

Accountability of Financial Management of the Modern Islamic Boarding School Ta'dib Al-Syakirin Which is a Waqf Body

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Abstract: This study aims to explore financial accountability management at the Waqf-based Modern Islamic Boarding School Ta'dib Al-Syakirin. The research uses a qualitative method with a phenomenological approach. Data were collected through in-depth interviews, observations, and documentation. The results show that financial management is not yet in accordance with WAQF accounting standards, being manually managed in a simple way. The lack of staff understanding of Islamic accounting is the main factor behind the lack of transparency and financial accountability. This study recommends implementing PSAK 112 standards for financial reporting to create transparency and public trust.

Abstract: Penelitian ini bertujuan untuk mengeksplorasi akuntabilitas pengelolaan keuangan pada Pondok Pesantren Modern Ta'dib Al-Syakirin yang berbadan wakaf. Metode penelitian yang digunakan adalah kualitatif dengan pendekatan fenomenologis. Data dikumpulkan melalui wawancara mendalam, observasi, dan dokumentasi. Hasil penelitian menunjukkan bahwa pengelolaan keuangan pesantren belum sesuai dengan standar akuntansi wakaf, hanya dilakukan secara manual dan bersifat sederhana. Kurangnya tenaga kerja yang memahami akuntansi syariah menjadi faktor utama lemahnya transparansi dan akuntabilitas keuangan. Penelitian ini merekomendasikan penerapan standar PSAK 112 untuk pengelolaan laporan keuangan agar tercipta transparansi dan kepercayaan publik.

Keywords: Accountability; Waqf; Islamic Boarding School; Islamic Finance.

Keywords: Akuntabilitas; Wakaf; Pondok Pesantren; Keuangan Syariah.

A. Introduction

Accountability is one of the vital management processes. In Indonesia, waqf has long been known, but its development is not very rapid because it has not received special attention from many parties. The phenomenon of waqf management and utilization currently still experiences many obstacles ranging from understanding the law of waqf, nadzir institutions, management and so on (Huda, 2012). When viewed from the influence of the leadership of Islamic boarding schools, the central figures who are role models often focus on the leaders of each boarding school. Not only students, even supporting employees of Islamic boarding schools also greatly respect the leaders or kyai. The role of boarding school leadership, when viewed from the accountability side, accountability is viewed more broadly than is generally understood. There is individual accountability to the community and stakeholders, and there is individual accountability to God (Hasan Basri et al., 2016) and the belief that Allah SWT always audits and supervises His people (Marlina et al., 2017).

Organizational development demands more accountable administration and financial management. However, it is not uncommon to find in some Islamic boarding schools, financial management is managed by people with a religious education background, but little knowledge of financial management and accounting that they have (Sulaiman, 2007). Lack of insight into financial management and accounting knowledge is believed to reduce the quality of decision making.

Accounting activities are seen as activities that do not contradict religious beliefs and are also the mission of the organization. However, accounting practices in institutions are underdeveloped and financial accountability demonstrated by management is still not as expected by society (Basri & Nabiha, 2016). Financial reports are viewed by management as instruments that play a significant role in

increasing organizational accountability. Another problem faced by waqf institutions is the quality of human resources, waqf institutions are still weak academically and managerially, namely related to the ability of the nadzir to build accountable waqf institutions.

According to Syafi'i Antonio (2008) in professional waqf management there are three basic philosophies, namely; 1) the management pattern must be within an integrated project framework; 2) prioritizing the principle of social welfare, which balances the obligations that must be carried out and the rights received; 3) the principle of transparency and accountability.

Accountability in waqf institutions will have implications for stronger social legitimacy, where the institution will receive public trust. Legitimacy from the community will increase community support in waqf management.

From the explanation above, there are several problems that occur in the financial management of Islamic boarding schools, namely: (1) Lack of knowledge of Islamic boarding school managers about the accountability of financial management of Islamic boarding schools that are waqf bodies; (2) The importance of Islamic boarding school accounting in creating transparency and accountability; (3) Islamic boarding school financial records only use manual processes that are not supported by information system technology; (4) Preparation of financial reports still uses a single entry system that only records income and expenses in one account post.

