ISLAMIC ETHICS AS THE BASIS OF FINANCIAL ACCOUNTABILITY: A STUDY ON MODERN ORGANIZATIONAL MANAGEMENT

Hasyim Muha[1]

[1]Politeknik Negeri Ujung Pandang, Indonesia
Correspondence Email: hasyimdbz11@gmail.com

ABSTRACT

This study discusses the phenomenon of discrepancy in financial statements produced by Islamic community organizations with general accepted accounting principles. Islamic Community Organizations have an important role in building social welfare and improving the quality of life of the ummah in the religious, educational, social, and economic fields. This organization faces challenges in compiling financial statements that meet applicable accounting standards. This phenomenon reflects obstacles in the application of the principles of accountability and transparency that are in line with Islamic ethical values. The approach used in this study is qualitative, interview-based, and document analysis. The object of research is focused on Muhammadiyah University of South Sulawesi. This study reveals the factors that hinder the implementation of accounting standards and offers solutions based on Islamic values. The results of the study show that the low quality of financial statements is influenced by the limitation of skilled human resources, lack of understanding of general accepted accounting principles, weak function of the internal supervision system, and lack of application of Islamic ethics in financial management. These results show that Islamic ethical values in Accounting Practice and increasing financial accountability in Islamic Community Organizations need to be improved. The results of this study are expected to contribute to improving the financial transparency and accountability of Islamic community organizations in accordance with The General Accepted Accounting Standards.

Keywords: Financial accountability; islamic ethics; modern organizational management

1. INTRODUCTION

The formation of Islamic community organizations (hereinafter referred to as Islamic organizations) is an effort to strengthen ukhuwah Islamiyah (brotherhood among Muslims), spread Islamic teachings, and build a society based on Islamic values. These goals generally include Islamic da'wah, increasing religious understanding, strengthening Islamic ukhuwah, empowering the ummah, protecting and advocating the ummah, moral and moral development, and contributing to the life of the nation.

Carrying out the operations of Islamic organizations certainly involves management parties who are composed of organizational management for each field that is mandated. This party is an agent of the organization itself, while the principal party is the Muslims themselves. Almost all work programs of Islamic organizations involve financial activities that use the resources of Islamic organizations themselves. This of course has implications for financial accountability activities or commonly referred to as financial accountability.

Islamic perspectives regarding accountability and ethical behavior have a close relationship as part of the integrity of a Muslim in living his life. Accountability (muhasabah) in Islam is not only limited to human responsibility to others, but also to Allah SWT as a form of recognition of final responsibility on the day of retribution. This forms a solid foundation of ethical behavior in every aspect of life, including in work, social relationships, and worship.

Islamic ethical behavior refers to actions and decisions that are in accordance with the moral values taught by the Qur'an and Hadith. This ethics emphasizes honesty, justice, trust, and responsibility to others and the environment. Meanwhile, accountability in Islam encourages individuals to always introspect themselves (muhasabah an-nafs), ensuring that all actions are carried out with sincere intentions and in accordance with sharia.

Financial accountability is a crucial aspect in the management of modern Islamic community organizations, which serves to ensure transparency and trust from members and the wider community. In the context of religious institutions, accountability is not only related to financial reporting obligations, but also reflects the moral and spiritual responsibility of the manager towards Allah SWT and the congregation. With accountability, every financial transaction carried out by the organization can be accounted for clearly, thereby reducing the risk of misuse of funds and improving the integrity of the institution. The importance of financial accountability in modern Islamic society organizations is also seen from the need to meet the standards set by sharia principles. This includes the use of funds that are in line with social and spiritual goals, such as community empowerment and charitable activities.

The relationship between accountability and Islamic ethical behavior has become very important in the context of modern life, especially in the world of work and leadership. By understanding the concept of accountability rooted in divine values, a Muslim is expected to be able to carry out his role with integrity and justice, thus creating harmony between worldly and ukhrawi responsibilities. Therefore, the study of this relationship is relevant to explore ethical solutions in facing the challenges of contemporary life.

One of the Islamic organizations in Indonesia today is Muhammadiyah. This mass organization is engaged in the Education, Health, Social, and Economic sectors. The position of this mass organization spreads in various regions of Indonesia, including South Sulawesi Province which is spread across various districts/cities, sub-districts, sub-districts/villages, and mosques. This indicates that this mass organization has been firmly rooted in the layers of Indonesian society.

