data was obtained through interviews with MSME owners who are customers at KSPPS BMT Istiqlal who have used information technology in their financial activities [16], [48]–[51]. We selected respondents who had sufficient experience and knowledge about the use of information technology and financial reports in their business. Interviews were conducted in a structured manner to ensure that relevant topics were covered in discussion.

Apart from interviews with MSME owners, this research also analyzes financial reports produced by MSME owners. These financial reports are analyzed to see to what extent they reflect the financial performance of MSMEs and whether they provide relevant information to identify financing risks. Data analysis involves the process of coding and categorizing information obtained from interviews and analysis of financial reports. The results of the analysis are used to compile research findings and conclusions.

By conducting this research, researchers hope to provide a better understanding of the role of information technology-based financial reports of MSMEs on the ability of KSPPS BMT Istiqlal in identifying financing risks. The results of this research will provide valuable insight for KSPPS BMT Istiqlal and other sharia financial institutions serving MSMEs in optimizing the use of information technology and financial reports for better risk management.

The main contribution of this research is increasing understanding of how information technology and financial reports can collaborate to strengthen the ability of KSPPS BMT Istiqlal to face financing risks. As information technology continues to develop, this understanding will become increasingly

important in supporting the growth of MSMEs and the stability of the Islamic financial institution sector in Indonesia. Thus, it is hoped that this research can make a meaningful contribution in facing challenges and opportunities in a dynamic business environment.

## 2. Method

In this research, qualitative research methods were chosen as the main approach to explore the role of information technology-based financial reports in the ability of KSPPS BMT Istiqlal to identify financing risks. The choice of this qualitative method was based on the belief that this approach would enable researchers to gain in-depth insight into how MSME financing customers who have used information technology-based financial reports experience the impact. Through in-depth interviews with respondents selected by purposive sampling, this research examines the extent to which these financial reports influence their understanding of financing risks. In addition, analysis of financial reports produced by MSME players will provide additional data to test the relevance of information technology-based financial reports in risk management by KSPPS BMT Istiqlal. Data obtained from various sources is analyzed qualitatively, and research findings will be used to draw relevant conclusions and research implications.

This service is a type of service that is supported by literature research. The data sources used consist of primary and secondary data sources. Primary data sources were obtained through interviews, observations and documentation from KSPPS BMT Istiqlal. Secondary data sources were collected through reviewing various literature relevant to the research. The literature in question is in the form of books, scientific journals, mass media news and the internet which are considered credible.

The data obtained is studied carefully by selecting data so that accurate data can be produced. Once the data obtained is sufficient, the problem to be studied is formulated. Then from these problems, a solution concept was formulated as a solution which was prepared in the form of a comprehensive discussion. Data analysis in this research uses content analysis techniques, namely content analysis of secondary data sources used in research according to the needs and criteria set by the researcher. The results of data analysis were then studied further through focus group discussion (FGD) activities. This research was carried out through the stages of planning, implementation and preparation of research results.

## 3. Results and Discussion

### 3.1. Benefits of Information Technology-Based Business Financial Reports Compared to Manual-Based Business Financial Reports

Financing customers at KSPPS BMT Istiqlal who have adopted information technology-based financial reports, reveal various benefits obtained from using this technology. They explained that financial reports produced through information technology had a much higher level of accuracy compared to the manual methods they had previously used. This is due to the system's ability to calculate and record data precisely, reducing the risk of human error in calculations.

Apart from accuracy, financing customers also feel that information technology helps them save valuable time. The process of recording transactions becomes faster and more efficient with the help of this technology. They no longer need to spend hours recording and calculating each transaction manually. Instead, they can produce financial reports quickly and more regularly. This provides ease in managing their business, as well as allowing them to focus on other aspects of their operations.

Apart from accuracy and efficiency, financing customers who use information technology-based financial reports also note that these reports provide more complete information about their business performance. They can view transaction details, profits, losses and cash flows more easily. These more detailed reports help them understand the financial condition of the business better. This is important because it allows them to make better decisions regarding business growth and financial strategies.

Apart from that, the use of information technology in preparing financial reports also provides benefits for KSPPS BMT Istiqlal. In making decisions regarding financing, KSPPS BMT Istiqlal needs accurate and up-to-date information about the financial condition of their financing customers. With information technology-based financial reports, they can easily access the data they need without having to wait for time-consuming manual reports. This allows them to conduct analysis more quickly and accurately, so they can identify potential financing risks more effectively.