To answer the above problems, the researcher conducted a study related to financial management at the Ta'dib Asy-Syakirin modern Islamic boarding school with the title "Accountability of Financial Management at the Ta'dib Al-Syakirin Modern Islamic Boarding School which is a Waqf Institution."

B. Research methods

This study uses a qualitative research type, The selection of qualitative research in this study is based on the suitability of efforts to reveal the phenomenon of

accountability and the position of the assumptions of ontology and epistemology of the study. With this study, it is hoped to gain a better and deeper understanding and be able to clearly describe the practice of accountability which is used as a basis for building an explanation of the "theorization" of accountability. This study is a phenomenological study, describing the general meaning of a number of individuals towards various life experiences related to concepts or phenomena.

C. Results and Discussion

The Importance of Accounting for Islamic Boarding Schools with Waqf Bodies in Creating Transparency and Accountability.

Other problems encountered in the Ta'dib Al Syakirin Islamic boarding school are the lack of transparency aspect coordinators, through information and policies and routine evaluation of policies and implementation; and Accountability, where there must be a clear organizational structure, division of tasks, and responsibilities; is a form of implementing good governance, so that it is expected to prevent the Islamic boarding school from bankruptcy, and can be sustainable and develop.

The results of the study at the Ta'dib Al Syakirin Titi Kuning Islamic boarding school showed that the accounting used by the Islamic boarding school to record its financial reports is in accordance with accounting in general. In its activities, the Ta'dib Al Syakirin Islamic boarding school uses an accounting system in recording its transactions, the two accounting systems are income and expenses in the form of a General Ledger. In this case, Fakhrurozy as the secretary of the Waqf Agency stated:

"That the school treasurer's section for financial accounting is indeed lacking in experience and knowledge, causing the recording to only cover incoming and outgoing money, coupled with human resources who do not come from the accounting department."

If you pay attention, the Ta'dib Al Syakirin Islamic boarding school also does not have a proper financial report, in accordance with the Sharia Financial Accounting

Standards. In PSAK 112 number 50 it is stated that a complete nazhir financial report includes:

1. Financial Position Report at the end of the period,
2. Waqf Asset Details Report at the end of the period,
3. Activity Report during the period,
4. Cash Flow Statement for the period and
5. Notes to the financial statements (IAI, 2018).

Based on an interview with the School Treasurer, it was revealed that the Islamic boarding school does not yet have a financial report that complies with waqf accounting standards. From observations of the existing report documents, this Islamic boarding school appears to only make cash reports regarding incoming and outgoing money. There is also no report on the boarding school's assets. Unfortunately, the existing cash reports are also not made routinely and periodically. Although the Ta'dib Al Syakirin Islamic Boarding School makes reports on incoming and outgoing money, there are no special procedures and supervision for the receipt and expenditure of money. This study also found that there was no well-organized documentation of financial transactions, as explained by the Principal during an interview in June 2022:

"Financial reports are still constrained by workers who do not have accounting skills that are not yet available at the foundation, recording financial reports is limited to reports of incoming and outgoing money. The treasurer has also never attended financial training or received an understanding of finance and reporting"

As a standard for recording financial reports for Islamic boarding schools, IAI and BI (2018) state that Islamic boarding school accounting is the preparation of generally applicable financial reports by considering the nature and characteristics of the boarding school as follows:

- a. It is part of the economic empowerment of Islamic boarding schools so that they are able to prepare financial reports based on generally accepted accounting standards in Indonesia.
- b. The purpose of compiling the Islamic Boarding School Accounting Guidelines is to provide non-binding accounting guidelines for Islamic boarding schools in preparing financial reports.
- c. These Islamic Boarding School Accounting Guidelines are applied to Islamic boarding schools.
- d. These Islamic Boarding School Accounting Guidelines are not applied to business entities in the form of their own legal entities, such as limited liability companies, owned by Islamic boarding schools. (IAI & BI Islamic Boarding School Accounting Guidelines 2018)

The main reference for preparing the financial statements of Islamic boarding schools is the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) issued by the IAI Financial Accounting Board. This accounting guideline is prepared using the reference of SAK ETAP issued by the IAI Financial Accounting Standards Board, PSAK and ISAK sharia issued by the IAI Sharia Accounting Standards Board. (IAI & BI Islamic Boarding School Accounting Guidelines, 2018).

