Mosque Financial Accountability and Transparency: A Community Perspective in Lamongan

Guruh Marhaenis Handoko Putro¹, Mega Barokatul Fajri²
¹,² Universitas Muhammadiyah Lamongan

*Corresponding Author:
Guruh Marhaenis Handoko Putro
guruhtutal27@gmail.com

ABSTRACT

The mosque is a place of worship that has a source of income that comes from the community. The lack of information regarding the accountability and transparency of mosque financial management is a problem that needs special attention for managers of mosque financial funds. This study discusses the accountability and transparency of mosque financial reports from the perspective of the Muslim community in Lamongan Regency. The subjects of this study include people of productive age, namely 15–64 years old, who are Muslims and active in congregation at the mosque. The data collection technique is to distribute data through a Google Form questionnaire and reinforce it with information from previous literature, journals, and books. The results of the study show that people's views regarding the financial accountability and transparency of mosques in Lamongan is vary. The mosque's accountability and transparency system in Lamongan is considered to be in accordance with ISAK 35. The mosque's financial administrators have carried out their duties honestly and responsibly, but not a few among the public say they still have doubts. Some of them also thought that there was no need to know about the mosque's finances because someone already took care of them.

Keywords: Accountability; Transparency; Perspective; Financial Report; Mosque.
ABSTRAK


Kata kunci: Akuntabilitas; Transparansi; Perspektif; Laporan Keuangan; Masjid.

INTRODUCTION

So far, the disclosure of financial statements is dominated by profit-oriented organizations. Society seems to ignore the little things that need special attention and strict supervision. These small things can be seen from non-profit oriented organizations that are around the scope of society, such as mosques. The mosque is a non-profit oriented organization in which there are administrators as agents who have the obligation to report and regulate the use of funds provided by the principal (Siskawati et al., 2016). In terms of accountability and transparency, the mosque's financial reporting disclosure system is still considered less than optimal. Apart from being a place of worship and preaching, the mosque is also a center for community empowerment which includes cultural, social or economic aspects (Pradesyah et al., 2021). This indicates that the existence of a mosque has an important role in people's lives, especially for Muslims in Indonesia.

The number of mosques and prayer rooms in Indonesia until 2023 is 741,991 buildings (A. Saputra, 2023). The increasing number of mosques and prayer rooms is an opportunity for optimizing the functions of mosques related to their financial management which is also increasing, in order to prosper mosques, good financial
management is needed in order to achieve the goal of benefiting the people, as explained in the Al-Qur'an and Al-Qur'an. Hadith about orders to prosper the mosque. Classification of mosques as non-profit organizations that are not profit-oriented and rely on donations from the community, infaq, zakat, shadaqah and community waqf (Ahyaruddin et al., 2017). The funds obtained must be managed in an accountable and transparent manner by the Indonesian Mosque Council, the Mosque Prosperity Agency and the surrounding community so that fraud does not occur.

Lately there has been a lot going on about fraud in the management of mosque funds. Some of these phenomena include the Riau Attorney General's Office obtaining evidence of unlawful acts (corruption) in the mosque construction case after carrying out a sudden investigation which caused the construction of the legacy of the Siak Kingdom to go up to investigation (Syukur, 2023). It was also reported that there was corruption in the construction of the Hajj Transit Dormitory Mosque, Ministry of Religion, Bangka Belitung Province for the 2020 fiscal year, which resulted in a director being named a suspect in a case that caused losses to the state of 5 billion rupiah (Ramli, 2023). There was another gratification case of 32.4 billion rupiah in the Baiturrahman Great Mosque area in Banda Aceh City (Saifullah, 2023). Finally, there was corruption in grant funds that spent 130 billion rupiah which should have been used for the construction of the Palembang Sriwijaya Mosque (Rahayu, 2021).