Information technology-based financial reports are used by several financing customers, using simple applications such as Excel with automation formulas to create their business financial reports. Using this application helps them enter financial data regularly, and the application will automatically calculate financial position, profit, loss and cash flow. This makes it easier for financing customers to understand their business conditions more quickly and easily. Furthermore, the use of the Excel application also helps KSPPS BMT Istiqlal identify financing risks more effectively. Reports produced from the Excel application tend to be more structured and organized, making the analysis process smoother.

The Excel application-based business financial reporting model used by the financing customers the researchers interviewed is called the 3in1 Financial Report where the financial position report (balance sheet), profit and loss report and cash flow report are presented in one worksheet, making it easier to find out the condition of the business quickly.

At this stage, researchers discussed the results of data analysis from interviews with employees and managers of KSPPS BMT Istiqlal who are experienced in using information technology related to financing. This data reveals their understanding of the role of information technology in minimizing the risk of financing fraud and also the practice of using information technology in this context.

**PERUSAHAAN BATIK XXXXXX**  
**LAPORAN POSISI KEUANGAN**  
 Per 31 Agustus 2023  
 MODEL 3 in 1

| AKTIVA                                 |         |                   | LIABILITAS DAN EKUITAS                 |         |            | PASIVA             |  |  |
|--|---------|-------------------|--|---------|------------|--------------------|--|--|
| ASET                                   | Catatan | 31/08/2023        |  | Catatan | 31/08/2023 |                    |  |  |
| <b>ASET LANCAR</b>                     |         |                   | <b>LIABILITAS LANCAR</b>               |         |            |                    |  |  |
| Sediaan Modal                          | 3       | 50.000.000        | Utang Usaha                            | 7       | -          | 30.000.000         |  |  |
| Penjualan Tunai                        | 3       | 1.500.000         | Utang Gaji                             | 7       | -          | -                  |  |  |
| Penerimaan Piutang                     | 3       | 3.500.000         | Utang Lain-lain                        |         | -          | 10.000.000         |  |  |
| Pendapatan Lainnya                     | 3       | -                 |  |         |            |                    |  |  |
| Penjualan Airt                         | 3       | -                 | <b>LIABILITAS TIDAK LANCAR</b>         |         |            |                    |  |  |
| Penjualan Saham                        | 3       | -                 | Utang Perbankan                        | 7       | -          | -                  |  |  |
| Pengukuran Permisian                   | 3       | (3.200.000)       |  |         |            |                    |  |  |
| Pengukuran Operasional                 | 3       | (13.700.000)      | <b>EKUITAS</b>                         |         |            |                    |  |  |
| Pengukuran Gaji dan Bonus              | 3       | (3.000.000)       | Modal                                  | 8       | -          | 37.000.000         |  |  |
| Pengukuran Lainnya                     | 3       | -                 | Modal lain-lain                        | 8       | -          | -                  |  |  |
| Pembelian Airt                         | 3       | (1.800.000)       | Modal                                  |         |            | 97.000.000         |  |  |
| Pembayaran Utang tak lancar            | 3       | -                 |  |         |            |                    |  |  |
| Pembayaran Dividen                     | 3       | -                 | <b>LABA (RUGI)</b>                     |         |            |                    |  |  |
| Praker                                 | 3       | -                 | Penjualan Tunai                        | 9       | -          | 1.500.000          |  |  |
| <b>Total Aktiva atau Setara Aktiva</b> |         | <b>28.500.000</b> | Penjualan Tabak Runtal                 | 9       | -          | 5.500.000          |  |  |
| Persediaan Bahan Baku                  | 4       | 17.000.000        | Pendapatan Lainnya                     | 9       | -          | -                  |  |  |
| Persediaan Bahan Baku di Luar          | 4       | 4.000.000         | Aktur Barang                           | 9       | -          | -                  |  |  |
| Persediaan Bahan Baku di Luar          | 4       | -                 |  |         |            |                    |  |  |
| Persediaan Barang 1/2 Jadi             | 4       | 1.200.000         | Saldo di Pokok Penjualan               | 9       | -          | (5.400.000)        |  |  |
| Persediaan Barang Jadi                 | 4       | 20.600.000        | Saldo di Operasioi Hal                 | 9       | -          | (1.950.000)        |  |  |
| Piutang                                | 5       | 2.000.000         | Saldo di Gaji & Bonus                  | 9       | -          | (5.000.000)        |  |  |
| Saldo dibayar dimuka                   | 5       | 13.250.000        | Saldo di Penjualan                     | 9       | -          | (500.000)          |  |  |
| Peningkatan                            | 5       | -                 | Saldo di Bunga                         | 9       | -          | -                  |  |  |
|  |         |                   | Saldo di Lainnya                       | 9       | -          | -                  |  |  |
| <b>ASET TETAP</b>                      |         |                   | Saldo di Pokok                         | 9       | -          | -                  |  |  |
| Peralatan                              | 6       | -                 | Saldo Laba (Rugi) berjalan bulan ini   | 9       | -          | (5.850.000)        |  |  |
| Bangunan                               | 6       | -                 | Saldo Laba (Rugi) ditahan sebelumnya   | 9       | -          | -                  |  |  |
| Kendaraan                              | 6       | 12.000.000        | Saldo Laba (Rugi) ditahan bulan ini    | 10      | -          | (5.850.000)        |  |  |
| Penyusutan Airt                        | 6       | (500.000)         |  |         |            |                    |  |  |
| <b>Jumlah Airt</b>                     |         | <b>31.150.000</b> | <b>Jumlah Liabilitas &amp; Ekuitas</b> |         |            | <b>101.150.000</b> |  |  |

