

THE DESIGN OF SOFTWARE AND WEBSITE BASED FINANCIAL STATEMENT MODEL TO IMPROVE THE TRANSPARENCY AND ACCOUNTABILITY OF AMIL ZAKAT INSTITUTION

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A. INTRODUCTION

The financial statement has essential meaning for all organizations because financial statement is the main facility to communicate the financial information to external and internal party. As well as amil zakat institution, financial statement can be made as responsibility media of amil zakat manager to *stakeholder* and muzzaki. Amil zakat institution is also demanded to always improve the transparency and accountability. The *stakeholders* of amil zakat institution can use financial statement media to assess a) the service given by amil zakat institution and their ability to continue to give the service; and b) the way how amil zakat managers perform their responsibility and management performance aspect. Government organization, donators, member of organization and community need to know the fund that has been collected by amil zakat institution. Likewise the administrators and managers of amil zakat institution must perform the evaluation of organization's performance.

The requirement of financial statement of amil zakat institution that can improve transparency and accountability is very important to keep the trust level of community. Moreover in the era of openness of information and democracy improvement which occurs within the community so the financial responsibility becomes very important and becomes an urgent demand. Furthermore the existing financial statement model of amil zakat institution is far from transparency and accountability aspects. As financial statement of Amil Zakat Board of Sidoarjo Regency which only reports the acceptance, output and deposit, in every report listed in its bulletin. As well as Amil Zakat Institution of Muhammadiyah Regional Leader of Sidoarjo that only presents the report of acceptance, output and deposit, given to their donators. The statement like this clearly does not meet the transparency and accountability aspects then the change of financial statement is necessary (Hermawan, 2005). The refereed change is to change the existing responsibility statement format to ideal financial statement that is able to improve transparency and accountability of amil zakat institution.

B. Theoretical Review

B.1. Management Organization of Zakat Institution

The Law No. 38 year 1999 regarding Chapter III management of article 6 and article 7 that zakat management institution in Indonesia consists of two institution groups, namely Amil Zakat Board (BAZ) and Amil Zakat Institution (LAZ). BAZ is formed by government, while LAS is formed by community. LAZ as listed in Law of zakat is zakat institution formed by community. These institutions have regional and national operational scope. The institution is generally formed by political organization, mosque takmir, pesantren, mass media, bank and financial institution and community institution.

Accounting of Baitul Maal and BAZ

So far there has been no accounting standard of amil zakat. This is due to amil zakat institutions is a new organization that will continue to experience growth and change. This statement aims to regulate the recognition, measurement, presentation and disclosure of zakat transactions and donations/ alms by PSAK 109.

In general, accounting principles of LAZ Baitul Maal must meet the accounting standards in general, namely:

1. *Accounting* means the truth of accountancy must be accountable, because it must be supported by legal and authoritative evidence.
2. *Auditable* means accountancy can be easily understood by financial statement users, easy to traced and matched.
3. *Simplicity* means the accountancy is adjusted with practicality, simplicity and can be adjusted with LAZ requirement without changing the principle of financial statement arrangement.

B.5. The Purpose of Financial Statement

Financial statement purpose of Zakat Management Organization (OPZ) is to provide information regarding the financial position, performance and financial position changes in the collection and distribution activity of zakat which is useful in decision making. A financial statement is useful when the information presented in the financial statements can be understood, relevant, reliable, and comparable. However, we also need to realize that the financial statements do not provide all the information that may be required by the parties concerned with OPZ because in general the financial statements only illustrate the financial effects of past events and are not required to provide non-financial information. However, in some cases OPZ needs to provide information that has financial influence in the future.

Referring to these objectives, it can be understood that for LAZ the conformity with Islamic Shari'ah in carrying out various activities is essential. Thus the position of the Shariah Board in a LAZ also plays an important role. Ideally, Shari'ah audit should also be carried. It is an examination conducted by both internal audits (or inspectors commission) and external auditors, to assess all the LAZ activity towards compliance with the principles and provisions of Islamic Shari'ah. Especially if audited by an external auditor may be issued "Opinion of Shari'ah".

