

Audit and Coaching Finance: The Role of Auditors as MSME Consultant

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ABSTRACT

Keywords:

MSMEs, coaching finance,
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Introduction/Objective: This study aims to explore the role of auditors in providing financial guidance to MSMEs, especially how auditors carry out a consultative role in improving the financial understanding and practices of micro-entrepreneurs. **Background of the Problem:** MSMEs often face obstacles in terms of financial management, low financial literacy, and non-standardized business records. **Novelty:** Auditors are not only financial examiners, but also strategic partners of MSMEs in accounting education, digital transformation, and strengthening managerial capacity. **Research Method:** This study uses a qualitative approach with a case study method, involving in-depth interviews with auditors who have provided guidance to MSMEs such as Lily Kitchen, Unocraft, and Kreasi Ummi Banu. **Findings/Results:** Auditors play an active role in assisting MSMEs in preparing simple bookkeeping, understanding the principle of separating personal and business finances, and introducing digital record keeping and managing business legality. MSMEs generally show an open and cooperative attitude towards the guidance provided. **Conclusion:** This study concludes that the role of auditors as financial consultants can be an effective strategy in empowering MSMEs, as long as it is carried out professionally, ethically, and contextually according to the needs of business actors.

Pendahuluan/Tujuan: Penelitian ini bertujuan untuk mengeksplorasi peran auditor dalam melakukan pembinaan keuangan kepada UMKM, khususnya bagaimana auditor menjalankan peran konsultatif dalam meningkatkan pemahaman dan praktik keuangan pelaku usaha mikro. **Latar Belakang Masalah:** UMKM sering kali menghadapi kendala dalam hal pengelolaan keuangan, rendahnya literasi finansial, dan pencatatan usaha yang tidak terstandarisasi. **Kebaruan:** Auditor bukan hanya sebagai pemeriksa keuangan, tetapi juga sebagai mitra strategis UMKM dalam edukasi akuntansi, transformasi digital, dan penguatan kapasitas manajerial. **Metode Penelitian:** Penelitian ini menggunakan pendekatan kualitatif dengan metode studi kasus, melibatkan wawancara mendalam terhadap auditor yang pernah melakukan pembinaan terhadap UMKM seperti Lily Kitchen, Unocraft, dan Kreasi Ummi Banu. **Temuan/Hasil:** Auditor berperan aktif dalam mendampingi pelaku UMKM menyusun pembukuan sederhana, memahami prinsip pemisahan keuangan pribadi dan usaha, serta memperkenalkan pencatatan digital dan pengurusan legalitas usaha. Para pelaku UMKM umumnya menunjukkan sikap yang terbuka dan kooperatif terhadap pembinaan yang dilakukan. **Kesimpulan:** Penelitian ini menyimpulkan bahwa peran auditor sebagai konsultan keuangan dapat menjadi strategi efektif dalam pemberdayaan UMKM, selama dijalankan secara profesional, beretika, dan kontekstual sesuai kebutuhan pelaku usaha

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INTRODUCTION

MSMEs are the main sector in Indonesian economy. This sector contribute significant to Product National Gross Domestic Product (GDP) , which absorbs more from 97% of business units and become booster main growth economy local (Immanuel et al., 2025). See contribution large amount given by MSMEs, is needed attention more from government to develop and maintain potential main MSMEs. However, MSMEs are also a very vulnerable sector to use economy , as seen during the COVID-19 pandemic which caused MSMEs to close Because weakness management finance (Saharuddin et al., 2025)

A number of study confirm that literacy low finances become root from problem main UMKM, such as mixing between finance personal and business, inability in compile report finance, as well as lack of planning budget (Saharuddin et al., 2025; Suparta et al., 2025; Aliah et al., 2022). Lack of ability perpetrator business in make decision wise finances impact straight to sustainability business (Bongomin et al., 2025) . This matter The same matter his with Indonesia, where coaching finance in a way consistent proven capable increase capacity MSME actors in recording , analysis cash flow and planning finance (Suparta et al., 2025), however many training programs only nature ceremonial and not yet touch mentoring sustainable intensive (Immanuel et al., 2025). Literacy finance defined as understanding about draft finance base as well as ability make decision wise finances. Improvement literacy finance help SMEs to prepare bookkeeping , understanding cash flow and set price with right (Saharuddin et al., 2025; Fadilah et al., 2022).