Fig. 1.3in1 Model Financial Report Display

This 3in1 financial report application model will display the financial condition of the business based on the results of input transactions called journals by MSME players based on the results of observations in the field. The convenience in question is because MSME players only need to understand the account code according to the type of transaction carried out and then input it into the Excel application called 3in1. MSME players also do not need to create a debit or credit status for each transaction in a journal as is usually taught in Accounting lessons or lectures.

**TRANSAKSI**

| Tanggal    | Keterangan                        | NOMINAL      | AKTIF | NOMINAL     | AKTIF | PASIVA      | NOMINAL | PASIVA |
|------------|-----------------------------------|--------------|-------|-------------|-------|-------------|---------|--------|
| 01/08/2023 | Seter Modal                       | 50.000.000   | PERM  |             |       | 30.000.000  | MCL     |        |
| 01/08/2023 | Motor sebagai aset                | 12.000.000   | KEN   |             |       | 12.000.000  | MCL     |        |
| 01/08/2023 | Kain Mori sebagai persediaan awal | 25.000.000   | BB    |             |       | 25.000.000  | MCL     |        |
| 01/08/2023 | Pakaian siap jual                 | 10.000.000   | BB    |             |       | 10.000.000  | MCL     |        |
| 02/08/2023 | Bayar Perpanjangn Sewa Lapak      | (15.000.000) | QPS   | 15.000.000  | SDM   |             |         |        |
| 02/08/2023 | Bayar PUN dan PDAM bulan Mei      | (700.000)    | QPS   |             |       | (700.000)   | QPS     |        |
| 02/08/2023 | Bayar gaji karyawan bulan Mei     | (3.000.000)  | GDB   |             |       | (3.000.000) | GDB     |        |
| 02/08/2023 | Penjualan Daster                  | 500.000      | PERM  | (400.000)   | BB    | 500.000     | PERM    | HPP    |
| 02/08/2023 | Penjualan Kemeja No.001           | 3.000.000    | PRU   | (2.500.000) | BB    | 3.000.000   | PRU     | HPP    |
| 02/08/2023 | Prosesi Menempok di Bank          | (8.000.000)  | BB    |             |       | 8.000.000   | BB      |        |
| 07/08/2023 | Terima Saluran Batik              | (4.000.000)  | BRK   |             |       | 4.000.000   | BRK     |        |
| 07/08/2023 | Jasa membuat                      | 2.000.000    | BRU   |             |       | (1.500.000) | STK     |        |
| 07/08/2023 | Prosesi jahitan                   | (4.000.000)  | BRU   |             |       | 6.000.000   | BRU     |        |
| 07/08/2023 | Penjualan Kemeja No.002           | 1.000.000    | PERM  |             |       | (1.500.000) | BB      |        |
| 07/08/2023 | Konsumsi No.001 bayar utang       | 3.000.000    | PRU   |             |       | 1.000.000   | PERM    | HPP    |
| 13/08/2023 | Menoroma jahitan                  | 4.800.000    | BB    |             |       | (4.800.000) | BRU     |        |
| 15/08/2023 | Tagihan gas jahitan               | (1.200.000)  | STK   |             |       | 1.200.000   | BB      |        |
| 15/08/2023 | Penjualan Kemeja No.003           | 2.300.000    | PRU   |             |       | (1.500.000) | BB      |        |
| 15/08/2023 | Bayar pelunasan hutang gas batik  | (500.000)    | STK   |             |       | 2.500.000   | PRU     | HPP    |
| 15/08/2023 | Konsumsi No.002 bayar utang       | 500.000      | PRU   |             |       | (500.000)   | PRU     |        |
| 15/08/2023 | DP Pisan Candang                  | (1.600.000)  | PRMA  | 1.600.000   | SDM   |             |         |        |
| 15/08/2023 | Sell Mori                         | 10.000.000   | BB    |             |       | 10.000.000  | UU      |        |
| 31/08/2023 | Sibian Sewa Lapak                 | (1.250.000)  | SDM   |             |       | (1.250.000) | QPS     |        |
| 31/08/2023 | Depresiasi                        | (500.000)    | QPS   |             |       | (500.000)   | QPS     |        |