Quantitative financial information (accounting information) is a main source of information in managing the organization, both business organizations and nonprofit organizations. The objective of financial reporting is as a basis for making this decision must not conflict with the primary objective of financial reporting (zakat purpose), both in conceptual terms, as well as in technical terms. Vices, such as greed and selfishness have no place in Islamic accounting, so the concept of Islamic accounting may avoid damage to the heavens and the earth from the hands of the irresponsible.

b.6 Various Types of BAZ Financial Statements

According to Widodo & Kustiawan (2001: 91) the principles of recognition, measurement and assessment of financial statements elements which generally accepted, as long as not contrary to the purpose of financial reporting according to Islamic concepts, should still be followed. Conversely, if the principle is contrary to the concept of Islam, then it should be avoided. In a zakat managing organization, it should draw up some kind of primary financial statements, among others:

1. **Balance Sheet**
2. **Statements of sources and uses of funds**
3. **Statements of utilized funds changes**
4. **Record of the financial statements**

C. RESEARCH METHODOLOGY

Based on the description above, the Flow Diagram of framework in this study appears in the figure 3.1 below:

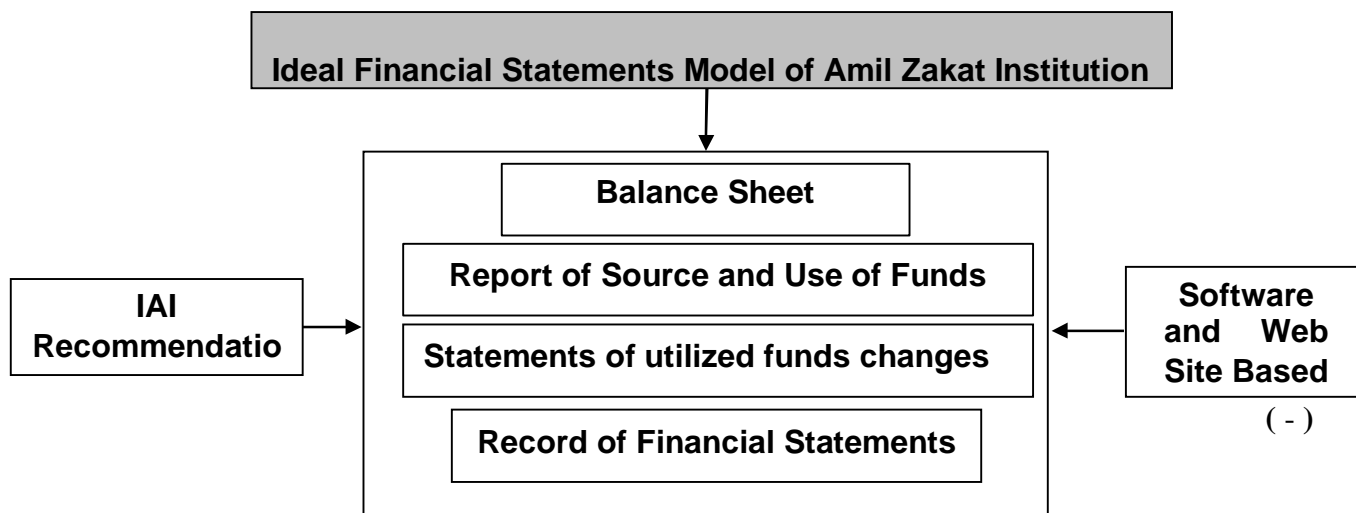


Figure 1. Framework Flow Diagram: Design of Software and Website Based Financial Statements Model to Improve Transparency and Accountability of Amil Zakat Institution

Source: IAI 2009

a. Research Type
This type of research is chosen for choosing the qualitative approach. This type of research is chosen for choosing the qualitative approach. In addition, is because researchers have access to the object of research. Researchers also as a means (instrument) of research (Moleong, 2000) because it can conduct in-depth interviews with the policy makers at an object and a full observation. In addition, because this study describes a situation or event and do not seek to explain the relationship, and not to test hypotheses or make predictions.