In some in this case, MSME development is carried out by Bank Indonesia through social programs (PSBI) and by independent auditors. or divider education. Coaching This covers training management finance, record keeping finance simple, separation finance personal and business as well as facilities legality such as NPWP and halal certificates (Masruroh et al., 2025; Suparta et al., 2025) .

In the middle complexity this, the auditor as profession that has competence in the field accounting and finance start take more roles wide, believe as a mentor and consultant finance for MSMEs. In practice, auditors do not only to do inspection finance, but also involved in training accountancy basic, coaching recording business, until assistance in management legality and digital transformation of MSMEs.

However, role dual auditor as auditors and consultants also present a professional dilemma. Auditors are required guard independence and objectivity in accordance code ethics profession. Disis others, involvement they as companion finance often put, they in position vulnerable ambivalent conflict interests. Therefore that, it is important to explore how auditors perform role consultative This without violate the boundaries of professionalism and ethics.

Based on phenomenon above, then study This aims to dig in a way deep the role of auditors in coaching SME finance with a focus on how auditors carry out function educational and consultative, the challenges faced. Research This expected can give contribution in enrich perspective about empowering MSMEs through approach collaborative between auditor and perpetrator profession business.

LITERATURE REVIEW

MSMEs as Pillars of the Economy and Challenges Finance

Micro, Small and Medium Enterprises (MSMEs) are component strategic in development economy national, because capable absorb unemployment in amount big and give contribution significant to Product Gross Domestic Product (GDP). MSMEs are activity people's economy on a large scale small managed by a group public or family, and stand in a way independent. The majority perpetrator business small Not yet have an adequate recording system , even Lots among them are those who mix finance personal with finance business (Suparta et al., 2025). This is causing SMEs to have difficulties in take decision the right business Because no have accurate financial data as base taking decision.

Financial Literacy as Foundation Business Management

Literacy finance defined as ability individual to understand and use various draft finance base in life everyday, including in operate business. In the context of MSMEs, literacy finance become key in recording, budgeting, analysis cash flow, up to planning investment business. Coaching based on literacy finance own impact positive against management business in a way overall (Saharuddin et al., 2025). More carry on Again studies empirical show that literacy finance No only influence internal management of the business, but also determines eligibility of MSMEs in access financing from institution formal finance. Actors capable business compile report finance tend own possibility more a big to get credit or investment external (Masruroh et. al, 2025).

The Role of Auditors in Developing MSMEs

During In this case, the role of the auditor is traditional understood as party external that does inspection to report finance and compliance to standard, but in the practice specifically in sector micro small auditors also often operate role consultative. The auditor accompanies perpetrator business in understand principles accountancy basic, help compile bookkeeping simple until give training management finance. The role of the mentor or companion as auditors can strengthen ability adaptiveness of MSMEs to change environment business, especially in context digitalization and innovation strategic business (Immanuel et al., 2025). Auditors in matter This No only to educate in matter technical but also helps to form healthy and sustainable business mindset.

Digital Transformation and the Role of Companions

Digital transformation becomes opportunity at a time challenge big for MSMEs. In one side, technology can increase efficiency operational, expanding the market and supporting recording finance digital based. However, on the side other, still many SMEs are stuttering technology or reluctant adapt Because limitations digital literacy. Digital media training for MSMEs, including use application bookkeeping, very helpful to increase turnover, but its effectiveness will more big If accompanied by with mentoring direct continuous, not only training one time (Immanuel et al., 2025). Therefore, that the role of auditors and other assistance becomes very important in overseeing this digital transformation process.

Strategy Effective and Contextual Mentoring

Mentoring to MSMEs not Can done in a way uniform, but must customized with need local and the capacity of each actor business. Personal approach, two- way dialogue and giving room exploration proven more effective compared to approach topdown. In practice, mentoring carried out by auditors and business incubator institutions often includes four matter that is training accounting, business mindset coaching, facilities legality, as well as education digitalization finance (Masruroh et al., 2025; Saharuddin et al., 2025), The importance of sustainability mentoring no just formal training of a nature term short. The incubation program that occurred although training beginning increase awareness finance, but without monitoring the impact will difficult long lasting (Saharuddin et al., 2025).