The focus of this research is on the education sector which targets starting from Early Childhood Education to Higher Education. More specifically, universities in South Sulawesi. Currently, in South Sulawesi there are 13 universities/institute. This research is motivated by the phenomenon that Muhammadiyah Higher Education (PTM) in its Financial Accountability still needs various improvements, as evidenced by a number of recommendations from the Financial Supervisory and Supervisory Institution of the Muhammadiyah Regional Executive of South Sulawesi (LPPK-PWM South Sulawesi). This condition illustrates that the quality of the financial statements produced is still not optimal.

These improvement recommendations certainly require a diagnosis related to matters that hinder the optimization of financial accountability of Muhammadiyah Higher Education. Therefore, the questions that will be answered in the discussion of this research include: 1. What is a Financial Accountability? 2. What is the role of Islamic Ethics in strengthening Financial Accountability? 3. What are the Benefits of Implementing Good Financial Accountability of PTM? 4. What are the recommendations proposed for the Improvement of Financial Accountability of PTM? 5. What are the improvement steps in optimizing PTM Financial Accountability?

2. METHODS

The research method used is qualitative descriptive by further exploring the recommendations offered in the form of interviews with informants. This study uses the concept of Islam as a source of knowledge to describe the reality of Islamic mass organizations in organizing, and gives status to the reality, and provides Islamic solutions to the reality on the ground.

This research was carried out in several PTMs in the South Sulawesi Region by conducting a mix of information technology utilization and direct visits to locations. This research was conducted from August 2022 to July 2024. The data collected are primary and secondary data. Primary data was obtained from people involved in PTM financial activities related to Financial Accountability practices. Secondary data is obtained through the Qur'an, Hadith, literature documents, and financial documents of PTM.

The data collection methods carried out are document studies, in-depth interviews, and observations. A document study is a written material from an organizational, clinical, or program record; memorandums and correspondence; publications and official reports; diaries, letters, artwork, photographs, and memorabilia; and written responses to open surveys. The research data is in the form of document citations taken by recording and maintaining context (Patton, 2014).

Interviews are used to generate in-depth responses related to the informant's experiences, perceptions, opinions, feelings, and knowledge. This activity is carried out for parties related to PTM financial activities. The data obtained are in the form of verbal quotes with interpretable contexts. Interview documentation is outlined in written sheets.

Observation activities are used as a method to find the reality of an event or event. This is done by direct observation of people, events, behaviors, and situations in the work environment naturally. This is done by observing and recording what they do and say without disturbing or manipulating the environment. This activity is very important to collect adequate and more detailed data in order to get a more complete understanding of people's experiences, events, attitudes and behaviors. Observation is carried out in a structured manner based on the stages of the organization's work process with remote observation.

This research is designed to answer problems related to the implementation of PTM Financial Accountability including the stages of Normative Study, Empirical Study, Confirmation and Verification of Results. The Normative Study was carried out by tracing Islamic references related to Islamic Ethics in Financial Accountability Practices and applicable Financial Accounting Standards. Meanwhile, the Emprisi Study was carried out by collecting data related to the implementation of Financial Accountability in several PTMs in the South Sulawesi Region by analyzing the results of interviews and reviewing documents in the practice of financial activities and their accountability. Meanwhile, the last stage is carried out by confirming the results of normative studies with the results of empirical studies in the field into a prototype model based on the Islamic paradigm.

The stage of data recording is carried out by the stage of making initial records during interviews and document reviews using keywords; expanding field records through descriptive and reflective painting in response to the researcher; and make improvements. These notes are then coded to facilitate the search and analysis process; And the last part is to choose tools to facilitate and collect data in research such as notebooks, pencils, pens, mobile phones, and laptops. The data is collected in the form of notes and files of Microsoft Office-Word applications as well as in the form of spreadsheets (excel).

Data validation is tested by a data validity check technique that utilizes something from outside the data for the purpose of checking or comparing the data in question. This study uses the data triangulation technique, which is combining data from various different sources, different times, different places, or from different people. In detail, this study uses the data validation stage by comparing the results of interviews with research subjects with other sources of information. Then compare the results of the interview with the relevant documents. Finally, confirm with the informant at the end of the interview.

