Al-Falah: Sistem Pengurusan Rekod Masjid

Siti Noor Azmawaty Abd Razak
Faculty of Accountancy
UiTM Cawangan Kelantan
Machang Kelantan, Malaysia
azmawaty588@uitm.edu.my

Wan Nurul Basirah Wan Mohamad
Noor *Faculty of Accountancy*
UiTM Cawangan Kelantan
Machang Kelantan, Malaysia
basirah66@uitm.edu.my

Shariful Amran Abdul Rahman
Faculty of Accountancy
UiTM Cawangan Kelantan
Machang Kelantan, Malaysia
shariful@uitm.edu.my

Dr. Ruslaina Yusoff
Faculty of Accountancy
UiTM Cawangan Kelantan
Machang Kelantan, Malaysia
ruslaina@uitm.edu.my

Abstract—**Mosques are classified as not for profit organization that deal with public funds received mainly form government allocations, corporate bodies as well as public donations. Hence, the recording and bookkeeping is one of the crucial aspects to be considered, especially in handling funds received and disbursed by them. The fact that those handling the mosques'' funds may not be financially literate posed a key challenge to an efficient and proper management of cash flows. Owing to that, the objective of Al-Falah is to assist these trustees of mosques funds in bookkeeping and recording their daily receipts and disbursements. Al-Falah is system that is simple to understand yet easy to operate among computer users. It can run under a moderate computer specification. The base was Microsoft Excel and it contains several key features of recording monthly receipts, disbursements and generating monthly report. At the month end, users will be able to determine the remaining funds to be brought forward to the next period. The added feature of auto generating a statement for the current month is an important record for auditing of funds by the governing body. Al-Falah is expected to solve some criticism for improper recording and reporting of receipts and disbursements of mosques. Henceforth, Al-Falah shall be updated, adding more useful features such as yearly recording to it and is expected to be used by every mosque in Kelantan.**

Keywords— Al-Falah, bookkeeping, mosque, public funds, recording, system)

I. INTRODUCTION

In accordance with Islamic outset, the mosque is a center for community development. Mosques is a not for profit organizations where Muslims gathered, worship their creator as well as acquiring Islamic knowledge. It plays an important role as a center for any communal activities and gatherings. It is a center for transforming government Islamic-related policies within the society. In mosques, these programs and activities are held to strengthen and instill Islamic values among the members in the community.

The trustees of mosques will manage charitable funds such as collections (sadaqah) and also endowments (waqaf) entrusted by the public. As such, it is important for a mosque to maintain strong financial condition to achieve its strategic mission. It has become a key challenge in managing these funds and ensuring efficient and proper financial management practices. Proper financial management

practices significantly increase the efficiency, effectiveness as well as value maximization of mosques [1].

To achieve a better fund management, chairman and treasurer need to play a crucial role, as they were the persons who has been accounted for the public funds. However, it has been a debate that there is lack of accountability in managing accounting system and improper recording and reporting of income by some mosques [2]. In another study, embezzlement of funds from religious organization is found to be more common due to lack of accounting and lack of commitment to accounting [3].

Al-Falah: Sistem Pengurusan Rekod Masjid (Al-Falah) is a simple system developed to aid trustees of mosque funds to properly record their receipts and disbursements of funds. The objectives of the system are threefold: (1) to assist these trustees of mosques funds in bookkeeping and recording their daily receipts and disbursements, (2) to ease the auditing of funds by the governing bodies, (3) to enhance understanding of layman regarding essentials of a proper record keeping and money management.