The existence of several of these cases is a strong warning against the financial management of mosques. The lack of oversight from the surrounding community has led to irresponsible individuals committing acts of corruption for personal gain, so that researchers are moved to conduct research on mosque financial management whether it has been implemented in an accountable and transparent manner for the prosperity of the mosque. Several previous studies have examined the financial management of mosques such as Ahyaruddin et al. (2017), Alam & Alam (2019), Amir & Nuhung (2018), Andarsari (2017), Fachruddin et al. (2020), Fahmi (2018), Karimah & Baehaqi (2022), Mahardika et al. (2022), Maulana & Ridwan (2020), Mulyandani & Supriatna (2021), Nurfaizah et al. (2021), Pradesyah et al. (2021), Puriyanti & Mukhibad (2020), Rahayu (2014), Rini (2019), Sari et al. (2018), Supawanhar et al. (2022), Suratman et al. (2019), Ula et al. (2021). Previous research only discussed the implementation and systematics of mosque financial accountability and transparency, but this research looks at it from a different perspective, namely accountability and transparency from the perspective of the Muslim community in Lamongan District.

In 2019, the Muslim community in Lamongan Regency reached 67,051 residents (BPS, 2019). Public has an important role in overseeing the running of the mosque's economy. Especially to oversee the direction of financial entry and exit, so as to create transparency in the management of mosque financial reports. This study aims to reveal the transparency and accountability system of the mosque in terms of the public's view of the mosque's financial management. The reason for choosing the Muslim community in Lamongan District is the lack of research that reveals the mindset of the community towards the system of accountability and transparency in mosque financial management. Even though the community has an important role
in overseeing and prospering the mosque, apart from that there are several irregularities and allegations of corruption in the grant funds for the construction of mosques in Lamongan Regency, including in April 2022 (Saputra, 2022).

The existence of this phenomenon motivated researchers to conduct research with the hope that the management of mosque funds can be carried out in an accountable and transparent manner so that the level of public trust increases, and the practice of corruption is avoided. This research looks at how the community plays an active role in controlling the direction of mosque financial outflows and inflows and mosque financial reports can be presented in an accountable and transparent manner.

LITERATURE REVIEW

Goal setting theory is a model of individuals who want to have goals, choose goals and are motivated to achieve goals (Locke, 1978). This theory assumes that individuals are committed to goals. This can be achieved when goals are self-determined rather than assigned. The process of setting goals can be carried out on its own initiative or required by the organization as a policy. Targets set with feedback will result in accountable performance compared to without feedback. The relation between goal setting theory and this research is that the management of mosques managed by mosque administrators (Takmir) has the goal and motivation to prosper the mosque sincerely without expecting anything in return. The intention to work towards a goal is the main source of work motivation, namely the goal becomes a reference for employees to determine what needs to be done and how much effort must be made. The theory of goal setting shows that difficult and specific goals produce a higher level of performance than without goals, if individuals work according to the rules set by the organization, then the effort to achieve these goals is also great. The implications of this theory in this study are considered to explain that individual factors such as mosque management managed by administrators can stimulate the role of mosque takmir in mosque financial management. Some research that uses goal setting theory, among others (Overman & Schillemans, 2022).

Accountability can be interpreted as a form of obligation to account for the success or failure of the implementation of the organization's mission in achieving predetermined goals and objectives, through the media of accountability which is carried out periodically (Dewi & Adi, 2019). The accountability relationship in this study is evidence of consistency in fulfilling financial reporting standards presented by mosque administrators who must be accountable as well as possible in managing mosque management. Some examples of research that examines the theory of accountability include research belonging to Andarsari (2017), Boseke (2021), Supawvanhar et al. (2022) and Suratman et al. (2019).

The accountability of mosque financial management is the accountability of the mosque takmir in relation to mosque financial management in an open and honest manner. Presentation of accountable financial statements is expected to be prepared in accordance with appropriate accounting standards. The mosque is an entity that manages people's funds in the form of Zakat, Infaq and Shadaqah (ZIS) (Sari et al., 2018). Organizational finance describes all the rights and obligations of
the organization in order to carry out operational activities that can be valued in money including all forms of wealth related to the rights and obligations of the organization.

