

Sharia-Based Accountability in Sharia Cooperatives (Case Study at PT. Mega Central Finance Lhokseumawe City)

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ABSTRACT

The aim of this article is sharia-based accountability. The type of research used is library research or literature review. Library research is a form of research carried out by collecting various references which are the main sources for this article published in journals and other written articles. The results of this research show the sharia-based accountability carried out by MCF Syariah. There are three types of accountability carried out, namely accountability towards God, humans and nature. The activities carried out by the company are based on the worship of God.

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INTRODUCTION

Accountability is one of the principles of government governance which has an important meaning in increasing public trust in activities/programs designed and implemented by the government for the benefit of the community (Savira & Januarti, 2020). Accountability can be classified into five dimensions including: legal accountability and honesty, managerial accountability, program accountability, policy accountability and financial accountability

In general, national development aims to improve the welfare of people's lives (Syawie, 2014). The welfare of life in Indonesian society depends on the success of regional development throughout Indonesia, the majority of which depends on village development which is the largest portion of the entire country.

According to the 1945 Constitution of the Republic of Indonesia, article 33 paragraph (1) states that the economy is structured as a joint venture based on the principle of kinship. Furthermore, Article 33 paragraph (4) of the 1945 Constitution states that the national economy is organized based on economic democracy with the principles of togetherness, efficiency, justice, sustainability, environmental insight, independence and by maintaining a balance in the progress and unity of the national economy. Based on Article 33 of the 1945 Constitution, cooperatives are a very suitable form of business. Cooperatives are formed and managed by members with the aim of improving the standard of living with the welfare of their members. In a large-scale form, the formation of this cooperative aims to improve the standard of living and welfare of the Indonesian people.

Developments in Islamic (sharia) business are now increasingly widespread and widely available in Indonesia. One of the drivers is the awareness of the majority Muslim community to use and utilize products (goods and services) that are halal and tayyib.

Islamic business views that the earth and everything in it is a trust from Allah, to humans as caliphs on this earth, to be used as much as possible for human welfare. Not only is it a series of activities to seek as much profit or profit as possible, but it is limited in how it is obtained and utilized by halal and haram rules.

The responsibility or accountability of an Islamic business organization in the form of reporting results and financial position is dedicated to the contributors of financial resources and also to society in general. Islamic business organizations carry out operations, determine goals and achieve goals based entirely on sharia ethical values. In accounting it is useful to assist in the efficient allocation of resources by providing information for decision making by those responsible for making investment decisions.

The implementation of accountability in question uses references to the Minister of Cooperatives and UMKM Regulations in article 9 (paragraphs 1, 2 and 3) regarding several aspects that are fulfilled so that the implementation of accountability in cooperatives can be said to be good. The aspects in question are organizational and management accountability, business accountability and services to members, and financial accountability. The use of measurements based on the above ministerial regulation indicators is very appropriate.

METHOD

The type of research used is library research . Library research is a form of research carried out by collecting various kinds of references which are the main sources for conducting research, the references which are the primary sources in this research are articles in journals and written articles (Sri Wahyuni & Muhammad Wahyuddin Abdullah, 2021)

Researchers conduct literature reviews to solve problems in research, using procedures suggested by Cooper in (Suhartono, 2017) for literature synthesis

- a. Formulate the problem
- b. Collecting data
- c. Evaluate the suitability of the data
- d. Analyze and interpret relevant data
- e. Organize and present results

Formulation of the problem

The problem is described to evaluate data in the systematic accountability of sharia cooperatives to sharia MCFs in order to identify methods, benefits and challenges in carrying out accountability to sharia MCFs.

Data collection

Data collection aims to find empirical studies and literature reviews published in journals. The keyword used is "accountability" in sharia cooperatives (Firmansyah & Dede, 2022)

Data Analysis and Evaluation

Based on the procedure explained above, around 15 . Of these, 5 are focused on issues related to the accountability of sharia cooperatives. Other articles were excluded from this review due to their lack of focus on the research we discussed. Below are excerpts from the articles included in the results section.