3. RESULTS AND DISCUSSION

Financial Accountability

Allah SWT (QS: al-Isra:36) that "... Indeed, hearing, sight and heart, all of them will be held accountable." The content of this verse states that Allah swt then said that indeed hearing, sight, and heart will be asked, whether what a person says is in accordance with what his heart hears. If what is said is in accordance with his hearing, sight, and conscience, he will be safe from the threat of hellfire, and will receive the reward and pleasure of God. But when it is not suitable, it will certainly be led into hellfire. Another verse (QS: an-Nur:24) mentions that on the Day (when) their tongues, hands, and feet bear witness to them for what they used to do. (Ministry of Religion-Android, Access 2024).

In a hadith narrated by Shakal bin Humaid, he said, "O Prophet, teach me the prayer for protection that I will recite to ask Allah for protection. So the Prophet took me by the hand and said, "Say, "I take refuge in You (O Allah) from the evil of my ears, the evil of my eyes, the evil of my heart, and the evil of my heart (adultery)." (Muslim History)

The conclusion that can be drawn from these postulates is that each individual must be responsible for what is heard, seen, and felt. The use of the five senses must be directed for good and in accordance with Islamic teachings. By understanding and applying this principle, Muslims can protect themselves from bad deeds and strive to achieve the pleasure of Allah SWT.

The words of Allah SWT in QS: al-Baqarah:182 which means "O you who believe! If you do a debt and receivables for a specified time, you should write it down....". In this verse, Allah commands the believers to carry out the provisions of Allah every time they make a debt and receivable transaction, equipping it with evidence, so that it can be used as a basis for resolving disputes that may arise in the future.

The proof can be in the form of written evidence or the presence of witnesses (Ministry of Religion-Android, Access 2024). "Written evidence" must be written by a "clerk", who writes the contents of the agreement that has been agreed upon by both parties. The requirements of the clerk are:

a. A fair person, does not take sides with one of the parties to the agreement, so that it does not benefit one party and harms the other.
b. Knowing God's laws, especially those relating to the laws of covenants and transactions, so that he can give correct advice and guidance to the parties who promise. Because the clerk is also responsible and becomes a witness between the parties who promise, in case there is a dispute in the future. Clerks in the modern era are now manifested in the form of notaries/registrars of sale and purchase deeds and debts and receivables.

Based on this, we can find the important points contained in it, namely:

1. The Importance of Transparency: The command to write down debts and receivables shows that transparency in financial transactions is very important. By recording a debt agreement, both parties can avoid misunderstandings and disputes later on.
2. Protection of Rights: Writing a debt and receivables agreement serves to protect the rights of both parties. This ensures that each party is aware of their obligations and rights, as well as providing valid evidence in the event of a dispute.
3. Moral Responsibility: The verse also reminds believers of moral responsibility in transactions. As believers, they are expected to act fairly and honestly in financial matters.
4. Avoiding Riba: In a broader context, this emphasis on debts and receivables is also related to the avoidance of the practice of riba (interest) which is prohibited in Islam. By recording debts and receivables, transactions can be carried out in a way that is in accordance with sharia principles.

5. Awareness of the Hereafter: Muslims are reminded that every action, including financial matters, will be held accountable on the Day of Resurrection. Therefore, carrying out transactions in the right way and in accordance with sharia is part of faith.

Financial accountability is a basic principle in organizational governance that functions to ensure that the use of financial resources can be accounted for. Normatively, the concept of financial accountability emphasizes the importance of transparency, responsibility, and honesty in financial management. In the context of law and regulation, financial accountability involves an organization's obligation to comply with applicable standards, such as Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS).

The basic concept of financial accountability includes three basic aspects, namely transparency, compliance with rules, and finally moral and legal responsibility. Transparency refers to the disclosure of information related to finance so that related parties can evaluate the financial performance of the organization. Transparency is required in reporting standards such as IFRS (IASB, 2021). Accountability requires organizations to comply with legal regulations, including the Accounting Act and Audit Standards, to ensure the integrity of financial data (Messier et al., 2022). Moral responsibility involves managing finances in accordance with the ethics and values of the organization, while legal responsibility involves the obligation to report and account for finances to stakeholders.

Current Financial Accountability practices refer to a normative framework that includes International Accounting Standards, Local Regulations, and Generally Accepted Accounting Principles. The International Financial Reporting Standard (IFRS) regulates financial reporting practices so that they can be compared at the global level. General Accepted Accounting Principles (GAAP) is a normative framework to ensure that financial statements are prepared consistently, making it easier to verify and supervise (Weygandt et al., 2020).