Fig. 2.3in1 Model Financial Transaction Journal Display

Apart from convenience, the speed referred to is because after MSME players input the transaction nominal and account code correctly, immediately the business's financial condition containing the

balance sheet, profit and loss report and cash flow report can immediately be displayed on one worksheet. Not only is it easy and fast, this Excel-based 3in1 application is also very affordable because it does not require rental fees of up to hundreds of thousands per month as is available in the financial application market in general.

**LEGENDA :**

|    |                             |   |       |
|----|-----------------------------|---|-------|
| 1  | Setoran Modal               | = | MEM   |
| 2  | Penjualan Tunai             | = | PEN   |
| 3  | Pembayaran Piutang          | = | PIJU  |
| 4  | Pendapatan Lainnya          | = | PL    |
| 5  | Penjualan Aset              | = | PA    |
| 6  | Penjualan Saham             | = | PS    |
| 7  | Pembelian Persediaan        | = | STK   |
| 8  | Pengeluaran Operasional     | = | OPS   |
| 9  | Pengeluaran Gaji dan Bonus  | = | GDB   |
| 10 | Pengeluaran Lainnya         | = | LL    |
| 11 | Pembelian Aset              | = | PENMA |
| 12 | Pembayaran Utang tak lancar | = | PEMLU |
| 13 | Pembayaran Dividen          | = | DIV   |
| 14 | Prive                       | = | PRV   |
| 15 | Persediaan Bahan Baku       | = | BB    |
| 16 | Persediaan Barang Jadi      | = | BJ    |
| 17 | Piutang                     | = | PIJU  |
| 18 | Beban dibayar dimuka        | = | BDM   |
| 19 | Perangkat                   | = | PIK   |
| 20 | Peralatan                   | = | PER   |
| 21 | Bangunan                    | = | BGN   |
| 22 | Kendaraan                   | = | KEH   |
| 23 | Penyusutan Aset             | = | DPR   |
| 24 | Utang Usaha                 | = | UU    |
| 25 | Utang Gaji                  | = | UG    |
| 26 | Utang Ferbankan             | = | UB    |
| 27 | Modal                       | = | MDL   |
| 28 | Modal tambahan              | = | MDT   |
| 29 | Penjualan Tunai             | = | PEN   |
| 30 | Penjualan Tidak Tunai       | = | PIJU  |
| 31 | Pendapatan Lainnya          | = | PL    |
| 32 | Retur Barang                | = | RTR   |
| 33 | Beban Pokok Penjualan       | = | HPP   |
| 34 | Beban Operasional           | = | OPS   |
| 35 | Beban Gaji & Bonus          | = | GDB   |
| 36 | Beban Penyusutan            | = | DPR   |
| 37 | Beban Bunga                 | = | BBG   |
| 38 | Beban Lainnya               | = | LL    |
| 39 | Beban Pajak                 | = | PK    |

= SERING DIPAKAI DALAM TRANSAKSI  
 = BEBERAPA KALI DIPAKAI DALAM TRANSAKSI  
 = JARANG DIPAKAI DALAM TRANSAKSI

**Fig. 3.3in1 Model Financial Transaction Journal Display**

Overall, the findings in this field confirm that the use of information technology-based financial reports by financing customers has significant relevance to increasing the ability of KSPPS BMT Istiqlal in identifying financing risks. Factors such as ease and speed in making reports as well as accuracy, efficiency and completeness of information in information technology-based financial reports with the Excel application called 3in1 provide real benefits for KSPPS BMT Istiqlal in making decisions regarding financing.

