

SHARIA SUPERVISION OF AMIL ZAKAT AND SHODAQOH INSTITUTIONS: FRAMWORK AND REPORTING OF SUPERVISION RESULTS

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ABSTRACT:

The purpose of this study was to determine the work framework of the Sharia Supervisor and the reporting of the results of the supervision of the Sharia Supervisory Board at the Insan Madani Amil Zakat Institution and BAZNAZ Jambi City. This research uses descriptive qualitative methods, with a field research approach. It was found that the work framework of the Shari'ah Supervisor both at the Insan Madani Amil Zakat Institution and BAZNAZ Jambi City is to supervise the operational activities of the Amil Zakat Institution to comply with the provisions and principles of sharia. The difference lies in reporting the results of the supervision of the Shari'ah Supervisor where the Insan Madani Amil Zakat Institution reports the results to the Jambi Provincial BAZNAZ and then the Regional Office of the Ministry of Religion of Jambi Province periodically. Unlike the case with BAZNAZ Jambi City which reports the results of its supervision to the Regional Office of the Ministry of Religion, the Mayor, and the Governor.

Keywords: Amil Zakat Institution, Sharia Supervisory Board, Framework, Reporting

INTRODUCTION

An interesting phenomenon among Muslims in Indonesia is related to zakat. The interest of Indonesian Muslims to pay zakat has increased significantly along with the growth of zakat management institutions, both "state" and "private" data from Baznas keniakan in 2017 by 24.06% compared to 2017. This is also driven by the use of media, both print and electronic, which is packaged creatively as a strategy to streamline the influence of zakat awareness.

Zakat management continues to develop along with the dynamic political and economic conditions in Indonesia, with the issuance of Law Number 23 Year 2011 on Zakat Management and the implementation of the Law issued Government Regulation Number 14 Year 2014 on the Implementation of Law Number 23 Year 2011 on Zakat Management. Instruction of the Minister of Home Affairs Number 7 of 1998 concerning General Development of Amil Zakat, Infaq and Shadaqah Agency. Of course this was also influenced by the relationship between Islam and the state which at that time was starting to improve so that Islamic mass organizations such as Muhammadiyah and Nahdlatul Ulama played a role in the management and utilization of zakat. In addition, there are also zakat institutions managed by the community such as LAZ. Zakat managed with trustworthy, professional, and integrated can be

a spur to the economic movement of the community, so that there will be a reduction in the gap between the rich (Agniya) and the poor (Fuqoro wal masakin).

Supervision is also important in the operation of the Amil Zakat and Shodaqah Institution (hereinafter in this research abbreviated as LAZ), because with supervision it can find out the problems faced by Lazis and can even find fraudulent practices. In this case, the Supervisory Board must play an active role in controlling the institutions under its supervision in terms of fulfilling sharia principles. After the supervision is carried out, the supervisory board is obliged to submit a report on the results of its supervision to the DSN.

LAZ is an institution that collects, distributes and utilizes zakat, infaq and Shadaqoh. Based on observations that have been made by the author, the Amil Zakat, Infaq, and LAZ Insan Madani Institution and BAZNAZ Jambi City are to compare the reporting mechanism for the results of DPS supervision and indirectly also to see how sharia compliance is in the two institutions.

LITERATURE REVIEW

Amil Zakat Infak and Shadaqoh Institution

Zakat can be managed properly by institutions formed by the government (BAZ / Amil Zakat Agency) and institutions formed by the community (LAZ / Amil Zakat Institution) in Law No. 23 of 2011. According to the statistical data of the National Amil Zakat Agency (BAZNAS), the growth of Zakat Infaq and Shadaqoh collection in 2016 amounted to Rp. 5,017,293,126,950 in 2017 amounted to Rp. 6,224,371,269,471 with a total growth of Rp. 1,207,078,142,521 with a growth percentage of 24.06% (Baznas, 2018). This indicates that the community has realized the importance of issuing zakat channeled through LAZ.