The purpose of Financial Accountability in the public sector is to ensure that the use of funds runs effectively, efficiently, and transparently. Even to maintain public trust, Government Financial Statements are audited by Independent Institutions (Indriani, 2021). Furthermore, the private sector is used to attract investors and ensure market confidence in the Company (Messier et al., 2022). And lastly, in non-profit organizations, managers must account for funds and the use of funds through transparent and accurate financial statements (Maali et al., 2006).

Based on these descriptions, it can be concluded that financial accountability is an important pillar in organizational governance, both in the public, private, and non-profit sectors. Its implementation depends on the implementation of applicable standards, the fulfillment of legal obligations, and the enforcement of transparency and integrity in financial reporting.

A basic accounting system is a set of procedures and mechanisms used by an organization or company to systematically identify, record, group, and report financial transactions. According to Warren, Reeve, and Duchac (2017:25), an accounting system is "a structure designed to collect, process, and report a company's financial information to support effective business decisions." This system can be divided into several basic components, such as journals, ledgers, balance sheets, and financial reports. Implementation, the accounting system includes several core elements, such as:

1. Organizational Structure: A clear division of responsibilities between operational functions and accounting records is very important to minimize conflicts of interest and improve work efficiency (Mulyadi, 2016).
2. System of Authorities and Procedures: Control is carried out through the authorization of transactions by the authorities, ensuring the safety of the company's assets (Romney & Steinbart, 2018).
3. Technology Component: The use of software and automation tools to improve the efficiency of financial data recording and reporting, such as the implementation of API-based applications in MSMEs to support data accuracy (Wulandari & Andriani, 2024).

Islamic Ethics

Islamic ethics play an important role in shaping the foundation of financial accountability. As part of Islamic teachings, this ethics requires the ummah to maintain integrity, honesty, and trustworthiness in every transaction and financial report. Financial accountability in Islam not only talks about the obligation to be accountable for finances transparently but also about moral accountability to Allah SWT and fellow mankind (Chapra, 2008, p. 23).

Islamic Ethics in Financial Accountability has principles consisting of Trust, Justice, and Honesty. An explanation of each principle is presented in the following presentation:

1. Trustworthiness (Amanah)

Trust is a very important principle in financial management. Allah SWT said in the Qur'an that "Indeed, Allah tells you to convey the mandate to those who are entitled to receive it..." (QS. An-Nisa: 58). The principle of trust requires financial managers to make the best use of the entrusted funds and in accordance with legitimate purposes. (Al-Qaradawi, 1995, p. 45).

2. Justice (‘Adl)

Fairness is a very important principle in every aspect of life, including in financial management. The Qur'an affirms in QS. An-Nisa: 135 that every action should be done justly and without harming the other party. Fairness in financial statements is about providing correct information and not misleading others (Hasan, 2011, p. 29).

3. Honesty (Siddiq)

Honesty in Islam is reflected in all actions, including in terms of financial reporting. The Qur'an reminds Muslims not to lie and hide the truth: "And do not eat some of your treasures in a false way..." (QS. Al-Baqarah: 188). Honesty in financial accountability requires the preparation of accurate reports and is not influenced by personal interests. (Ahmad, 2021, p. 51).

Financial accountability in Islam has a dual dimension. In addition to responsibility to humans, there is also responsibility to Allah SWT. For example, zakat is one of the instruments in Islam that reflects financial accountability to people in need. Organizations or individuals that manage zakat must report its collection and distribution in a transparent manner (Kamla et al., 2006, p. 265).

In addition, in the management of the people's funds such as waqf and infaq, the manager is required to manage the funds with trust and report their use transparently so that the community can monitor and ensure that the funds are used in accordance with the goals that have been set (Maali et al., 2006, p. 275).

Benefits of Financial Accountability

Financial accountability in Islamic organizations such as mosques and educational institutions, has a number of significant benefits including:

1. Increasing Public Trust

Financial accountability plays an important role in building public trust in fund management. According to Syafitri et al. (2021, p. 31), "Transparent financial statements allow pilgrims or donors to see how their funds are managed, thereby fostering a sense of security and trust in the organization's management". This trust is essential to ensure continued support from the Community.