Apart from that, the use of a simple application called 3in1 which is Excel-based with automation formulas also makes a positive contribution to financing customers' understanding of business and makes it easier for KSPPS BMT Istiqlal to identify financing risks. Therefore, the recommendation from these findings is the importance of encouraging more financing customers to adopt information technology in preparing their business financial reports. This can be done by providing training and technical support for financing customers who want to switch to information technology-based financial reports or simple Excel-based applications such as the 3in1 application which has been used by MSME players.

KSPPS BMT Istiqlal can play an important role in providing the necessary guidance and resources to their customers. Apart from that, it is important for KSPPS BMT Istiqlal to continue to increase their own capacity in utilizing information technology in the financing risk analysis process. This includes developing a more sophisticated information system to integrate customer financial report data with the risk analysis process. In this way, they can make faster and more precise decisions regarding financing to customers.

It is also important to note that the use of information technology in preparing financial reports and financing risk analysis requires special understanding and expertise. Therefore, KSPPS BMT Istiqlal can consider collaborating with parties who have competence in information technology and financial analysis to provide training and consultation to their staff.

Thus, the findings from this observation not only provide a better understanding of the benefits of using information technology in financing and risk analysis, but also provide practical guidance for KSPPS BMT Istiqlal in improving their capabilities in this regard. With joint efforts from financing customers and financial institutions such as KSPPS BMT Istiqlal, it is hoped that financing risk management can become more effective and can support sustainable MSME growth in Pekalongan.

### 3.2. The Relevance of Using Information Technology-Based Financial Reports

In this stage, we conducted a series of interviews that provided valuable insight into how information technology influences the financing process and risk identification for KSPPS BMT Istiqlal financing customers. Below are the results of our interview.

One of the questions we ask is, "How do you produce financial reports for your business? Do you use information technology in this process?" One of the financing customers, who is a Micro, Small and Medium Enterprises (MSME), answered enthusiastically that he uses information technology-based accounting software to produce his financial reports. He explained that using this software had made the process of recording transactions easier and produced more accurate reports. This is the first step to show that the use of information technology by financing customers has an important role in their financial reporting process.

Next, we asked, "How do information technology-based financial reports help you in managing your business finances?" These answers from customers reflect the significant benefits provided by information technology. He revealed that information technology-based financial reports allow him to clearly see the financial performance of his business. More detailed information about revenues, costs and profits helps him make better decisions about how to manage his business finances. This shows that information technology has become an effective tool in helping financing customers manage their finances more efficiently.

The next question was, "Do you feel that information technology-based financial reports provide more accurate and up-to-date information?" Positive answers from customers confirm that information technology has brought about significant changes in the accuracy and up-to-dateness of information in financial reports. He feels that information technology-based reports are more accurate and up-to-date compared to manual methods. With the ability to view financial data in real-time, he can always monitor the financial condition of his business. The accuracy and currency of this information has a positive impact on his ability to make timely decisions.

Then, we want to know, "How do you feel that information technology-based financial reports help KSPPS BMT Istiqlal in identifying financing risks?" The answers from financing customers are very interesting. He believes that information technology-based financial reports provide KSPPS BMT Istiqlal with more complete information about its business performance. KSPPS BMT Istiqlal can see more clearly how its business is running and whether there are any risks that may arise. In other words, information technology-based financial reports help KSPPS BMT Istiqlal in the process of identifying financing risks. This is a significant result because it indicates that information technology not only helps financing customers, but also the financing institutions themselves in managing risk.

Next, we asked, "Did you see a change in KSPPS BMT Istiqlal's approach to financing risk after you started using information technology-based financial reports?" The results of this interview are also interesting. Financing customers are observing changes in KSPPS BMT Istiqlal's approach to financing risk. They become more thorough in evaluating their business and better understand the risks that may be associated with financing. This shows that the use of information technology-based financial reports by financing customers not only increases their own ability to manage risk, but also changes the financing institution's approach to financing.

Next, we wanted to know, "Did you see an improvement in the quality of the financing you received after using information technology-based financial reports?" This financing customer clearly stated that he saw an improvement in the quality of the financing he received after adopting information technology-based financial reports. KSPPS BMT Istiqlal has more confidence in his ability to manage business finances well, and this has helped him obtain better financing. This improvement in financing quality may include lower financing margins or better terms, which has a positive impact on its business.