LAZ is an institution formed by the community that has the task of assisting the collection, distribution and utilization of zakat funds. The funds managed by LAZ must of course be transparent and accountable, in the sense that they are open to the public and can also be accountable not only to humans but also to Allah SWT. One way to increase public trust in LAZ is to build good internal control of the organization.

Some things related to the professionalism of ZIS institutions are such as the Internal Control System (SPI), Accounting Information System (AIS), control and supervision system for the distribution of ZIS funds, inspection systems and mechanisms and accountability mechanisms. Of course, whether or not ZIS institutions are professional is not only influenced by these five factors, but also supported by qualified and professional human resources in the management of zakat and mastering sharia economic law.

Good Corporate Governance and Sharia Corporate Governance of Amil Zakat Infak and Shadaqoh Institutions

All zakat managers, both BAZNAS and LAZ are required to submit reports as a form of accountability. With the fulfillment of the principle of accountability, it will automatically fulfill the implementation of Good Corporate Governance (GCG). In order for this GCG to be fulfilled, it requires the following:

1. Sharia Supervisor, both appointment, composition and report.
2. Evaluation of sharia.
3. Internal evaluation of sharia.
4. Audit and governance committee.
5. Independence of the Shariah Supervisor.
6. Statement of governance principles.
7. Evaluation of corporate social responsibility.

LAZ as a Sharia Financial Institution also requires an ethical standard for human resources / human beings in which it contains a code of ethics. The code of ethics contains three parts, namely as follows: First, the foundation of sharia in the form of the principle that humans are caliphs on this earth who carry out the tasks given by Allah SWT, especially in Islam, accompanied by the intention of doing the task seriously and fearing Allah SWT, pious, sincere, true, and believing that every action will be accounted for before Allah SWT later in the future. Second, ethical principles in the form of objectivity, trust, faith-based behavior, professional behavior and technical standards, as well as professional competence and skills.

The sharia supervision system within the framework of sharia governance is carried out in two processes, namely the process before and after the transaction. The process before the transaction or what is called *ex-ante*, supervision is carried out by an independent party, namely the Sharia Supervisory Board (SSB) which provides fatwa regarding the structure, operational activities and can also provide socialization of sharia principles along with supervision of the implementation of sharia principles.

Research Methods

Research method is a research process or understanding based on a methodology that investigates a social phenomenon and human problems. Besides that, research methodology can also be interpreted as a way of working carried out by researchers using book rules (systems and methods) from each discipline used.

A scientific research can be trusted if it is compiled using an appropriate method. The method is a way of working or working procedures to be able to understand the object that is the target of the science concerned. Methods are also guidelines, the way a scientist studies and understands the environment at hand.

Research Approach

The approach used by researchers uses a qualitative descriptive approach. Qualitative research is referred to as a type of research whose findings are not obtained through statistical procedures or other forms of calculation. While descriptive is research that aims to provide a description of a particular group of people or a description of a symptom or the relationship between two or more symptoms.

In case study research usually covers the entire life cycle, but also sometimes only covers certain segments of the factors of the existing case. In this case about the work mechanism and reporting of supervision results at LAZ Insan Madani and BAZNAZ Jambi City.

Types of Research and Data Sources

This research uses a qualitative-descriptive approach. The type of research used in this research is field research, where the data in this study are taken directly from the object of research in the form of interviews with related parties at LAZ Insan Madani and BAZNAZ Jambi City.

Primary data used in this study were obtained directly through in-depth interview techniques both to Sharia Supervisors and internal organizational parties directly involved with LAZ Insan Madani and BAZNAZ Jambi City.