2. Strengthening Transparency in Fund Management

Transparency in financial management is very much needed by the management to the congregation. This is explained by Randa et al. (2011, p. 22) that "Worshippers as well as donors have the right to know the cash flow of the mosque, while the mosque management has the obligation to convey the cash flow of the mosque". With clear financial statements, organizations can prevent misuse of funds and increase public participation.

3. Upholding Islamic Principles

Financial accountability also reflects Islamic values in the management of the organization. Ulum (2016, p. 41) states that "Accountability includes accountability to Allah and to the community for every financial decision taken. This creates a better culture within the organization and improves the integrity of the management.

4. Improving Resource Use Efficiency

A good accountability system helps organizations manage their resources more efficiently. According to research by Andikawati and Winarno (2014, p. 22), "The accounting information produced is in the form of financial statements, which serve as the basis for consideration in the decision-making process". It is important to ensure that every donation is used optimally for the prosperity of the mosque or educational institution.

5. Facilitating Decision Making

Financial accountability provides essential data for better decision-making. As stated in the study by Meriska et al. (2020, p. 22), "Accurate financial statements allow administrators to evaluate the financial performance of the organization and make strategic decisions based on that information".

Recommendations for Improving Financial Accountability

This research was carried out on four PTMs in South Sulawesi Province. The PTM is the latest university that has gone through the process of coaching and supervision by LPPK-PWM South Sulawesi. The four PTMs are: (a). University of Muhammadiyah (UM) Enrekang (2022) (b). UM Palopo (2023) (c). UM Sinjai (2023) (d). UNISMUH Makassar (2024).

Informants who are selected based on criteria have a direct connection in PTM's financial activities. Informants who have a direct relationship with financial activities are officials in charge of budget users, finance departments, budget user units, accounting/recording departments, PTM internal supervisory sections, and the Daily Supervisory Board (BPH).

PTM's main income comes from students, grants, and other income such as deposit profit sharing. Meanwhile, the expenditure includes revenue expenditure and capital expenditure. Revenue expenditure is classified into Operational Costs and Non-Operational Costs, while capital expenditure is related to the procurement of PTM assets. All financial activities of PTM are inseparable from this classification.

The revenue realization process involves the finance department as a verifier, the academic part if it is related to student admissions, the banking department, the accounting and reporting department. Admissions sourced from students are centralized through the Bank, and the submission of proof of deposit is verified by the university's finance team. However, there are still other receipts paid in cash for certain special activities.

The realization of expenditures involves the work unit of the budget user, the authorized party to carry out authorization, the cashier, the accounting and reporting department. Budget disbursement is divided into two, namely non-tactical budget disbursement and tactical budget disbursement. Non-tactical budget disbursement is a budget made to carry out activities that have been planned and previously determined in the PTM Revenue and Expenditure Budget. Meanwhile, the tactical budget is made at the level of PTM/Rectorate/Chairman/Director/Appointed Officials to fund activities that are very urgent, sudden, and must be implemented immediately in the relevant fiscal year as long as they are in accordance with the Strategic Plan and Operational Plan PTM’s.

Based on the South Sulawesi LPPK-PWM Report, PTM has difficulty compiling financial data to produce financial reports in accordance with SAK. So that the LPPK-PWM South Sulawesi documents recommendations to optimize financial accountability through quality Financial Statements. The following is a summary of the results of the data codification of the results of interviews and research observations in the following:

Table 1. Summary of Recommendation Points

No	Recommendation Points	Condition	Target
1.	Preparation of Budget Realization Report	No variance analysis results have been produced	PTM has a RAPB that is determined and ratified by the Central Executive of Muhammadiyah and produces a

			Budget Realization Report and the Results of the Variance Analysis
2.	Improved Asset Management	Incomplete ownership documents, incomplete data for financial reporting needs	All Assets are well recorded and meet the Management Assertion to be recognized as an asset of the organization in this case PTM
3.	Cash Mutation Supervision at Banks	Bookkeeping of Cash Funds at the Bank is not carried out	Reconciled Bank Statement with Cash in the Bank records
4.	Implementation of Subsidiary Ledger	The cards have not been presented quickly and accurately	Cash/Bank Accounts, Accounts Receivable, Inventory, Fixed Assets, Debts, Revenue, and Expenses groups that have complexity have Subsidiary Ledger
5.	Recording of Memorial Transactions on accrual, deferral, and transactions that have taxation aspects	Transactions have not been recorded at all	All Transactions are recorded in full and equipped with valid evidence
6.	Establishment and Ratification of Accounting Policies	Does not have its own accounting policy	Each PTM has an Accounting Policy that is determined and ratified by each Rector
7.	Updating receivables data and completeness of receivables documents	Not conducting receivables analysis and not setting aside doubtful receivables	Receivables are presented in net receivables value and really describe the right to collect that can be cashed out in the future.
8.	Training and Assistance in the Preparation of Financial Statements	Finance/Accounting staff not with an Accounting Education background	PTM's human resources are able to synergize well to produce financial reports according to SAK