Finally, we asked, "How do you see the relevance between the use of information technology-based financial reports by MSME players and increasing the ability of KSPPS BMT Istiqlal in identifying financing risks?" This answer from the customer underlines the significant relevance between the use of information technology-based financial reports by MSME players and increasing the ability of KSPPS BMT Istiqlal in identifying financing risks. The financial reports provided by customers provide a clear picture of the financial condition of their business, and this helps KSPPS BMT Istiqlal to make better decisions about financing. In other words, the results of this interview confirm that

information technology is not only beneficial for financing customers, but is also important in supporting financial institutions in managing risks and making better decisions.

Next is the impact of using information technology-based financial reports in assisting KSPPS BMT Istiqlal in identifying financing risks. We explore how information technology-based financial reports can provide more complete and relevant information to financial institutions, enabling them to be more effective in identifying risks. It also includes changes in financing institutions' approach to financing risks after adopting information technology.

Then regarding the quality of financing received by financing customers after using information technology-based financial reports. We analyzed how customers then saw an increase in financing requirements in the form of a decrease in the profit margin of KSPPS BMT Istiqlal, so that this had an impact on their business as a whole.

The results of this interview reveal that the use of information technology-based financial reports, especially the business financial reporting model called 3in1, by financing customers has a significant positive impact. This includes increasing the accuracy of financial reports, the ability to better manage business finances, and better receipt of financing. Apart from that, information technology-based financial reports also provide great benefits for financing institutions, helping them to identify financing risks more effectively.

This research has important implications in the context of the development of MSMEs and Islamic financial institutions. With information technology as an effective tool, MSMEs can optimize their financial performance, which in turn can increase their access to better financing. Furthermore, Islamic financing institutions can utilize information technology to improve their decision making in financing and better manage risks. Thus, this research provides a significant contribution in understanding the impact of information technology in the context of Islamic financial institutions and MSMEs.

#### 4. Conclusion

This research reveals that the use of information technology-based financial reports by financing customers at KSPPS BMT Istiqlal has a significant positive impact in the context of sharia financial institutions. The main findings of this research can be summarized as follows: The benefits for financing customers of using financial reports with Excel-based information technology help financing customers produce financial reports more easily, quickly, accurately and affordably. They can see the financial performance of their business in more detail and in real-time, which is based on displaying the financial position report (balance sheet), profit and loss report and cash flow report in one worksheet. MSME players only need to ensure that the nominal amount and account code are correct according to the type of transaction that occurred to be entered into the journal. This Excel application-based financial reporting model, which is then called 3in1, has been proven to be able to help MSMEs make better financial decisions. In addition, this financial report provides financing customers with better access to the KSPPS BMT Istiqlal financing institution with better fulfillment of requirements in the form of a reduction in profit margins by KSPPS BMT Istiqlal. The positive impact on sharia financing institutions is that these findings also show that information technology-based financial reports help sharia financing institutions, such as KSPPS BMT Istiqlal, in identifying financing risks more effectively. With more complete and up-to-date information, financing institutions can make smarter financing decisions and manage risks better. That these findings are proven to have significant relevance in the context of MSME development. With the help of information technology, MSMEs can improve their financial performance, which in turn can increase their access to better financing. This is a positive step in supporting the growth and development of MSMEs as an important pillar in the economy.

Then, based on the results of this research, there are several suggestions that can be given. The first suggestion for Sharia Financing Institutions is Capacity Development, namely sharia financing institutions must continue to develop their capacity in using information technology. This includes training for staff to understand and use information technology-based systems efficiently. Second, collaboration with customers, namely financing institutions, should collaborate more closely with financing customers in terms of information technology-based financial reporting. They can provide guidance and support to customers in optimizing the use of this technology. The next suggestion for further research is to conduct a comparative study between MSMEs that use information technology-

based financial reports and those that do not. This can help in better understanding the concrete impact of information technology on MSME business performance, especially the first is the data security aspect, namely that an in-depth study of the data security aspect in the use of information technology-based financial reports needs to be carried out. Data security is crucial, especially in the context of Islamic financial institutions that handle sensitive financial information. Next, you can also dig deeper into other aspects of the impact of information technology, such as its influence on the productivity of MSMEs and strategies for developing sharia financing institutions in facing technological developments. With wise implementation and in-depth follow-up study, information technology has the potential to continue to improve the role of MSMEs in the economy as well as the ability of Islamic financing institutions to manage risk and provide better financial support to MSMEs.

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