Data Analysis Technique

After the data is collected, the next step is to analyze the data. Data analysis is of course tailored to the objectives carried out. Studies in the field of research are actually so broad that there are many analytical tools that can be used by researchers in processing their data. Susan Stainback argues that data analysis is critical in the qualitative research process. Analysis is used to understand relationships and concepts in the data so that they can be developed and evaluated. Based on the above, it can be stated that data analysis is the process of systematically searching and compiling data obtained from materials related to the title so that it can be easily understood, by organizing data into categories, breaking down into units, synthesizing, compiling into patterns and selecting which ones are important in research.

Data analysis is a very important stage in research. The success of analyzing the data obtained can determine the success or failure of a study. Analysis can begin by reviewing the data collected, both from primary and secondary sources. After that, an abstraction is made as a way to reduce the data. The abstraction in question is an attempt to make a summary taken from the data collected. After that, the data is then arranged in categorized units. The last step in data analysis is checking the validity of the data. Then the data is interpreted, then conclusions are made which are none other than the results of the research.

To facilitate the author in analyzing the data that has been collected, the author analyzes it through the following process:

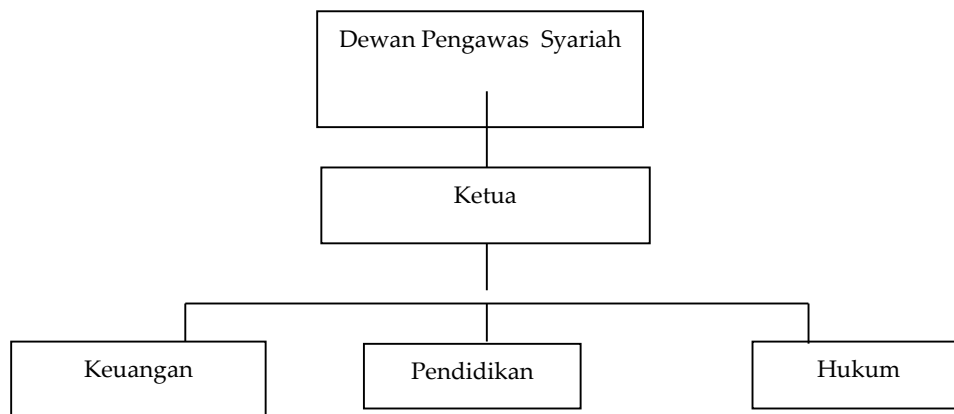
- a. Inductive, that is, departing from the fission and special style that applies to the character is better understood by thinking then general conclusions are drawn.
- b. Deductive, namely collecting, examining and researching general data to draw conclusions that are specific.
- c. Descriptive, which is an organized description of all the conceptions of figures regarding the topic or discussion of research on work ecanosm and reporting of supervision results at LAZ Insan Madani and BAZNAZ Jambi City.

RESULTS AND DISCUSSION

Laz Insan Madani and Sharia Supervision

Insan Madani is an Amil Zakat Institution (LAZ) located in Jambi City, established in 2011 and domiciled on Jl. Jendral Sudirman Number 18, Rukun Tetangga 22, Tambak Sari Village, South Jambi District, Jambi City, Jambi Province, whose articles of association are contained in deed Number: 03 dated October three, two thousand eleven (03-10-2011) made before HASAN, Bachelor of Laws, Notary in Jambi City, the articles of association have been approved by the Minister of Law and Human Rights of the Republic of Indonesia as described in decision letter Number: AHU-1658.AH.01.04.2012 for the next time in this deed called

"Foundation". .04.Year 2012 for the next time in this deed is called "Foundation". The position of the sharia supervisor of LAZ Insan Madani is as follows:



Since the establishment of LAZ Insam Madani, at that time there was also a Sharia Supervisory Board. This is in accordance with research conducted by Abdul Mujib (2017), that with the establishment of the Islamic financial industry, the DPS always follows and becomes an integral part. Since its establishment, there has only been one DPS.

