

E-Reporting at the Hajj Financial Management Agency: Do They Need it or Not?

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Abstract— This study aims to analyse the business process of preparing the Hajj Financial Management Accountability Report and focuses on the business process for preparing LP3KH every month. This research uses a descriptive qualitative approach with a case study approach. This research uses two data sources, namely primary data and secondary data. Based on fishbone analysis, many problems arise that can be caused by employees who have difficulty in preparing LP3KH, namely with the main problems encountered are manual processes in preparing LP3KH and problems in data consistency. These problems are caused by the absence of applications, the need for additional employees, and the guidelines that are still in the form of narratives. Inconsistent information is feared to trigger fraud in the future. The impact of the existing problems causes obstacles in compiling and completing LP3KH due to errors and also difficulties in meeting completion milestones. So, this research only focuses on analysing the business process of preparing LP3KH which can help in improving the information system for preparing LP3KH for BPKH. Therefore, it is concluded that a review is needed, an integrated database, and the use of applications to help prepare the Hajj Financial Management Implementation Accountability Report. In addition, it is also necessary to improve the milestones for submitting supporting data for LP3KH and reorganising employee competencies and adding employees to compile LP3KH.

Keywords— LP3KH, BPKH

I. INTRODUCTION

Accounting Information System (AIS) as that which handles financial and non-financial transactions that directly affect the financial transaction process [1]. These changes provide users with important information for future data processing AIS is also a popular model because it describes all information systems, regardless of their technological architecture. AIS is required to collect, input, process, store, and say information and data regardless of the approach used [2, p. 11]. AIS can assist BPKPD Surabaya City in reporting and providing information related to regional financial management [3].

Accounting information is important data that must be known by users or interested parties to obtain information about the financial reporting process, so the information system describes several categories that prove that a company has run financial reports properly or not [4]. Accounting information systems become a special part of management information systems in providing information about accounting and finance, so that the support of an integrated accounting information system is expected

to be able to control several transactions such as sales, receivables, and effective cash receipts in order to improve company performance [5]. In addition, Supriyati & Bahri [6] state that accounting information systems are recognised as effective tools in minimising losses and maximising profits which must also be followed by proper management planning for the efficiency of accounting information systems.

This study aims to analyse the business process of reporting and accountability for the implementation of Hajj Financial management at the Hajj Financial Management Agency (BPKH). Based on Law Number 54 of 2014 BPKH is an institution in the government that has the task of managing Hajj Finance. When managing Hajj Finance, a report needs to be made to account for its activities. Based on the mandate of Law Number 54 of 2014, BPKH is required to submit an Accountability Report for the Implementation of Hajj Financial Management (LP3KH) every month, quarter, semester, and year. The submission of LP3KH is a form of accountability of BPKH as a government agency. The accountability of government agencies can prevent acts of harming the state such as waste, misappropriation, and leakage of funds that can lead to the practice of corruption, collusion, and nepotism [7]. The accountability of government agencies can be realised by implementing transparent and participatory government [8]

This research will focus on the business process for preparing LP3KH every month. During the process of preparing the report, there are writing errors caused by too close to the completion milestone. Too tight milestones are also caused by the dependence of the preparation on reports from each field. Furthermore, it is because there is still no integrated application to compile the report. There is no sustainable application with the current database not yet integrated. This causes changes in figures for the previous period's report if comparisons are to be made in the current period. The change in numbers causes inconsistencies in the information provided when reporting. This inconsistent information is feared to trigger fraud in the future.

II. METHODOLOGY

This research is a type of qualitative research and describes the existing problems. Qualitative research understands human or social phenomena by creating a complex picture presented in words & conducted in a natural setting [9, p. 77]. Qualitative research is based on post-positivism, focuses on natural objects (not experiments), researchers as key instruments, samples are taken purposively and snowball, combined collection techniques (triangulation), inductive / qualitative data analysis, results emphasize meaning rather than generalisation [10] Qualitative research involves the process of collecting data in a scientific context with the aim of explaining the phenomena observed [11, p. 8]. The main objective in qualitative research is to make facts/phenomena understandable and allow according to the model to generate new hypotheses [12, p. 29]. This research uses a case study approach by conducting in-depth analyses of phenomena in the field.