Research Focus

The focus of this study is to identify the types of financial statements produced by an organization or amil zakat institution in Sidoarjo Regency and formulate initial ideal model of financial statements to improve transparency and accountability.

b. Unit Analysis

The unit of analysis of this research is the organization or amil zakat institutions which prepare financial statements as a form of management responsibility of public funds. As Basuki (2011), whom states that the unit of analysis is what is being investigated. This study analyzes the types of financial statements produced by an organization or amil zakat institution in Sidoarjo.

c. Key Informants

Key informants required in this study are the Amil Zakat Institution or Board or Organization chairman and treasurer, and others who understand the management of zakat. Determination of key informants conducted by researchers and also snowball judgment (Marshall, 2006). Key informants were determined by the judgment of researchers is the organization or amil zakat institution chairman or treasurer. Key informant is specified with snowball are informants who understand the process of preparing the financial statements.

d. Collecting Data Method

Collecting data in this study is done by means of surveys, observation, in-depth interview, for primary data, and documentation used to collect secondary data.

1. Survey and observations made to collect data in order to identify the types of financial statements which have been produced by the amil zakat organization or institution. Survey and observation will be carried out to amil zakat institutions that have been based on a pre-determined categorization.
2. In-depth interviews and documentation undertaken to formulate the initiation of the ideal models of financial statements that can improve the transparency and accountability of amil zakat institutions.

e. Data Analysis

Analysis of the data in this study followed the qualitative data analysis method of Miles and Huberman (1984), that is doing an analysis during the phase of data collection process. Data analysis was carried out interactively and performed continuously during the process and until the research done completely so the context or situation in the phenomenon is not left behind in the analysis. Data analysis activity during the data collection process includes data collection, data reduction, data display, and conclusion.

To support the data analysis, the researchers also conducted validity of data during the data collection process. That is conducted by doing member check to the research subject, cross check the documentation of data, and perform triangulation test. Triangulation test means researchers sought to compare different data (qualitative and quantitative) with different methods (observation and interview) to see the relationships among the data to assess the reliability and validity of the data (Moleong, 2000: 127)

This Triangulation test is done by the results of the documentation on the financial accountability procedures will be triangulated with observation and interview to the directly concerned parties. Similarly, with the interviews results will be cross checked with the data documentation and observation. Examination of the validity of the data can also be done by checking members (Moleong, 2000: 181), which is the result of a person interview may be requested a response from the other person. For example, the interview with the treasurer of amil zakat institutions should prompt response to the chairman of amil zakat institutions.

D. RESULTS AND DISCUSSION

a. Types of Financial Statements Generated By Amil Zakat Institution in Sidoarjo

Based on the results of survey research conducted by researchers, amil zakat organizations or institutions in Sidoarjo Regency can be grouped into two kinds, namely branch amil zakat institutions and non-branch amil zakat institutions. The branch Amil zakat institutions means amil zakat institutions domiciled in Sidoarjo but its headquarters is in another city. Amil zakat institutions in such example is the Al Falah Foundation Social Fund (YDSF) Surabaya, Infaq Management Institute (LMI), Surabaya, and Rumah Zakat Indonesia Bandung headquarters. Meanwhile, non-branch amil zakat institutions means amil zakat institutions established by a group of people of Sidoarjo and officially domiciled in Sidoarjo, such as Muhammadiyah Regional Leadership LAZISMU Sidoarjo, LAZ Roudlatul Jannah Pepelegi Waru Sidoarjo, and some amil zakat mosque in Sidoarjo.