No	Title	Writer	Results
1.	Accountability Based on Sharia Enterprise Theory in Realizing a Sustainable Economy	Sriwahyuni, Muhammad Wahiddin Abdullah (2021)	The results of this article show that. Accountability based on Shariah Enterprise Theory provides a perspective on accountability into three dimensions, namely accountability towards God, humans and nature. Shariah enterprise theory has considered spiritual awareness in humans, so that the activities carried out by companies are based on worship of God, maqashid sharia as a way to achieve prosperity

2.	optimizing the role of sharia-based cooperatives at the Darul Hikmah Cisauk Tangerang Islamic boarding school with sharia accounting training	Eva Heriantii, Lidia, Dahlia Tri Angraini, Endang Rudiatin (2022)	Accounting science is not yet fully understood by cooperative administrators, so the records in Islamic boarding school cooperatives are still in manual form and very simple.
3.	Accountability of Sharia Cooperatives (Case Study of Kanindo Syariah East Java)	Shela Weli Arga (2020)	Based on the research results, KANINDO Syariah East Java has implemented the most accountability in accordance with an Islamic perspective.
4.	Accountability of savings and loan cooperatives in Central Java	Benedicta Adunsa Bella Savira, Indira Januarti	The research results show that the number of members, total assets and total liabilities have a positive effect on demand for audit services. The liquidity ratio variable has no effect on demand for audit services.
5.	Application of Financial Accounting Standards for Entities Without Public Accountability (Sak Etap) in Sharia Savings and Loans Cooperatives (Ksps)	Ida Ayu Setyaningsih (2020)	The research results show internal factors because management thinks that the financial reports that have been prepared so far have been able to meet the needs of the organization or in other words, management's knowledge regarding SAK ETAP is lacking; while the external factor is the lack of supervision from interested parties regarding the cooperative's financial reports

RESULTS

Accountability in Islam

The concept of accountability in Islamic states that humans are the holders of trust, not the holders of full power who govern the world. Humans are appointed as "caliphs" in the form of trust and as representatives of Allah. The concept of accountability in Islam cannot be separated from justice and truth. The concept of justice describes the horizontal dimension of Islamic teachings which relates to overall harmony in the universe or what is better known as sunnatullah. The importance of justice in economic activities is because in the decision-making process, useful information is needed, namely the information obtained describes what has happened and is within the limits of Islamic social rules and economic behavior (Handajani et al., 2019)

Accountability in the Sharia Enterprise Theory perspective has a balance of egoistic, altruistic, material and spiritual values. Thus, the balance that is created involves several parties and relationships that exist, thus forming three dimensions of accountability, namely accountability towards God, humans and nature. Accountability towards God is defined as an effort to optimize every resource bestowed upon its creatures, which is a trust that is inherent in responsibility to use it in accordance with the provisions of Allah's sharia, which is contained in the holy book Al-Quran (Herianti et al., 2022)

Accountability towards humans is defined as a relationship between humans in which one party plays a role. as parties who directly contribute to the company in the form of financial and non-financial contributions, hereafter referred to as direct stakeholders, namely parties who do not contribute at all to the company, whether financial or non-financial, but according to their sharia are parties who have the right to receive welfare from the company (indirect stakeholders). And Accountability to Nature. Nature is defined as a vital ecosystem that contributes to the survival of the company, in other words, balance in preserving nature is the main point in creating a harmonious and balanced life. Companies will continue to exist if they pay attention to their natural environment (HERIANTI, 2022)