Mosque financial management is the entire activity that includes planning, implementation, administration, reporting, accountability, and supervision of mosque finances (Setiawan et al., 2022). Its management is expected to use the principle of transparency regarding the use of fees and information on mosque income. The accountability of mosque financial management has spiritual values, such as: honesty, fairness, and responsibility which influence the practice of accountability in mosques, both in financial management and in terms of mosque prosperity. However, this study also found that accounting practices were lacking and not in accordance with recording and reporting standards for non-profit entities.

Transparency is openness in carrying out the decision-making process and disclosing relevant material information about the company (Ahyaruddin et al., 2017). Transparency is a development activity that must be managed as transparently as possible for the community, donors and the organization concerned, which must be given authority in the form of easy access to information related to development policies and activities in the management of the organization (Endang, 2017). The link between transparency theory and this research is that every report made by mosque administrators must be presented in a transparent/open manner, meaning that the public is required to know the flow of cash in and cash out of mosque finances. Several studies that use the theory of transparency, among others Amir and Nuhung (2018), Nurfaizah et al. (2021) and Supawanhar et al. (2022).

The implementation of transparency in mosque financial reports is carried out by providing clear information about procedures, costs, and responsibilities of the Mosque Management Body. Mosque financial transparency is also able to provide easy access to financial report information, mechanisms for regulatory arrangements in the event of violations of regulations, and an increased flow of information through cooperation with the mass media and non-governmental organizations (Haryanti & Kaubab, 2019).

Sources of funding for religious organizations come from people and donations from certain parties (Endang, 2017). The flow of funds from the people is done voluntarily or even done to fulfill the obligations as religious people. Sources of funds from the people can be in various forms such as *infaq*, *zakat*, *fidyah*, and others in accordance with Islamic teachings (Endang, 2017).

Mosque financial sources can come from (Endang, 2017):

1. Permanent Donor
   Regular donors are donors who donate regularly. Donors can still sympathize. Donors voluntarily set aside a portion of their wealth every month for *infaq* followed by *shadaqah* or *zakat*.

2. Non-Permanent Donor
   Non-permanent donor can come by submitting a letter of application for funds accompanied by an activity proposal that can be submitted to:
   a. Donor agency.
   b. Government agencies.
c. Private agency
   d. Sympathizers.

3. Free Donor
   Donors who can come from anywhere. Efforts made to absorb the free funds are:
   a. Provide a permanent charity box at the door of the mosque.
   b. Appeals to carry out zakat, infaq, shadaqah and waqf.
   c. Provide Friday charity boxes to be passed around during Friday services.
      Doing fundraising during activities such as Eid Al-Fitr Prayers, Eid Al-Adha Prayers, Ramadhan Activities, and so on.

   The source of mosque funds obtained from zakat is halal and non-binding (Endang, 2017). The funds collected are a mandate that must be accounted for their use; therefore they need to be managed properly. The existence of financial management guidelines is intended to provide a reference to management in managing organizational funds. In general, to manage mosque finances, good mosque financial planning is needed beforehand (Endang, 2017). This plan includes spending and receiving funds in detail, so that operational costs and fulfillment needs can be estimated. Here are the steps (Endang, 2017):

   1. Budget Preparation Mechanism
      a. Each field of work describes the work program as a result of the congregation's deliberations for annual activities.
      b. Identify activities and schedule them.
      c. Perform cost and funding calculations for each activity.
      d. Delivering the budget that has been prepared for each field at the Board of Directors Work Meeting.
      e. Perform overall financing and revenue integration by taking into account the scale of priorities.

   2. Budgeting
      Through the Work Meeting, the management prepares the expenditure and income budget in accordance with the activities to be held. It is endeavored that in preparing the budget, management has a clear source of funds so as not to experience a deficit. Some things to note include:
      a. Prioritize activities according to funding needs.
      b. Expenditure and income items are clearly indicated.
      c. The total expenditure of each sector is stated in numbers.
      d. Integrate all fields in preparing the budget by establishing a Work Plan and Management Budget (RKAP).

   3. Income and expenditure
      Every income and expenditure is recorded carefully and regularly in a daily cash book, which is then accumulated monthly. The recording of cash finances is usually done by a treasurer who is appointed by mosque management.