Grouping these two amil zakat institutions have consequences on the types of financial statements that it generates. At amil zakat institutions that already have a branch or head office, the financial statements produced is better than amil zakat institutions which are formed by society or non-branch amil zakat institution. It can be seen from the types of financial statements that it generates. Some documentation has been obtained by researchers through a website owned by branch amil zakat institutions. However, the financial statements of branch amil zakat institutions can also be subdivided into two, namely audited financial

statements and which have not. Thus there are three types of financial statements, the financial statements of amil zakat institutions that have been published on the website and audited on public accounting firms (KAP), the financial statements of amil zakat which has been published on the website but are not audited or simply include the income and expenditure statements, and the financial statements of amil zakat institutions that have not been published on the website, not audited, and only include revenues and expenditures report.

a. Financial Statements of Amil Zakat which Already Posted on Website and already audited by KAP

These types of financial reports are produced by amil zakat institutions which already professionally managed in financial terms. Amil zakat institutions like this have branches spread all over Indonesia, particularly in Java. Financial reports generated by amil zakat institutions have been audited by KAP. For instance Al-Falah Social Fund Foundation (YDSF) Surabaya, its financial statements of 2011 have been audited by KAP Junaedi, Chaerul, Labib, Subyakto, and Partners, with unqualified (WTP) opinion. Another example is the Rumah Zakat Indonesia Foundation's financial statements have also been audited by Kanaka, Puradiredja, and Suhartono, with unqualified (WTP) opinion.

. The SFAS No. 45 requires that nonprofit organizations are required to prepare financial statements, i.e. statements of financial position, statement of activities, statement of cash flows, and notes to the financial statements. It looks like the 2011 YDSF financial statements which have been audited. On the published financial statements for the statement of financial position and statement of cash flows are the same as in SFAS No. 45, but the change fund for financial statements is not in accordance with SFAS No. 45. According to SFAS No. 45 that there was no change in the fund's financial statements, but there are reports of activity. This is the difference of YDSF financial statements which have audited by KAP with SFAS No. 45.

Meanwhile, the financial statements of "Yayasan Rumah Zakat Indonesia" has also been audited by Kanaka Puradiredja with the results of the audit (opinion) is unqualified (WTP). On those statements appears that the financial statements are audited and published is the statements of financial position and statement of changes in funds. Statement of financial position is commonly referred to as the balance sheet but in SFAS No. 45 was not mentioned so or remain with the statement of financial position. Furthermore, to report a change of funds is also not in accordance with SFAS No. 45 which requires the activity report instead of an income statement that is prevalent in organizations profit or profit-oriented company.

b. Financial Statements of Amil Zakat which Already Posted on Website, Not audited by KAP, and only Lists Statements of Revenues and Expenditures of Fund

These types of financial reports as produced by amil zakat institutions which are already evolving, trying to demonstrate transparency and accountability but not yet able to make a standardized financial statements. Transparency and accountability are only shown to have the publication of the Statements of revenues and expenditures in the amil zakat institutions concerned website. But for this type of published financial statements still need to change again.

Examples of amil zakat institutions which conducted this thing is Infaq Management Institute (LMI). This institution is only making statements of cash/bank revenue and expenditure, as well as displays them on their websites. Such financial statements are very simple or still far from standard financial statements that should be made. LMI is supposed to prepare financial statements that have been standardized by IAI. At the time prior to the implementation of SFAS No. 109, of Accounting for Zakat and Infaq/Charity,

LMI can use SFAS No. 45 as well as YDSF and Yayasan Rumah Zakat Indonesia. That is, LMI in preparing the financial statements that still has to refer to one of the corresponding SFAS.

Thus the steps to be taken by amil zakat institutions in this group, such as the LMI is to change the model of financial statements that there has become a financial statements which has been standardized and recommended by the IAI. The IAI recommendation is the use of SFAS No. 109 on Accounting for Zakat and Infaq/Charity. Attempts to change the model of the financial statements must begin with changing the accounting system used.