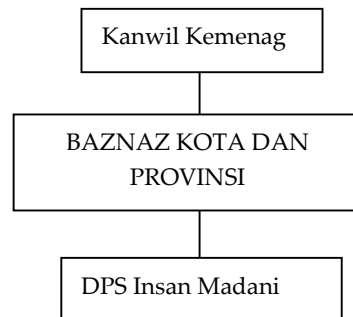
The authority of the Sharia Supervisor of LAZ Insam Madani is that in carrying out its duties it does not work alone, but many parties help it. Problems in the application of sharia principles such as First, regarding the debate between the classification of zakat, infaq and Shadaqoh. When LAZIS receives money either directly through transfer, the giving party submits it to LAZIS to classify it as zakat, infaq or Shadaqoh. Thus, the Sharia Supervisor then held a meeting to discuss this matter and the result obtained was that LAZIS operational staff visited the donor to ask for certainty that it would be recognized as zakat, infaq or Shadaqoh. Second, regarding the activity program. Although LAZ Insam Madani is an institution that collects, manages, distributes and utilizes ZIS funds, but in its application at LAZ Insam Madani it involves many people with the aim that there will be no monopoly of work and there will be no opportunity for corruption.

Guidelines for Policy Making and Reporting the Results of DPS Supervision

In making its policies, LAZ Insam Madani's Sharia Supervisor is guided by the Al-Qur'an, Hadith and Shafi'i Jurisprudence standards. As for the reporting mechanism for the results of the Supervision of the Sharia Supervisor, namely from the Sharia Supervisor of LAZ Insam Madani then reports the results to BAZNAZ and the Regional Office of the Ministry of Religion. The things that are reported are in the form of all activities, policies, findings, cases and also financial reports. One of the functions of the Sharia Supervisor is that he must make a statement periodically (usually every year) that the LKS he supervises has been running in accordance with sharia provisions.

Figure 2

DPS Reporting Scheme LAZ Insam Madani



Source: Interview results analyzed, 2021

The reporting scheme of the results of the supervision of the Sharia Supervisor of LAZ Insam Madani where the Sharia Supervisor in carrying out its function as a party that oversees the operational activities of LAZIS in accordance with sharia principles, so if the final result is that LAZIS does not comply with sharia principles, DPS Insam Madani is responsible for its sharia compliance. So that from the initial process to the end, LAZ Insam Madani is required to always comply with sharia principles and its sharia compliance assessment is also always compliant with sharia provisions.

Baznaz Jambi City and Sharia Supervision

According to Sujamto, supervision is an effort or activity to find out and assess the actual reality about the implementation of tasks or activities, according or not properly. Meanwhile, according to Sofyan Safri Harahap, supervision is an effort so that the predetermined plan can be achieved as it should. From these several definitions, the supervision in question is supervision to better ensure that all activities carried out in an organization are based on a plan, including a predetermined strategy. Supervision is needed to prevent deviations in the operationalization of a plan, so that various ongoing operational activities are carried out properly, in the sense that they are not only in accordance with the plan, but also with the highest possible efficiency and effectiveness. According to Sujamto, there are three types of supervision, namely: Supervision seen from the relationship between the subject and the object of supervision:

- a. External supervision, supervision carried out from outside, in this supervision the supervisory subject is outside the composition of the object being supervised.
- b. Internal supervision, namely supervision from within where the subject of supervision is within the organizational structure.

BAZNAS Jambi City, in every activity, feels that it is always supervised, through external and internal supervision. This is explained in every activity of BAZNAZ Jambi City trying to always involve elements of the Regional government, Ulama, community leaders, or it can also provide annual activity reports every six months to the Governor and the Jambi

Regional Office of the Ministry of Religion. While internal supervision is carried out by those within the Jambi City BAZNAS agency itself who have the authority to supervise.