Primary data or primary sources also refer to data sources that provide data directly to researchers [10]. This research requires primary data in the form of direct information from employees in charge of compiling LP3KH. Secondary data or secondary sources are sources that indirectly provide the information needed for data collectors or researchers [10]. While the secondary data needed from the research is in the form of regulations governing LP3KH. The data collection techniques used in this study are observation, interviews and documentation. Interviews were conducted with resource persons who are responsible / PIC for compiling LP3KH at BPKH. Documentation in this study is in the form of collecting examples of LP3KH and reviewing internal BPKH regulations.

III. DISCUSSION

BPKH in the process of making its accountability report there are various procedures that must be carried out. In addition, in reporting the accountability for the implementation of Hajj Financial Management, the milestones for submission to the Supervisory Board, President and DPR through the Minister have been regulated in internal regulations. These milestones must be adhered to by employees who have responsibility for preparing them. But employees have difficulty in complying with these regulations. This research uses Kaoru Ishikawa's Fishbone Diagram analysis which has several basic types of analysis. A fishbone diagram is a tool used to explore inputs that explain outputs. It is also referred to as a cause-and-effect or Ishikawa diagram. Kaoru Ishikawa, a Japanese quality control specialist, pioneered the use of fishbone diagrams in the 1960s. This diagram consists of a fish-bottom structure that represents the root cause of the problem and a fish head that displays the effect or output. Cause categories: 6 M (machine, labor, material, method, maintenance, parent nature, measurement [13]. However, there is no limitation to define causal categories on this chart. Users can explore different perspectives according to their needs.

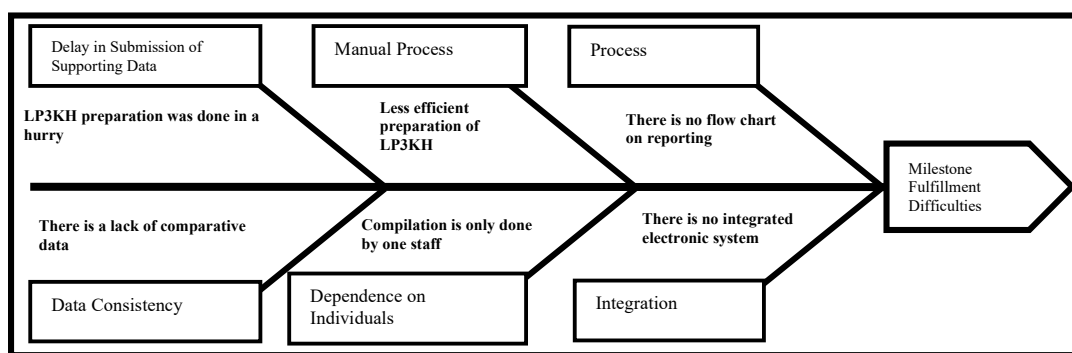


Fig. 1. Fishbone Diagram

Based on the description of the fishbone analysis above, it can be seen that the difficulty in meeting milestones is caused by several factors, including Delay in Submission of Supporting Data, Consistency, Process Manuals, Dependence on Individuals, Processes, and Integration. Delays in Submitting Supporting Data caused the preparation of LP3KH to be rushed so that the quality of the reports presented sometimes still had word writing errors. Based on interviews with the person in charge of preparing LP3KH, it was stated that improvements were needed to the milestones for submitting LP3KH supporting data. Because so far, the preparation of LP3KH had been rushed because the supporting data was submitted after the end of the submission milestone.

In the diagram above, the Manual Process is also the cause of word writing errors in addition to delays in submitting lapkinbul. Based on observations, the manual process caused frequent revisions from other field members. This makes LP3KH must be corrected again so that it causes additional preparation time so that it is less effective and efficient. This is in line with research conducted by Widiati and Anggraini explaining that the manual process causes less effectiveness and efficiency in the process of preparing reports [14]. Implementation of Accounting Software to Produce Timely Company Financial Reports.