The financial report of the Ta'dib Al Syakirin Islamic boarding school consists of only a few very simple reports, including:

- 1) Balance Sheet
- 2) operational reports, and
- 3) cash flow statement.

The existing financial report is not in accordance with the Islamic boarding school accounting guidelines made by the IAI and BI teams. Islamic boarding schools are organizations with waqf bodies that should have financial reports that must be reported

each period, overall the components of the report made by the Ta'dib Al Syakirin Islamic boarding school are not in accordance with the Islamic boarding school accounting guidelines, or PSAK No. 45 concerning financial reports produced by non-profit entities. Because the finance department of the Ta'dib Al Syakirin Islamic boarding school has not made notes on the financial report in the report produced at the end of the period.

Documentation of financial transactions that are not properly organized also includes transactions related to the financial position report such as Islamic boarding school assets, debts, and the foundation's authorized capital, as well as the Islamic boarding school's profit and loss report which includes income and expenses in the current period. This is not in accordance with the disclosure of PSAK 112 number 46 letter a which nazhir discloses the following matters related to waqf, but is not limited to, accounting policies applied to the receipt, management, and distribution of waqf alone but provides a complete report (IAI, 2018).

Analysis of Financial Records of Ta'dib Al Syakirin Islamic Boarding School

The first analysis conducted was to analyze the accounts conducted at the Ta'dib Al Syakirin Islamic boarding school in Medan Titi Kuning based on the results of the study, namely the accounts created by the finance department of the Ta'dib Al Syakirin Islamic boarding school, in general, were in accordance with existing accounting standards and adjusted to existing financial transaction activities. The Ta'dib Al Syakirin Islamic boarding school has used MS. Excel for its recording and reporting. The finance department only matches and adds accounts according to needs. However, there are several accounts whose balances are empty (0), such as:

1. Asset/property accounts and depreciation; the finance department of the Ta'dib Al Syakirin Islamic boarding school did not record assets/property and their depreciation in the reporting they used. Meanwhile, in the Islamic

boarding school accounting guidelines, assets are resources controlled by the Islamic boarding school waqf board as a result of past events and future economic benefits that are expected to be obtained by the Islamic boarding school waqf board. The future economic benefits embodied in assets are the potential of the assets to contribute, either directly or indirectly, cash flow and cash equivalents to the Islamic boarding school foundation.

2. The depreciation account is also not clearly reported, depreciation should be clear and measurable and the type of depreciation used must also be in accordance with the assets being depreciated.
3. In the balance sheet report, there are prepaid expense accounts and prepaid expenses but there is no financial activity in it. If there is an activity or operation in it, the transaction must be recorded. From the analysis of the balance sheet report data and transaction evidence, there are transactions paid in advance by the finance department to its partners such as renting stage equipment for end-of-year performances, buying new student equipment and there are several transactions that are also similar but different partners. The finance department of the Ta'dib Al Syakirin Islamic boarding school also does not record it in the prepaid expense/expense account because it is carried out in the current period so that it is directly recorded by the finance department into expenses as the first stage payment.

The results of the research in the Islamic boarding school, in the MS Excel used there are accounts that are usually used by manufacturing companies or trading companies, such as: trademark accounts, copyrights, goodwill, and so on. According to the accounting guidelines, the accounts used by the Islamic boarding school are in accordance with SAK ETAP (financial accounting standards for entities without public accountability):

"For financial records, usually using MS Excel only and recording in a manual book so that the report is also very simple. I have also never received a special in-depth understanding of financial reports. I really hope there is some kind of special training for financial records and reporting so that it is easier to work on reports in a short time."