Professional Ethics and Challenges of the Dual Role of Auditors

The role of the auditor as consultants also raise dilemma professional. Code of ethics profession requires auditors to act independent, objective and free conflict interests. When the auditor provides coaching at a time become examiner report, potential conflict can happened. Therefore that, is needed clarity roles and limitations, as well as commitment to integrity. However thus, some auditors work around this matter This with only give non- technical assistance or nature educational, and not involved in making report finances that will be will audited. This becomes solution ethics that allow auditors to remain operate role social without violate professionalism (Immanuel et al., 2025)

Multi-Party Collaboration as a Systemic Solution

Literature latest emphasize that effort UMKM development is not Can handed over only to One party. Need synergy between government, auditors, academics, institutions finance and community local. Government can give regulation and incentives, academics can provide a knowledge base and training, while auditors and MSME assistants act as facilitator in the field. Involvement multi-party This expected can create ecosystem sustainable empowerment of MSMEs, based on literacy finance, digital readiness, and values contextual entrepreneurship.

RESEARCH METHOD

Study This use approach qualitative because it focuses on meaning, understanding and experience subjective from the auditor to perpetrator effort, digging in a way deep How the role of auditors is evolving become consultant finance and involves context social that is MSME actors.

Data collection techniques were carried out with do interview deep with the auditor who has do assistance and consulting to MSMEs. Continue do document tasi in the form of notes UMKM bookkeeping, module training and documentation training. Data analysis techniques are carried out in a way thematic and confirmed through triangulation source as well as member checks to maintain validity results study.

RESULTS

Based on results interview deep with auditors involved play a role as consultant development of MSMEs, data was obtained that several MSMEs that have get assistance including are Lily Kitchen, Unocraft, and Kreasi Ummi Banu. The three of them represent diverse sectors and facing challenge similar, especially in aspect financial and managerial. The assistance provided covering bookkeeping basic, separation finance personal and business, as well as management legality.

The role of auditors in context This develop from just examiner report finance become consultant active finance involved in the process of education and mentoring. Resource person mention that activity coaching done in a way intensive in a number of forms, including:

1. Training and workshops on basic accounting
2. Assistance in making simple bookkeeping
3. Education about the concept of economic entities (business entities)
4. Introduction of digital technology for bookkeeping and marketing
5. Facilitating the processing of business permits and halal certification, especially for culinary MSMEs

Through approach This, UMKM in general gradually helped to become more independent administratively and financially, so that ready to move up a class.

1. In carrying out their role as consultants, auditors acknowledge that they face a number of professional obstacles and limitations, including:
2. Need to maintain independence and objectivity, especially when their positions overlap as auditor and advisor.
3. Sometimes there are ethical clashes, especially when having to give an opinion on financial statements that one previously helped prepare.
4. Limited time and energy resources when the number of MSMEs being fostered is large.

However thus, the auditor remains uphold tall code ethics profession, as regulated by the IAI (Association of Indonesian Accountant) and strives positioning himself as partner strategic for MSMEs, not only examiner.

Interview results show that MSME response to coaching is very positive. Resource person state that MSME actors tend to:

1. Cooperative and open, especially once they begin to understand the real benefits of bookkeeping and financial record keeping.
2. Motivated to learn, although many experience difficulties in the early stages, especially those who are technologically illiterate or have minimal administrative experience.
3. Feeling helped in terms of legality, because many had not previously taken care of business permits, NPWP, and halal certification.

Important noted that the coaching process no can instant and often requires approach repetitive, patient and intensive communication.

DISCUSSION

Study This find that the auditor has contribution big as agent mentor UMKM finance. Not only give education accountancy basic, they also facilitate separation finance personal and business helping bookkeeping, as well as accompany management legality effort. This is show that the auditors started operate role as a “ consultant” finance micro ” in context empowerment of MSMEs. This role in line with study by (Immanuel et al., 2025) , which emphasized importance mentoring sustainable , contextual and digital in improve strategy and power MSME competitiveness in the modern era.

One of root the problem of MSMEs is low literacy finance. Many actors business No understand recording base, mixing finance personal and business, as well as No capable read condition finance in a way periodic. Findings This

reinforced by studies (Suparta et al., 2025) which shows that training and practice direct take notes finance can increase awareness perpetrator business will importance information accountancy. Likewise Saharuddin et al. (2025) in his studies about incubator business in Palu, confirmed that literacy finance is prerequisite main for management healthy finances, and can improved through coaching based on need local.

The auditor also carries out function mentor in digital realm, such as introduce application recording finance and social media usage as part from management strategy finance. This becomes important remember digital transformation is inevitability for MSMEs to remain competitive (Immanuel et al., 2025) in his research emphasize that training the use of digital media has an impact positive on the turnover of MSMEs. However, the success term long determined by the existence mentoring follow-up and monitoring of implementation. In the context of in this case, the auditor plays a role No only as teacher, but also as facilitator digital transformation in the field finance business.