Based on the financial report produced by amil zakat institutions such as these can be certain that the accounting system used is the single entry bookkeeping. This system records only cash revenues and expenditures without noting another aspect as well as the system used by the double entry bookkeeping. Need an attempt to change the single entry bookkeeping system which has been used as double entry bookkeeping system in order to amil zakat institutions in this group can prepare the standard financial statements that is SFAS No. 109.

c. Financial Statements of Amil Zakat Which Unpublished on Website, Unaudited, and Just Make Statements of Funds Revenue and Expenditure

These types of financial reports are as produced by amil zakat institutions which are established by Sidoarjo local communities. This means that the institution is not affiliated with other institutions and not a branch of any zakat institutions. Model of financial statements produced in the form of Statements of Funds revenues and expenditures only. Such financial statements are still very simple so it certainly can not be audited by KAP. The resulting financial statements have not been published on the website or magazine or if it is published only through its own media.

Examples of amil zakat institutions that implement this thing is the Muhammadiyah Amil Zakat and Infaq Institute of Muhammadiyah Regional Leadership (LAZISMuh PDM) Sidoarjo. Although there LAZISMuh in PP Muhammadiyah but it seems there is no synchronization or consolidation which then generate centralized financial statements as well as YDSF and Rumah Zakat Indonesia Foundation. So the use of LAZISMuh name exists in every PDM but has no obligation to report or consolidate it to LAZISMuh Center.

4.2.2. Initial formulation Ideal Financial Statements Model to Improve Transparency and Accountability of Amil Zakat Institution

Based on the results of research and discussion about the kind of financial statement generated by amil zakat institutions in Sidoarjo it can be concluded that no one has to prepare financial statements in accordance with accounting standards established by the IAI. As IAI recommendation that the financial statements for amil zakat institution should be prepared by reference to PSAK No. 109. Some amil zakat institution have prepared financial statements based on the provisions of PSAK No. 45. This must be changed based on the provisions of PSAK No. 109. The use of PSAK No. 45 at that time can be understood as not effective valid yet of PSAK No. 109. However, as effective applicability of PSAK No. 109, amil zakat institutions must prepare financial statements based on the PSAK.

PSAK No.109 on Accounting for Zakat, Infak / Alms are intended for amil zakat institutions. This PSAK requires amil zakat institutions to prepare financial statements, that is balance sheets, statements of sources and uses of funds, statement of changes in

funds utilized, and notes of the financial statements. The following are presented format of financial statements.

1. Balance

Amil Zakat Institutions "ABC"

Balance

December 31, 20xx

Description	Rp	Description	Rp
ASSET		LIABILITIES	
current assets	xxx	Short-term liabilities	xxx
Cash and cash equivalents	xxx	The costs still be paid	xxx
financial instrument claim	xxx	Long-term liabilities	xxx
		Long-term work benefits	xxx
		Total liabilities	xxx
<i>Non Current Assets</i>		Fund balance	
<i>Fixed Assets</i>	xxx	Fund of zakat	
<i>(Non Current Account)</i>	xxx	Fund of donation / charity	
		Fund of amil	
		Fun of non-halal	
		Total fund	
Total Asset	XXX	Total liabilities and Fund balance	XXX

1. Report of Sources and Uses of Funds

Amil Zakat Institution "ABC"

Zakat fund

Reports Sources and Uses of Funds

Year Ended December 31 2XX2

Description	Rp.
FUND ZAKAT	
Income	
Income Acceptance of muzakki	XXX
muzakki entities	XXX
individual muzakki	XXX
placement results	XXX
<i>total income of zakat fund</i>	XXX
Part amil zakat on income of funds	XXX
<i>Total revenue fund after part of amil zakat distribution</i>	<u>XXX</u>
<i>Fakir-miskin</i>	(XXX)
<i>Riqab</i>	(XXX)
<i>gharim</i>	(XXX)
<i>muallaf</i>	(XXX)
<i>Sabili'llah</i>	(XXX)
<i>Ibn sabil</i>	<u>(XXX)</u>
<i>Total disbursement of zakat</i>	(XXX)
<i>Surplus (deficit)</i>	(XXX)
<i>initial balance</i>	<u>(XXX)</u>