      Financial reporting in accordance with ISAK 35 concerning financial reporting of non-profit entities or in this case including religious organizations, such as mosques, components of non-profit financial statements consist of statements of financial position, activity reports, cash flow reports, and notes on financial statements or commonly abbreviated as CALK (Sari et al., 2018). The four types of
financial reports have their respective functions. For external parties, this will provide an overview of the operational activities of an entity, for donors of mosque funds where this is also a form of accountability regarding the use of mosque funds.

METHOD

This research is quantitative research with a descriptive approach. Quantitative research is a research method based on the philosophy of positivism, as a scientific method, because it has fulfilled scientific principles concretely or empirically, objectively, measurable, rational, and systematic (Sugiyono, 2019). The descriptive approach is a form of research that is used as a basis and is intended to be able to describe phenomena that are occurring, both natural and man-made phenomena (Dewi and Adi, 2019). The approach focuses on the phenomena that occur which are presented as they are, and the results of the research are described clearly without being manipulated. Descriptive research examines activities, forms, changes, similarity characteristics, relationships, and differences with other phenomena. The results of descriptive research are often used and followed by analytical research. The use of quantitative descriptive in this research is to calculate in the form of numbers, diagrams, tables, and data followed by analyzing and describing the results.

This study uses primary data. The research space is the community in Lamongan District. The sample is the Muslim community in Lamongan District. The category of Muslim community in Lamongan District is people of productive age, namely 15-64 years who are Muslim and active in congregation at the mosque. The sampling technique used convenience sampling by distributing questionnaires to 115 samples. The reason behind using convenience sampling is that it is not known how many samples of productive age people are active in congregating at mosques in Lamongan District. In addition, the purpose of using a productive age sample is 15-64 years, namely having a mature level of thinking and physical ability in analyzing problems that occur.

RESULT AND DISCUSSION

The profile of respondent describe in graph 1 bellow:

![Graph 1. Gender, Age and Education](source: Google form questionnaire data processed (2023))
Based on the results of the study by distributing questionnaires, graph 1 stated that the female sex was more dominant, namely 61.7%, compared to men, namely 38.3%. This is because women in Lamongan are more curious about mosque financial accountability and transparency than men. If seen by age 15–25 years, the value is 91.3%; age 26–35 years is 5.2%; age 36–45 years is 2.6%; and finally, age 46–64 years. Several reasons underlie the age group of 15–25 years being more active: they are critical and curious about the response of mosque management in managing financial reports. If seen from education, it is dominated by SMA/SMK by as much as 77.4%, S1 by as much as 19.1%, and S2 by as much as 3.5%. In general, mosque youth aged 15–25 years have a main task: to prosper the mosque with various activities that bring together generations around the mosque where they live nearby. Apart from functioning as a spiritual centre, the mosque also functions as a social and community centre (Redaktur, 2023). The presence of a mosque youth organization is a hope in a society that is preoccupied with worldly affairs. Through mosque youth, the void in the role of parents in educating religious values can be filled. The hope is that when they reach adulthood and meet other cultures and civilizations, they will not be surprised anymore because they already have a strong grip.

Source: Google form questionnaire data processed (2023)

Graph 2. Understanding Accountability and Transparency of Financial Statements in Mosque

Based on graph 2, it states that the public's understanding of the accountability of mosque financial reports in Lamongan is quite high, namely 75.7%, people who claim to have little understanding of accountability are 12.2% and those who do not understand at all are 12.2%. When viewed from the public's understanding of the transparency of financial reports at mosques, people who claim to understand are 70.4%, people who claim to understand a little are 13.9% and those who do not understand at all are 15.7%. This is because the public has received an explanation regarding the accountability and transparency of financial reports while studying at high school, vocational school or university. People who still understand
a little and do not understand at all, an understanding of transparency and accountability will encourage public awareness to participate in controlling and managing financial reports at mosques.

![Graph 3. The Urgency of Mosque Financial Reports](image)

Based on graph 3 it states that the financial reports need to be known by the public in Lamongan by 90.4%, the public does not need to be known by 5.2% and kept secret by 4.3%. This is because the public feels that the mandatory publication of financial reports is very important. Not a few people also feel that financial reports should not be published and some even choose to keep them secret for several reasons. Because the mosque funds must be explained to the relevant community regarding their allocation. For this reason, the community needs evidence of mosque cash management in an accountable and transparent manner, so that increasing the people's trust in management is also carried out properly (Pradesyah et al., 2021).