- a. Internal supervision carried out by BAZNAZ Jambi City, according to Baznaz, is to conduct weekly and monthly evaluation meetings in each existing field. He explained concretely that on Tuesday every week is a work evaluation meeting of all fields which is attended by all 4 deputy chairmen of BAZNAS BAZNAZ Jambi City, and also the Heads of organizational fields. While every Wednesday is an evaluation meeting in the field of distribution and utilization, which is attended by all members of the field. On Friday is an evaluation meeting in the field of Zakat Collection which is attended by the head and its members.
- b. Judging from the implementation of supervision, it consists of:
 1. Preventive supervision, which is supervision carried out before the implementation of work
 2. Repressive supervision, which is supervision carried out after or when activities are carried out.
- c. Judging from the subject of supervision consists of:
 1. Direct supervision, namely supervision carried out by visiting and conducting on-site inspections of the object of supervision.
 2. Indirect supervision, namely supervision carried out by not visiting the object of supervision.

Guidelines for Policy Making and Reporting the Results of DPS Supervision

When examined, the supervision referred to in Law Number 23 of 2011 concerning Zakat Management Article 35 paragraph (3) is in the form of access to information about zakat management carried out by BAZNAS and LAZ. And then the submission of information if there are irregularities in the management of Zakat carried out by BAZNAS RI and BAZNAS Jambi City in particular.

According to the author's interview with the head of the Distribution and Utilization Division, it is clear that the form of supervision carried out by the government is more to see the results of periodic and year-end reports conducted by BAZNAS Jambi City. The report is submitted to the Regional Office of the Jambi Ministry of Religious Affairs, the Mayor, and the Governor.

According to the author, the system built in BAZNAS Jambi City is very good, because the circulation of money in and out is all recorded. Others If what is said to be supervision is like what is explained in PP Number 14 of 2014 concerning the implementing rules of the zakat management law in the report on the implementation of the management of zakat, infaq, sadaqah, and other religious social funds as referred to in Article 71, Article 72, and Article 73 must be audited syariat and finance. Of course, the authority to audit is in the hands of the government, sharia audits are carried out by the Ministry of Religion while financial audits are carried out by public accountants.

When the author conducted research at BAZNAS Jambi City, the Zakat institution was being audited by a public accountant. From this, it can be seen the seriousness of BAZNAS Jambi City in improving the quality of Zakat institutions, especially in Jambi City.

While the Sharia Audit is carried out by the Regional Office of the Ministry of Religion only in the form of visits and the similarity of the Program and conformity with Islamic teachings. The Sharia Audit conducted by the Ministry of Religion of the Republic of Indonesia can increase public confidence in BAZNAS BAZNAZ Jambi City, in the course of this research the author sees the seriousness of the government in increasing public trust in BAZNAS Amil Zakat institutions in Indonesia.

A little criticism from the author of the Audit which should be mandatory and evenly distributed in every element of the zakat management institution, that the government must be bolder and prepare funds and manpower, because the author considers that the Audit of zakat institutions, especially the Sharia Audit, has not been evenly distributed and also not from the initiative that came from the government. Sharia audits carried out by several zakat institutions are more on the initiative of the institution itself, not coming from the government. And from there the author considers that this should be the authority of the Government and become an obligation for professional zakat management routines.

CONCLUSION

The authority of the Sharia Supervisor of LAZ Insam Madani is that in carrying out its duties it does not work alone, but many parties help it. Problems in the application of sharia principles such as First, regarding the debate between the classification of zakat, infaq and Shadaqoh. When LAZIS receives money either directly through transfer, the giving party submits it to LAZIS to classify it as zakat, infaq or shadaqoh. Thus, the Sharia Supervisor then held a meeting to discuss this matter and the result obtained was that LAZIS operational staff visited the donor to ask for certainty that it would be recognized as zakat, infaq or Shadaqoh. Second, regarding the activity program. Although LAZ Insam Madani is an institution that collects, manages, distributes and utilizes ZIS funds, but in its application at LAZ Insam Madani it involves many people with the aim that there will be no monopoly of work and there will be no opportunity for corruption.

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