<i>final balance</i>	(XXX)
DANA infak / ALMS	
Income	
Donation / alms bound or muqayyadah	XXX
Donation / charity is not bound or mutlaqah	XXX
Amil part on receipt of funds donation / charity results management	(XXX)
	<u>XXX</u>
The amount of the receipt of funds donation / charity	XXX
Distribution	
Donation / alms bound or muqayyamah	(XXX)
Donation / charity is not bound or mutlaqah	(XXX)
Allocation utilization of assets under management (eg depreciation and allowance)	<u>(XXX)</u>
Total disbursements donation / charity	XXX
Surplus (deficit)	XXX
initial balance	XXX
final Balance	XXX
DANA AMIL	
Income	
Part amil zakat fund	XXX
Amil part of the donation fund / charity other receipts	XXX
	<u>XXX</u>
The amount of the receipt of funds amil	XXX
Use	
Employee expense	(XXX)
depreciation expense	(XXX)
General and administrative expenses Other	<u>(XXX)</u>
Total use of funds amil	XXX
Surplus (deficit)	XXX
initial balance	XXX
final balance	XXX
The balance amount of zakat, donation fund / charity, funds of amil	XXX

2. Statement of Changes in utilized Fund

**Amil Zakat Institution "ABC"
Zakat Fund
Utilized Fund Reports
Year Ended December 31 2xx2**

	Initial balance	Addition	reduction	Allowance	Depreciation account	Final Balance
Fund donations / alms - current assets under management (eg revolving receivables)	XXX	XXX	(XXX)	(XX)	-	XXX
Fund donations / alms - non-current						

assets under management (eg, hospitals or schools)	XXX	XXX	XXX	XXX	(XXX)	XXX
total	XXX	XXX	XXX	XXX	(XXX)	XXX

3. Notes to the Financial Statements

This report contains details of activities of organizations that work provides an explanation of this keuangan.Laporan report can be either qualitative or quantitative. Details of record generally contains about:

- a. General information about the condition of the organization
- b. The accounting policies used as a basis for the preparation of financial statements
- c. Explanation of any accounts that still requires explanation
- d. Events subsequent to the balance sheet date
- e. Other additional information deemed important

4. CONCLUSIONS AND RECOMMENDATIONS

Amil zakat institutions in Sidoarjo can be classified into two kinds, namely: institutions zakat zakat branch and non-branch agencies. Examples amil zakat institutions are branches of Al Falah Foundation Social Fund (YDSF) Surabaya, Infaq Management Institute (LMI), Surabaya, and Rumah Zakat Indonesia Bandung Central Office. While the non-branch institution is zakat zakat institution founded by a group of people of Sidoarjo and office domiciled in Sidoarjo, such as Muhammadiyah Regional Leadership LAZISMU Sidoarjo, LAZ Roudlatul Jannah Pepelegi Waru Sidoarjo, and some amil zakat mosque in Sidoarjo.

Grouping these two amil zakat institutions have consequences on the types of financial statements that it generates. The consequence is that there are three types of financial statements, the financial statements amil zakat institutions that have been published on the website and the audited public accounting firms (KAP), the financial statements of zakat which has been published on the website but are not audited or simply include the income and expenditure statements, and reports amil zakat financial institutions that have not been published on the website, are not audited, and only include revenues and expenditures report.

Suggestion

- a. All amil zakat institutions should create standardized financial statements in accordance with SFAS 109 for purposes of transparency and accountability to stakeholders.
- b. The use of various media publications to present its financial statements as a useful performance report form weeks to increase confidence muzakki (donors) to deposit funds ZISnya.
- c. To add to the transparency of the financial statements produced by LAZ, the financial statements should be audited by an independent KAP.

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