Meanwhile, according to Meutia Syariah Enterprise theory consists of two dimensions, namely: 13 Vertical Accountability, namely Allah, includes accountability directed to Allah. Some examples of vertical accountability, namely the opinion of the Sharia Supervisory Board and disclosure of fatwas and operational aspects that are complied with and not complied with and the reasons. Horizontal Accountability, namely, Direct Stakeholders towards Customers, for example, disclosure of the qualifications and experience of members of the Sharia Supervisory Board, reports on zakat and qardhul hasan funds as well as audits carried

out on these reports, product information and the underlying sharia concept, explanations about financing with profit and loss sharing schemes, and explanation of policies or efforts to reduce non-shariah transactions in the future. Horizontal Accountability, Direct Stakeholders towards Employees, for example, is the disclosure of wages and remuneration, policies regarding training that improves the spiritual quality of employees and their families, the availability of health and counseling services for employees, and non-discrimination policies applied to employees in terms of wages, training and career opportunities. Horizontal Indirect Stakeholders Accountability is responsibility to the community. Some examples of horizontal accountability to the community are disclosures about initiatives to increase access to the wider community to Islamic banking financial services, financing policies regarding discrimination and human rights issues, financing policies that take into account the interests of the general public, and contributions made to improve the quality of life of the community in the fields of religion, education and health. Natural Horizontal Accountability, for example, is the disclosure of financing policies that consider environmental issues, the amount of financing provided to businesses that have the potential to damage the environment and the reasons for providing such financing, and efforts to increase awareness among employees.

Sharia Enterprise Theory

Sharia enterprise theory is based on the premise that humans are *khalifatullah fil ardh* who carry the mission of creating and distributing prosperity for all humans and nature, encouraging the realization of the value of justice for the human and natural environment. Therefore, it will bring benefits to stockholders, stakeholders, society and the environment, not only prioritizing the interests of individuals (in this case shareholders), but also other related parties. Apart from that, it has a balanced character that balances egoistic values with altruistic values and material values with spiritual values

By placing Allah as the highest stakeholder, the connecting link so that sharia accounting continues to aim at raising divine awareness, its users remain guaranteed. The consequence of establishing Allah as the highest stakeholder is the use of *sunnatullah* as the basis for the construction of sharia accounting, namely that with this *sunnatullah*, *syqrigh* accounting is only built based on Allah's rules or laws. The second stakeholder from Shariah enterprises theory is humans, who are differentiated between direct-stakeholders and indirect-stakeholders. Direct-stakeholders are parties who directly contribute to the company, both in the form of financial contributions and non-financial contributions. Because they have contributed to the company, they have the right to receive welfare from the company. Meanwhile, what is meant by indirect-stakeholders are parties who do not contribute at all to the company (either financially or non-financially), but according to sharia they are parties who have the right to obtain welfare from the company. The final stakeholder group from Shariah enterprises theory is nature (Savira & Januarti, 2020)

The consequences of this balance value cause Sharia Enterprise Theory to not only care about the interests of individuals (in this case shareholders), but also other parties. Therefore, Sharia Enterprise Theory has great concern for a wide range of stakeholders. According to Sharia Enterprise Theory, stakeholders include three parts. God is the highest party and is the only goal of human life. By placing God as the highest stakeholder, the connecting link so that sharia accounting continues to aim at "awakening divine consciousness" in its users remains guaranteed. The consequence of establishing God as the highest stakeholder is that *sunnatullah* is used as the basis for the construction of sharia accounting. The point is that with this *sunnatullah*, sharia accounting is only built based on God's rules or laws. Humans, the second stakeholder of sharia enterprise theory is human. Here it is divided into two groups, namely direct-stakeholders and indirect-stakeholders. Direct-stakeholders are parties who directly contribute to the company, both in the form of financial contributions and non-financial contributions. Because they have contributed to the company, they have the right to receive welfare from the company. Meanwhile, what is meant by indirect-stakeholders are parties who do not contribute at all to the company (either financially or non-financially), but according to sharia they are parties who have the right to obtain welfare from the company .