9.	Recruitment of Accounting Personnel	Finance Staff is a dual position with the position of Teaching Staff	Each PTM has enough Accounting Personnel to produce financial reports according to SAK
10.	Optimization of Internal Supervision Function	The Internal Supervision function is hampered by personal limitations and dual positions as teaching staff	Each PTM has a team of Internal Supervisory Units and functions properly
11.	Information Technology System Development	Still using a number processing application that is not integrated, and the recorded data does not allow for financial reporting automation	Each PTM adopts an application that has alignment with the tasks of the finance/accounting department to facilitate the preparation of financial statements and is integrated

Source: Data processed by researchers (2024)

Financial Accountability Optimization

Optimizing financial accountability based on Islamic ethics involves the application of principles of justice, transparency, and responsibility that are in line with Islamic teachings. The steps that can be taken are:

1. Increasing Understanding of Islamic Ethical Values in finance such as fairness, trust, and honesty to every stakeholder. The concept of trust in Islam is not only vertical to Allah but also horizontal to humans. (Antonio, 2001, p. 25). This is in line with the Word of Allah SWT "Indeed, Allah commands you to convey the mandate to those who are entitled to receive it..." (QS. An-Nisa: 58). Amanah in Islam has a deep spiritual dimension. Individuals who understand that all the mandates they carry will be accounted for in the hereafter will be encouraged to carry out their duties to the maximum. Allah SWT said"... and (they) keep their commissions and promises." (QS. Al-Mu'minun: 8). The value of trust in financial accountability is the main key in maintaining trust and ensuring that asset management is carried out responsibly. According to Ibn Taymiyah (2001, p. 215), mandate not only includes personal responsibility, but also includes responsibility in the management of public and institutional finances. Amanah means carrying out duties with honesty and not betraying the trust given. In financial accountability, trust is reflected in the way a person manages the funds entrusted to him, whether at the individual, organizational, or state level. Financial managers must avoid misuse of funds, manipulation, or corruption. Al-Mawardi (2013, p. 243) emphasizes that a trustworthy leader must ensure that all assets managed are used for the public good. Strengthening the Principle of Trust can be through

Education and Training which teaches the importance of trust in every aspect of life, including finance. The example of leaders or individuals who hold strategic positions is also an effective way to instill this value. Improving the understanding of the value of justice towards financial accountability based on Islamic ethics requires a holistic approach that includes education, individual awareness, and the consistent application of Islamic values. The Qur'an emphasizes the importance of being fair in all matters, including finances "Indeed, Allah commands (you) to be fair and do good..." (QS. An-Nahl: 90). According to Al-Ghazali, justice is at the core of all human relationships, including in financial management (Al-Ghazali, 2008, p. 345). The strengthening of the spiritual awareness that every action, including in finances, will be held accountable by God encourages individuals to be honest and just. Ibn Taymiyyah emphasizes that strong faith strengthens one's moral commitment to justice (Ibn Taymiyah, 2001, p. 251). The value of honesty in financial accountability based on Islamic ethics is an important element that maintains the integrity of individuals and society. Honesty (ṣidq) is one of the noble morals emphasized in Islam. The Messenger of Allah Muhammad SAW said: "Tell the truth, for honesty leads to goodness, and goodness leads to paradise..." (HR. Bukhari and Muslim). According to Al-Ghazali (2008, p. 451), honesty is a basic trait that every Muslim must have, especially when it comes to finances. When honesty is applied, every financial report will be in line with reality, avoiding manipulation or fraud. The principle of honesty can be applied in accounting practice by presenting financial statements that are in accordance with the facts, without hiding important information or deceiving. In this context, Ibn Khaldun (2000, p. 212) emphasizes the importance of honesty in maintaining public trust. Islam teaches that every individual will be held accountable for all his or her deeds, including in financial matters. The Qur'an reminds "And perfect the measure and the scale justly and do not harm man to his rights..." (QS. Al-A'raf: 85). This awareness will encourage individuals to always be honest in all financial activities, both on a personal and organizational scale. Education about the importance of honesty must start from an early age, both through religious and family education. The example of the leader of the organization or society in being honest also plays a big role in increasing this understanding (Al Mawardi, 2013, p. 319).