Here are some of the benefits that Islamic boarding schools can get when using accounting software:

1. Financial reports are the most vital aspect of a company. Using accounting software will make it easier to process reports in a short time.
2. Reduce calculation errors due to human error.
3. Can correct input errors only in the modules found without having to repeat all calculations from the beginning again.
4. Increase company efficiency and productivity because accounting processes can run automatically.
5. Accounting software will present more accurate data, therefore this will support you in determining the steps and decisions to be taken.
6. Monitoring global markets.

The preparation of financial reports still uses a single entry system which only records income and expenses in one account post.

In principle, the financial report of Islamic boarding schools is the same as other commercial companies, only the account name is different to suit the needs of the Islamic boarding school. The financial position report consists of assets, liabilities and net assets. The term equity is changed to net assets, because Islamic boarding schools are not owned by one party where the party can ask for a return, but are owned by the entire community. Donors only give their donations but do not expect to be returned or at a later time.

Net assets consist of 3 types: unrestricted net assets, temporarily restricted and permanently restricted. The term profit/loss report is replaced with activity report

because Islamic boarding schools are one of the non-profit organizations whose purpose is not to seek profit.

The activity report shows changes in net assets, whether obtained from:

- a. Unrestricted net assets (student contributions, founders' and management's grants, restricted net assets whose restrictions have ended and other income, reduced by expenses).
- b. Temporary restricted net assets (revenue minus expenses from running programs, temporary restricted net assets whose limitation period has expired) are the total changes in permanently restricted net assets plus waqf and the results will meet the increase or decrease in the activities of the Islamic boarding school. Meanwhile, for the cash flow report and notes to the financial statements of the Islamic boarding school, the format is the same as a commercial company based on SAK ETAP.

In fact, the financial report made at the Ta'dib Al Syakirin Islamic boarding school is not in accordance with PSAK 45. The financial report documentation only shows the income and expenditure side. This is in accordance with the School Treasurer interview:

"I make manual reports containing income records such as monthly school fees for students; or sometimes also from irregular donors in the form of cash waqf. Then expense reports such as kitchen costs for students and teachers' meals; electricity and water costs, teacher salary costs, etc. which I report at the end of the month directly to the principal who is also the chairman of the Waqf Board."

From this interview, the author assesses that the preparation of financial reports carried out by the school treasurer at the Ta'dib Al Syakirin Islamic boarding school, Medan Titi Kuning, is still at a very simple stage. based on several accounting standards, namely:

- 1) SAK ETAP
- 2) PSAK 45
- 3) PSAK and

4) ISAK Sharia.

In fact, there are 4 financial reports that must be prepared by Islamic boarding schools in Indonesia, namely:

- 1) Statement of financial position
- 2) Activity report
- 3) Cash flow statement; and
- 4) Notes to the financial statements.

Where there are several accounts that have been defined and their recognition and presentation regulated in SAK ETAP and PSAK 45.

It is important for Islamic boarding schools to prepare financial reports in accordance with the appropriate accounting standards, because this will be able to increase public accountability which will ultimately be able to improve the performance of the Islamic boarding school itself.

D. Conclusion

Based on research that has been conducted at the Ta'dib Al Syakirin Islamic boarding school, Medan Titi Kuning, it can be concluded that:

- 1) Accountability of financial management at the modern Islamic boarding school Ta'dib Al-Syakirin still uses a culture of obedience from the leader/director. This can be seen from every program and activity must be based on approval and input including in terms of accountability in managing finances well and honestly.
- 2) The finance department is less transparent about the financial management between the Islamic boarding school cash and the waqf cash, this can be seen from the Islamic boarding school documents which do not yet have financial reports in accordance with generally accepted accounting standards and only make cash reports regarding incoming and outgoing money.

- 3) Islamic boarding school financial records generally use MS Excel for their records. However, there are several accounts that have an empty balance (0), such as: asset and depreciation accounts and paid expense accounts.

The preparation of financial reports still uses a single entry system that only records income and expenses in one account post. This is not in accordance with the Financial Accounting Standards Statement.

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