The manual process is a problem regarding the business process in the preparation of LP3KH. So that a review is needed to improve the business process of reporting and accountability for the implementation of Hajj Financial management. In line with Harmon's research [15, p. 28] which states that business process analysis and design need to be carried out for several reasons including the economic crisis, requiring efficiency and savings.

The process of preparing LP3KH has been regulated in the internal regulations of the institution. Based on documentation from internal regulations, the LP3KH preparation procedure is still in the form of a narrative. In the flowchart above, the problem in the process is caused because the current procedure for reporting accountability for the implementation of Hajj Financial Management still does not use a flowchart. This causes readers to have difficulty understanding the flow of the LP3KH preparation process. Meanwhile, flowchart is a tool to explain the stages of a process in a simple, organized, detailed, and clear manner because it uses various kinds of symbols that have their own standards [16]. So it is necessary to make a flowchart to describe the flow of the LP3KH preparation process in order to facilitate understanding for other employees.

In addition to the process problems, in the fishbone diagram above also mentioned there are problems with data consistency. Consistency of data based on observations at the location causes the data that is currently available to be less comparative so that it becomes an obstacle in the process of drafting LP3KH. Based on interviews with staff responsible when going to compile LP3KH then find data that is less comparative then should ask for confirmation to the related field and take time. This data is important for the development of LP3KH. In addition, he also that it is necessary to improve the information system for the preparation of LP3KH by integrating the database.

The dependence on individuals on the above fishbone diagram is due to the fact that the staff responsible for compiling LP3KH is only one person. This is assessed less because in addition to compiling LP3KH every month the staff must work on other tasks, so sometimes there are typing errors, delayed processes, inconsistent data, as well as difficulties in meeting the deadline for completion. Based on the results of an interview with PIC LP3KH, he stated that there is a need for additional human resources to help organize and abide by the timeline.

Based on observations on the object to be further described on the fishbone diagram is a problem regarding integration. Integration problems are caused by the lack of integrated system applications that help the LP3KH preparation process. No application has made the preparation of LP3KH done manually and there are errors, as well as difficulties in meeting the deadline of completion. Based on the results of interviews with the responsible staff, stated that a web-based application is needed to help compile LP3KH. This statement is in line with research conducted by Widiati and Anggraini [14] stating that computerized applications can reduce the occurrence of errors and can produce effective and efficient reports. There is research – research on the benefits of application on reporting and accountability to government agencies. As the research conducted by Princess and Djuita [17] suggests the local government should make public financial reports so that financial accountability is awake. Oflagi et al [18] found that the accounting information system of the e-Rekon-LK application facilitated the Regional Office of the General Directorate of the State Treasury of the Northern Sulawesi Province. Nasution & Atika [19] found the role of the e-budgeting system in the Government of Binjau City has increased the value of accountability of its financial reports. Furthermore, Basri et al [20] in their research found that the accounting in framing system has a role in integrating the process of data collection, preparation of plans, implementation, monitoring, control, up to evaluation of monitoring of budget realisation at the Ministry of Religion of the Province of South Sulawesi through the Electronic Monitoring of Budget Implementation program. (E-MPA).

IV. CONCLUSION

Based on the analysis carried out, various causes were found regarding the difficulty in meeting the LP3KH completion milestones. This study also found solutions that can support the fulfilment of LP3KH completion milestones. The following are suggestions and solutions for BPKH:

1. Improvement of LP3KH supporting data submission milestones.
2. A review is needed to improve the business process for preparing LP3KH.
3. It is necessary to make a flowchart of the LP3KH preparation procedure.
4. An integrated database is needed.
5. Re-organization of employee competencies and addition of employees to compile LP3KH.
6. It is necessary to create an application to help compile LP3KH.

V. ACKNOWLEDGMENT

This research is only limited to analysing business processes for preparing the Hajj Financial Management Implementation Accountability Report. This research does not discuss more deeply the process flow of preparing LP3KH. Further research is needed if the suggestions from this research are carried out by BPKH.

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