![Graph 4. Community Perspective Regarding Allocation of Majid Funds by Managers Mosques Around Community Residences](image)
Based on graph 4 it states that mosque funds managed by mosque administrators in the areas where people live in Lamongan have been allocated properly, namely 57.4%, people who feel the mosque funds have not been allocated properly are 5.2% and the rest are still unsure about the allocation of mosque funds is 37.4%. Nearly half of the people in Lamongan who research respondents were stated that the mosque funds had been allocated properly, but there were also those who were still unsure about the allocation of mosque funds. In fact, some of them are not sure that mosque funds are allocated according to their functions. The lack of knowledge in managing financial reports is an obstacle for mosque financial managers.

![Graph 4: Mosque Financial Accountability](image)

**Source: Google form questionnaire data processed (2023)**

**Graph 4: Community Perspective Regarding Honesty, Trust and Responsibility Mosque Finance Manager**

Based on graph 5 it states that 53.9% of the public think that the mosque financial administrators in Lamongan have carried out their duties honestly, trustworthy and responsible, 44.3% stated that they are still doubtful about the honesty, trustworthiness and responsibility of the mosque financial managers in Lamongan and even 1.7% of the public are still unsure if the financial managers of the mosque in Lamongan have carried out their duties honestly, reliably and responsibly. This is because the financial reports have been published to the public but the public is still unsure about the veracity of the financial reports submitted and are still in doubt. There is an unclear organizational structure that has an impact on a system that does not work according to its main duties and functions, financial reports that are not carried out regularly and are not published to the congregation of the mosque.

**Graph 5: Community Perspective Regarding Honesty, Trust and Responsibility Mosque Finance Manager**

Understanding The Concept Of Accountability And Transparency Of Financial Statements In Mosques

In accordance with the results of the research, the people in Lamongan understand the concepts of mosque financial accountability and transparency, but
there are some of them who understand a little and some even don't understand at all. This is due to the lack of knowledge about financial reports given at school. Many people know about the principles of accountability and financial transparency of mosques from teachers or lecturers, social media, news pages or websites, friends, and parents. Most people in Lamongan do not know the financial reports of the mosque near where they live, but there are also quite a few who know the financial reports of the mosque in the area where they live. Potential mosque funds One of the benefits of implementing transparency and accountability in mosque financial management is knowing how much potential funds are being managed by the mosque. The funds received from the mosque are on average used for *infaq*, alms, *zakat*, donors, and other funds managed to meet the needs of the mosque, and the funds that are spent are such as electricity costs, water costs, honorarium fees, cleaning costs, and other expenses. etc. Incoming and outgoing funds can be seen how much the incoming and outgoing funds are, from receiving mosque funds every month it changes, sometimes the mosque's income goes up and down and other funds managed to meet the needs of the mosque, and funds that are spent such as electricity costs, water costs, honorarium fees, cleaning costs, and other costs. Incoming and outgoing funds can be seen how much the incoming and outgoing funds are, from receiving mosque funds every month it changes, sometimes the mosque's income goes up and down and other funds managed to meet the needs of the mosque, and funds that are spent such as electricity costs, water costs, honorarium fees, cleaning costs, and other costs. Incoming and outgoing funds can be seen how much the incoming and outgoing funds are, from receiving mosque funds every month it changes, sometimes the mosque's income goes up and down (Susilawati, et al., 2020).

The Urgency of Knowing The Mosque's Financial Statements

Based on the results of the research, people in Lamongan consider it very important to know financial reports so that there is no misuse and so that financial reports are more transparent. There are also those who think that the mosque's financial reports have already been taken care of, namely the mosque management, so there is no need to know in detail the financial reports of mosques in Lamongan. The financial bookkeeping of the mosque which is done manually is one of the causes. In fact, it is this financial report that must be accounted for to the congregation of the mosque. Digital bookkeeping makes it easy to access mosque financial reports (Wulandhari, 2016). This avoids the negative prejudice that often arises from the people in Lamongan and the congregation itself.