II. LITERATURE REVIEW

A. *Accountability demand for the non- profit organization*

The term accountability has been a debate for years. Accountability has been used to describe the responsibility of those who manage or control resources to others [4]. The concept, in general, shows a relationship between two parties in which one party is directly or indirectly accountable to another party for something [5][6]. Concern on accountability about a non-profit organizations (NPOs) has been raised by many researchers and related stakeholders. A recent case of embezzlement as reported by Channel News Asia (Singapore) uncover some shocking criminal breach of trust charges, done by a former chairman of a mosque's management board involving a loss of Singapore Dollar $370,000 from mosque donations over 7 years [11]. Therefore, the demand significantly raised to a higher level for NPOs to be more accountable due to various stakeholders are involved. Unlike a normal profit-making organization, NPOs deal with public money entrusted to them. Hence, these NPOs are expected to deliver to its intended purpose.

B. Financial management in non-profit organization

Some criticism lingers around NPOs with claims that NPOs generally have poor internal control, inadequate accounting system with lack of accounting expertise, as well as lack of commitment to financial management. Some people view that financial procedures such as accounting and internal control procedures are regarded as secular activities and therefore, as secondary to sacred activities of the mosques [10]. The findings by prior literatures [13] [14] [15] supported the notion that there was much deficiency in the management, finance and accounting department of which leading to lack of accountability to its stakeholders. A study conducted in mosques under a semi structured interview with mosques committee members, mosques volunteers and mosque officials revealed that the trustees have to figure out on his own on how to record the flow of funds as nobody would teach them on how it should be done. With the current attention given on financial management by these NPOs, it is expected that now these organization need to show a greater level of accountability by reporting their activities properly to the stakeholders [7].

C. Accounting system and financial reporting

Financial reporting is seen as one of the ways to demonstrate accountability and building trust amongst the stakeholders. Since these mosques are governed by the State Islamic Religious Council (SIRC), the requirement to periodically submit financial reports are not strictly enforced as mosques committees are generally volunteers and have low skills in reports preparation [12]. Accounting for receipts and expenditure of funds is the major aim of financial reporting and this can improve the stakeholders' trust. With respect to that, a simple accounting system named Al-Falah is developed to ease trustees of these public funds to record monthly receipts, disbursements and generating monthly report. At the month end, users will be able to determine the remaining funds to be brought forward to the next period.

Developed from a base of Microsoft Excel, the system contains an added feature of auto generating a statement for the current month is an important record for auditing of funds by the governing body. As mosques is also considered as NPO that hold public funds from donations and endowments, nearly every transaction is likely to affect some stakeholders' interest. Therefore, accountability relationships and the need for financial reporting arise with every transaction. Clearly, there is a reciprocal relationship between accounting and accountability [8]. Thus, financial reporting has been used as the core accountability tool by various NPOs, irrespective of their objectives and missions.

III. METHODS

The system Al-Falah was introduced and applied in five workshop series in a program held by Faculty of Accountancy, UiTM Cawangan Kelantan (UiTMCK) and Majlis Agama Islam & Adat Istiadat Melayu Kelantan (MAIK) for 43 mosques located in Machang districts. After the end of each workshop series, a questionnaire was distributed to all of the participants. The participants involved were imams and treasurers for each mosque under governance of MAIK. At the end of the series, certificates were issued to each of the participants in an official ceremony.

The questionnaires contained several aspects including questions on participants background, Al-Falah user experience and how well users could understand the system. Finally, users are given a section to suggest for future improvements on the system. The questionnaires were distributed to approximately 105 participants with a usable response rate of 80%.

IV. RESULTS AND FINDINGS

The analysis of results from users indicates the following findings. Generally, 67 out of 84 (or 80%) of the imams and treasurers of these mosques have no strong accounting background. The remaining 17 trustees (or 20%) either have experience in handling accounting records or works in the related field. The findings were in agreement to [9] that found most mosques board have no qualifications to play active role in managing mosque funds.