2. Ensuring aspects of Transparency in Financial Reporting which include openness, clarity, and accuracy so that relevant parties can verify its validity. It is revealed that transparency is a key element in creating trust in the sharia-based economic system. (Karim, 2007, p. 87). Allah SWT said, "And do not eat the treasures among you in a false way..." (QS. Al-Baqarah: 188). In Islamic ethics, accountability (mas'uliyyah) refers to responsibility to Allah and fellow human beings. This is realized through transparency in financial reporting and the avoidance of the practice of usury or financial manipulation. According to Chapra (2000, p. 34), justice and accountability are the cornerstones of the Islamic economic system that aims to prevent inequality.

3. The implementation of a sharia supervision and audit system to ensure that all transactions are in accordance with sharia principles. This activity is important to increase comprehensive supervision of the integrity of transactions and their compliance with

Islamic law (Hasan, 1998, p. 102). The Prophet's hadith reveals that "An honest and trustworthy merchant will be with the prophets, the honest people, and the martyrs." (HR. Tirmidhi, no. 1209). Implementing sharia supervision in finance, such as Islamic-based auditing, can strengthen a culture of honesty. According to Hasanuzzaman (2003, p. 137), sharia audits function to ensure that financial practices run in accordance with the principles of honesty and Islamic values. The implementation of sharia-based supervision, such as the sharia supervisory board, can help ensure that financial management is carried out in accordance with the principle of trust. According to Chapra (2000, p. 154), strict supervision can prevent deviations from Islamic values in financial practices.

4. Providing training to staff to improve their understanding of accounting based on Islamic values and their application. Competent human resources are an important element in running the sharia economic system. (Antonio, 2001, p. 55). Technical training in improving financial accountability based on Islamic ethics is a strategic step to ensure financial management in accordance with the principles of honesty, trust, and justice. According to Kamla (2006, p. 245), training on sharia accounting strengthens the value of accountability based on obedience to Allah. Conducting financial audit simulations to improve staff competencies related to sharia compliance in financial transactions, fair management of organizational funds, and identifying irregularities that have the potential to violate Islamic values. Chapra (2000, p. 162) states that sharia audits not only assess numbers, but also ethics in financial management. In addition, staff must also be trained in adapting to the digital era which involves the use of software that supports financial accountability. The use of this technology supports transparency and minimizes manual errors in financial management. The training must end with an evaluation of the participants' abilities and the granting of certificates. This certification is proof of competence in financial management based on Islamic ethics.

5. The use of digital technology greatly supports the efficiency and transparency of Islamic finance (Karim, 2007, p. 120). The use of Islamic financial technology can increase accountability through a system that minimizes the chances of violations. This is in accordance with Al-Mawardi's view which emphasizes the importance of trustworthy asset management for the benefit of the community (Al Mawardi, 2013, p. 211). The use of sharia-based technology can increase transparency and minimize the risk of abuse of trust. This system creates a culture that supports Islamic value-based accountability.

4. CONCLUSION

Islam has ethical values in financial management and is aligned with the standards of professional practice in the field of accounting that are developing today. Based on this, we can conclude that by seriously implementing Islamic Ethical values, it will be a solution to the failure to produce financial statements that are the main part of the financial accountability of modern organizations, especially PTM in the current era of digitalization.

Acknowledgment
This research was realized and reached the publication stage thanks to the support of various parties. Therefore, the author would like to express his deepest gratitude to:

1. Rector of UIN Alauddin Makassar
2. Director of Postgraduate Program of UIN Alauddin Makassar
3. The 2nd International Conference on Science and Islamic Studies (ICOSIS-2024) Committee
4. Muhammadiyah Regional Executive of South Suslawesi Region
5. Rector of UM Enrekang, Rector UM Sinjai, Rector UM Palopo, Rector Unismuh Makassar and his staff as informants.