Interestingly, the auditor who became source person realize potential conflict interests and challenges ethics moment play a role as consultant as well as auditors. They maintain professional boundaries with No give formal opinion on assisted report its composition. This is reflect understanding on code ethics auditor profession, such as independence, objectivity, and integrity as under review in various literature profession. Although thus as long as role consultant done outside scope formal audit assignment, role educative This can rate empowering and not violate ethics, in fact strengthen accountability finance sector micro. In the context of in this case, the auditor plays a role No only as teacher, but also as facilitator digital transformation in the field finance business.

A number of supporting factors success coaching financial by auditors for MSMEs, including participatory and contextual approach, according to the character of local MSMEs a of competent assistants who understand the dynamics of small businesses, integration of coaching with legality and licensing programs, such as QRIS and halal certification and continuity of training and not just a one-off formal training. In many study, success coaching is greatly influenced by sustainability connection assistance and the existence of trust between supervisor (in matter these auditors) and MSME actors.

CONCLUSION

Based on results study qualitative research conducted through interview deep with the auditors involved in development of MSMEs, can concluded that the role of the auditor has develop beyond function traditional as examiner report finance become partner strategic running role educational and consultative. Auditors are active involved in give understanding accountancy basic, assisting in the bookkeeping process, fostering separation between finance personal and business, up to facilitate access legality and utilization digital technology. Approach coaching carried out nature participatory and adaptive to the needs of each MSME, and in general accepted in a way open by the perpetrator effort. Although Thus, the auditor remains face challenge in maintaining ethical boundaries profession, especially related independence moment role mentoring potential overlap overlap with not quite enough formal audit answers. Research This confirm that success coaching MSME finances are greatly influenced by sustainability mentoring, quality connection between auditors and MSMEs, and support environment conducive external. With Thus, the role of the auditor as consultant can become an effective approach to improving capacity UMKM finance, during run with awareness strong ethics and professionalism.

MANAGERIAL IMPLICATION

Research result This give a number of implications relevant managerial, in particular for auditors, institutions UMKM mentors, as well as agency government and private sector involved in empowerment business small. First, professional auditors need start see his role No only as examiner obedience, but also as facilitator transformation management SME finance. This means that auditors must develop competence communication, pedagogy, and approach capable consultative reach MSME actors with limitations literacy financial and digital. Second, institutions like cooperatives, UMKM services, universities high and institutions finance should be to weave partnership with the auditor or accountant professional in develop more comprehensive training and mentoring programs contextual sustainable and based practice directly, not only training ceremonial. Third, the organization profession accountancy such as IAI and KAP should give formal space for development the role of the auditor as MSME consultant based ethics profession, for example through

training module special and guidelines practice field . Finally , for MSMEs themselves , the findings This confirm importance awareness to be open to mentoring finance as part from survival and growth strategies in term length . Implications This demand existence synergy cross sector to create ecosystem effective , humanistic and professional UMKM development .

LIMITATION AND FUTURE RESEARCH

Study This own a number of necessary limitations noted. First, the data obtained originate from interview deep with a number of auditors and MSMEs in a limited area, so that the result nature contextual and not yet can generalized in a way wide to throughout Indonesia. Second, the approach qualitative used focused on exploration meaning and experience subjective resource person, so that no allows to measure to what extent is the impact auditor coaching in general quantitative to improvement performance UMKM finance. Third, research This Not yet dig in a way comprehensive difference the role of the auditor based on background behind institutions (public auditors vs internal auditors/ institutions supervisor) and not yet discuss in a way specific type the UMKM sector that is being fostered. In addition, the limitations time and access also make observation direct towards the coaching process Not yet can done in a way comprehensive as triangulation data.

Based on findings and limitations said, research furthermore It is recommended to using a mixed methods approach to quantitatively measure the impact of auditor coaching on MSME financial performance (for example: changes in turnover, accuracy of recording, or eligibility for credit access). Then expanding the research location to various regions with diverse MSME characteristics to see the differences in social, economic, and cultural contexts in responding to the role of auditors as consultants. Then involves participatory observation and longitudinal studies to capture the coaching process over a certain period of time, so that the sustainability and challenges of its implementation can be known. Further review of the professional code of ethics and regulations governing the limitations of the auditor's role in MSME development activities, as well as the perceptions of regulators and professional organizations. And developing specific studies that compare the effectiveness of the auditor-led coaching model with mentoring by other institutions, such as community service lecturers, cooperative trainers, or business incubators.

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