Sharia enterprise theory does not place humans at the center of everything as understood by anthropocentrism. But on the contrary, sharia enterprise theory places God at the center of everything. God is the center to which humans and the universe return. Therefore, humans here are only His representatives (*khalitullah fil B alanca* 48 *Journal of Islamic Economics and Business* Volume 3 Number 1, January – June 2021 (41 – 54) *ardh*) who have the consequence of obeying all of God's laws. Human (and natural) obedience is solely in order to return to God with a calm soul. The process of returning to God requires a process of unifying oneself with fellow humans and nature as well as with the laws inherent in it. 19 Of course, this concept is very different from entity theory which places humans, in this case stockholders, as the center. In this context, welfare is solely concentrated on stockholders. The consequence of accepting sharia enterprise theory as the basis for developing sharia accounting theory is the recognition of income in the form of value-added, not income in the sense of profit as adopted by entity theory. Baydoun & Willett in its Islamic accounting theory and Islamic corporate reports has shown added value. However, what they convey is actually still in a simple form and places more emphasis on the form of presentation in the Value Added Statement.

Accountability Based on Sharia Enterprise Theory in Sharia Cooperatives (MCF Syariah)

The concept of accountability in Islam is closely related to reckoning (reckoning) on the day of reckoning. The reckoning referred to in the general sense is related to a person's obligations as an account to Allah. In all matters relating to human actions. In the context of accountability, humans seem to have entered into a contract with God. The contract is from and to Allah, as The Ultimate Principal who assigns humans to spread grace or prosperity to other humans and nature. The consequence of an assignment is that humans must be responsible for the tasks assigned to them. For this reason, the accountability carried out by management is holy accountability, namely management presents holy "offerings" to Allah, so that these offerings are accepted and get His approval, management to Allah (Arga, nd)

The concept of responsibility has been established by sunnatullah which is highly emphasized in Islam, not a general ethical norm or state legislation. Accountability is not only limited to a spiritual context, but accountability is formulated into operational means to achieve Allah's approval. Vertical accountability to Allah is then further elaborated in the form of horizontal accountability to other human beings and the natural environment. This responsibility is a form of man's noble duty as caliph, namely creating and distributing prosperity (material and non-material) for all humans and the universe. Accountability is one of the most important concepts in organizations and business and there is a trilogy of accountability relationships, namely economic, ecological and spiritual accountability or the existence of two dimensions of accountability relationships, namely vertical relationships and horizontal relationships, which states that there is two-way communication, such as accountability reports between the company and its stakeholders will form a feeling of mutual belonging, mutual care, understanding, comfort in working together, and stakeholders' trust in the company will continue to be established (Alfian & Arum, 2023)

The application of accountability in the Shariah Enterprise Theory concept is based on the concept of accountability of company owners regarding accountability that the main goal of life in the world of rahmatan lil alamin is that every Muslim is required to provide benefits to others as creatures of Allah . The realization of this concept is carried out by separating the responsibilities of business funds and social funds managed by the company. Accountability for business funds managed by the company is accountable to Allah through zakat funds and an accountability report is prepared by the owner as an evaluation material for increasing future zakat targets. Managed non-business funds are accountable to the community through various social and humanitarian activities and accountability reports are provided to the community through various media such as posters and banners. This manifestation of spiritual accountability is based on the fact that all activities carried out are a form of worship and charity. The path taken to do these two things is through jihad on the path. One way of jihad is to apply sharia principles (humanist, emancipatory, transcendental and teleological) in business activities (Setyaningsih, 2019)

CONCLUSION

Accountability is a forum and form of responsibility to Allah to support those who are managed. Accountability is not just a responsibility report that is formulated into operational facilities so that it can be seen transparently and is a form of achieving God's pleasure. In carrying out this accountability, we always pay attention to business ethics that take into account spiritual awareness in humans. The activities carried out by the company are based on spiritual values so that they can provide prosperity from the sharia concept used which includes economic, mental and spiritual values which must be carried out in a halal manner and by obtaining, processing and distributing them.

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