Fraudulent Acts in Mosque Financial Statements

Based on the results of the answers from the research respondents, if the community in Lamongan saw fraud occurring in the mosque's financial reports in the community area, the action taken was to report the head of the mosque/to the authorities, but there were also those who reprimanded the mosque management to publish the mosque's financial reports. Several mosques in Lamongan carry out rules and sanctions if the administrators and financial managers of the mosque commit fraud, but not a few also doubt this. There are still people who are doubtful about
the sanctions given and even tend to cover up these actions. If there is an act of financial fraud in the mosque in Lamongan, mosque administrators tend to accept complaints and input from the community.

Public Understanding of Mosque Financial Reports Regarding Isak 35

ISAK 35 discusses non-profit organizations which contain religious organizations, such as mosques, requiring the preparation of financial reports which include 4 parts, namely balance sheets, cash flow statements, reports on changes in equity and notes on financial statements. Based on the results of the answers from research respondents, most people in Lamongan still do not understand ISAK 35 reporting, so some of them consider that the financial reports of mosques in Lamongan are still not in accordance with ISAK 35 standards, but not a few also state that the financial reports of mosques in Lamongan are in accordance with ISAK standard 45. People who say it is appropriate because they already understand the financial standards given at school or lectures.

Goal setting theory in this case, it is described in the work motivation of mosque administrators, who, if they work according to the rules and regulations, will achieve the desired goals. Mosque administrators who have a high commitment to the organization can make a stimulus for the role of the mosque *takmir* in managing the mosque's financial reports. This explains that if the management of the mosque in managing the mosque's financial reports is based on a sincere and honest sense it will have a good impact on the prosperity of the mosque and improve the mindset and positive outlook for the people in Lamongan regarding mosque financial management.

CONCLUSION

Until now, the mosque's financial report has become a mandatory thing to pay attention to. The number of frauds committed by unscrupulous mosque administrators, from corruption in mosque funds to financial reports that are not presented in a realistic manner, seems to be a threat to the sustainability of mosque development. Accountability and transparency are inseparable. Based on research conducted, people aged 15-25 years tend to be active in expressing opinions regarding mosque financial accountability and transparency. These teenagers, on average, are members of mosque youth who have the duty to prosper the mosque by making various things activities such as social activities. People in Lamongan almost understand the financial accountability and transparency of mosques. Various opinions from the people of Lamongan state that 53.9% of the management and financial managers of the mosque have carried out their duties properly, honestly, trustfully, and responsibly, but 44.3% are still unsure and 1.7% of them are still unsure about accountability and responsibility. This is due to the lack of information given at school.

People who understand this can access information through teachers or lecturers, social media, news pages or websites, friends and parents. There are also those who think that financial reports do not need to be known in detail because there is already a mosque administrator who takes care of finances, the mosque's financial bookkeeping system which is still done manually is one of the causes.
When the people in Lamongan saw fraud occurring at the mosque where they lived there was an act of fraud, the thing to do was to report it to the head of the mosque or to the authorities, but there were also those who directly reprimanded the mosque management. Based on the perspective and results of research on the people in Lamongan, several mosques in Lamongan have implemented rules and sanctions if mosque administrators commit acts of fraud. If there is information regarding fraud in the financial management of mosques in Lamongan, the management who is given a report receives the prosecutor’s complaints and input given by the community. Problems that occur regarding mosque financial accountability and transparency from the perspective of the people in Lamongan are due to not understanding ISAK 35.

The results of this study are expected to be able to provide contributions and solutions for mosque administrators, especially for mosque financial managers in Lamongan so that they can restore public confidence in mosque financial transparency and accountability. Things that need to be considered include placing someone who is an expert and understands accounting and financial reports to manage mosque finances, the mosque’s financial reporting system which is still done manually must be changed using a digital system, holding training on mosque accounting is necessary to help administrators convey open and accountable financial reports to mosque congregations, be transparent and accountable to the mosque’s financial administrators and conduct internal audits of mosque finances.

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