The series of workshops held by the Faculty of Accountancy helped these trustees in understanding the essentials of record keeping and reporting. Previously, before being introduced to Al-Falah, 70% of these trustees were using manual records using files, while 30% of them typed the records using application in the computers, based on the practices of the predecessor trustees. Hence, it was discovered that 75% of the trustees were taking months to a year to prepare the financial statements before being introduced to Al-Falah. Upon asked about the user interface features and their understanding on how the system works, 70% agree that Al-Falah is convenient and easy to understand. Finally, with the help of the facilitators from the Faculty of Accountancy UiTMCK, 90% of the trustees are certain that they are going to keep using Al-Falah for the upcoming reporting period.

These findings somehow indicated that the use of a simple system would actually improve the level of commitment by these imams and treasurer on the financial reporting management. Consequently, this leads to enhanced awareness on financial reporting that shall gradually diminishes the criticism of mosques committees' lack of skills and commitments towards financial reporting [3]

V. CONCLUSIONS

In a nutshell, financial reporting is an imperative tool to improve productivity and accountability of mosques' financial management. With a simple system such as Al-Falah, any layman with some or little knowledge on recording and bookkeeping will be able to prepare a simple financial statement for reporting purposes. The potential commercialization is palpable, as currently Al-Falah has been introduced into a second phase of workshop series involving 50 mosques in Kota Bharu, Kelantan. In future, taking into account the comments for future improvements by current users, the system is expected to be further improved by adding sheets for yearly recordings and probably an external link to Google Drive for users to scan and upload the source document for instant retrievals.

God for the sustenance throughout the development of Al- Falah.

REFERENCES

[1] Azhar, A. W. (2008). Financial Management of Mosques in Kota Setar District: Issues and Challenges (Doctoral dissertation, Universiti Utara Malaysia).

[2] Alim, A. P., & Abdullah, S. R. (2010). Audit Pengurusan Masjid: Kajian di Daerah Pasir Puteh, Kelantan. Universiti Teknologi Malaysia Institutional Repository, 1-7.

[3] Sulaiman, M., Siraj, S. A., & Ibrahim, S. H. M. (2008). Internal control systems in West Malaysia's state mosques. American Journal of Islamic Social Sciences, 25(1), 63.

[4] Coy, D., & Pratt, M. (1998). An insight into accountability and politics in universities: A case study. Accounting, Auditing and Accountability Journal, 11(5), 540–561.

[5] Kearns, K. P. (1994). The strategic management of accountability in non-profit organizations: An analytical frame-work. Public Administration Review, 54(2), 185–192

[6] Walker, P. (2002). Understanding accountability: Theoretical models and their implications for social service organizations. Social Policy and Administration, 36(1), 62–75.

[7] Herman, R. D., & Renz, D. O. (1998). What is not-for-profit organization effectiveness? The Not-for-Profit CEO Monthly Letter, Focus Missions, special issue.

[8] Watkins, A. L. (2007). An accountability view of accounting, guidance for accounting practice. The CPA Journal, 77(2), 6–9.

[9] Razi, M.J.M. 2009. Mosque leadership in Sri Lanka: Problems and prospects. Colombo, Interview, February 7.

[10] M.I.M., Jazeel. (2017). Financial management practices of mosques in Sri Lanka: an observation.

[11] Lam, Lydia (2019). Former mosque chairman admits siphoning S$370,000   from   donations over   7 years. https://www.channelnewsasia.com

[12] Hamdan, N. O. R. M. A. N., Mohd Ramli, A., Jalil, A. B. D. U. L. L.
A. A. H., & Haris, A. S. M. A. D. D. Y. (2013). Accounting for waqf institutions: A review on the adaptation of fund accounting in developing the Shariah-Compliant financial reports for mosque. In World Universities' Islamic Philanthropy Conference (Vol. 4).

[13] Lightbody, M. (2000). Storing and shielding: financial management behaviour in a church organisation. Accounting Auditing and Accountability Journal, Vol.13, No. 2, 156 – 174.

Parker, L.D. (2002). Budgetary incrementalism in a Christian bureaucracy, Management Accounting Research, Vol. 13, 71 – 10