Authors' contribution
All stages of research, including planning, execution, data analysis, and manuscript writing are carried out by a single author.

REFERENCES

Al-Qur'an dan Hadis

Ahmad, K. (2021). Ethics in Islamic Finance: A Theoretical Framework for Accountability. Kuala Lumpur: Islamic Finance Institute.

Al-Ghazali. (2008). Ihya Ulumuddin. Pustaka Azzam: Jakarta.

Al-Mawardi. (2013). Al-Ahkam al-Sultaniyyah. Al-Kautsar: Jakarta.

Al-Qaradawi, Y. (1995). Fiqh al-Zakah: A Comparative Study of Zakah, Regulations, and Philosophy in Light of Qur'an and Sunnah. King Abdul Aziz University Press: Jeddah.

Andikawati, D., & Winarno, S. (2014). Praktik Akuntabilitas Pengelolaan Keuangan pada Masjid Baburrahman. Jurnal Ekonomi dan Bisnis Islam.

Antonio, Muhammad Syafii. (2001). Bank Syariah: Dari Teori ke Praktik. Gema Insani: Jakarta.

Chapra, M. U. (2000). The Future of Economics: An Islamic Perspective. Islamic Foundation: Leicester.

Chapra, M. U. (2008). The Islamic Vision of Development in the Light of Maqasid al-Shari'ah. Islamic Research and Training Institute.

Hasan, Z. (2011). Shariah Governance in Islamic Financial Institutions. ISRA International Journal of Islamic Finance, 3(2).

Hasan, Zubair. (1998). Islamic Banking and Finance: Philosophical Underpinnings. IIUM: Kuala Lumpur.

Hasanuzzaman, S. M. (2003). An Introduction to Islamic Economics. Islamic Research Institute: Kuala Lumpur.

Ibnu Khaldun. (2000). Muqaddimah. Dar al-Fikr: Beirut.

Indriani, R. (2021). Akuntabilitas Keuangan Publik di Indonesia. Gramedia: Jakarta.

International Accounting Standards Board (IASB). (2021). IFRS Standards 2021. IFRS Foundation: London.

Kamla, R., Gallhofer, S., & Haslam, J. (2006). Islam, Nature, and Accounting: Islamic Principles and the Notion of Accountability. Accounting Forum, 30(3), 245–265.

Karim, Adiwarman A. (2007). Ekonomi Mikro Islami. Rajawali Pers: Jakarta.

Maali, B., Casson, P., & Napier, C. (2006). Social Reporting by Islamic Banks. Abacus, 42(2), 266–289.

Meriska, S., Mintarti, S., & Fitria, Y. (2020). Akuntabilitas Pengelolaan Keuangan Masjid: Studi Kasus di Masjid Raya Sabilal Muhtadin. Jurnal Manajemen Keuangan, 22-30.

Messier, W. F., Glover, S. M., & Prawitt, D. F. (2022). Auditing and Assurance Services: A Systematic Approach. McGraw-Hill Education: New York.

Mulyadi. (2016). Sistem Akuntansi. Salemba Empat: Jakarta.

Patton, M. Q. (2014). Qualitative Research & Evaluation Methods: Integrating Theory & Practice (Fourth). Sage Publication Ltd: New York.

Randa, et al. (2011). Akuntabilitas Pengelolaan Keuangan Masjid Mengacu pada PSAK 45. Jurnal Akuntansi Inovatif, 22-28.

Romney, M. B., & Steinbart, P. J. (2018). Accounting Information Systems. Pearson Education: London.

Syafitri, A., Rosmanidar, E., & Putriana, M. (2021). Akuntabilitas dan Transparansi Pengelolaan Keuangan Masjid Muhajirin. Jurnal Al-Dzahab, 31-41.

Ulum, A. (2016). Akuntabilitas Keuangan dalam Organisasi Nirlaba: Tinjauan Teoritis dan Praktis. Jurnal Akuntansi, 41-50.

Warren, C. S., Reeve, J. M., & Duchac, J. E. (2017). Accounting (27th ed.). Cengage Learning: Mason.

Wulandari, P., & Andriani, S. (2024). "Implementation of Accounting Information Systems Using the Bank Indonesia APIK SI Application in MSMEs." Jurnal Akuntansi, Vol. 16, No. 2.

Kementerian Agama Republik Indonesia. Qur’an Kemenag. Aplikasi Android (diakses 23 November 2024).