

Analysis Regulation Accountability of Hajj Fund Governance

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ABSTRACT

Hajj fund governance is an important aspect in maintaining the integrity and transparency of Hajj fund management. This research aims to examine regulations governing accountability in the governance of Hajj funds using the literature study method. This article involves a review of various literature sources such as journals, books, and related publications. In this study, various regulations will be revealed that have been implemented to increase accountability in the governance of Hajj funds. Apart from that, this research will also highlight the challenges and opportunities faced in accountability of these regulations. The results of this research explain that regulations governing accountability in the governance of Hajj funds have been implemented in Indonesia. These regulations include laws, regulations of the minister of religion, and decisions of the minister of religion which aim to increase transparency and accountability in the management of Hajj funds as well as regulatory accountability in the governance of Hajj funds facing challenges, including effective supervision, risk management, sustainability and regulatory updates, as well as active role of related institutions. It is hoped that it can provide a better understanding of the accountability regulations for Hajj fund management and its contribution to improving the management of Hajj funds.

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1. INTRODUCTION

The field of public finance is not only concerned with managing state finances related to government revenues and expenditures. It also includes all forms of financial management by the state to fulfill the interests of the people or society and achieve prosperity and benefit. Islamic public finance is finance that is managed for the benefit of society with the main aim being to realize falah (prosperity). Qur'anic values such as brotherhood, equality, freedom and justice influence Islamic public financial management (Putra et al., 2022).

During the reign of Rasulullah SAW and the Rashidun khulafaur, state financial management was carried out through a government institution called Baitul Mal. Baitul Mal has roles and duties in managing state revenues such as zakat, fai, kharaj, jizyah, usyur, and others. These funds are then

used for state interests and other expenses aimed at improving the welfare of society and distributing funds for the benefit of the people (Husna, 2020).

In this modern era, the management of state finances related to revenues and expenditures is carried out by the ministry of finance. Sources of funds come from taxes, non-taxes and grants, which are allocated to various important sectors through planning in the State Revenue and Expenditure Budget (APBN) (Mawardi, 2020). Management of Hajj funds is also the duty and authority of the state, even though it is not included in the APBN. The Minister of Religion is responsible for managing the Hajj, which is an important pilgrimage especially in countries with a majority Muslim population like Indonesia. The desire of the Indonesian Muslim community to carry out the Hajj pilgrimage is very great. According to a report from the Indonesian Ministry of Religion in April 2018, the number of Hajj pilgrims on the waiting list for departure to the holy land reached 3,700,000 people and continues to increase every year.

The polemic surrounding the management of Hajj funds has resurfaced recently after the Minister of Religion announced that the 2021 Hajj pilgrimage would be canceled due to quota restrictions by the Saudi Arabian government in the face of the COVID-19 pandemic. This decision made the Muslim community twice delayed in their departure after a similar incident in 2020. Apart from that, attention was also focused on the Hajj funds collected and managed by the Ministry of Finance, which means the amount is getting bigger. The community expects management that is transparent, accountable and prioritizes the benefit of the people so that the Hajj can be carried out well. Therefore, this research aims to explain the regulatory mechanism for Hajj fund management policies in Indonesia in order to provide an overview of Hajj fund management.

2. RESEARCH METHOD

Hajj fund governance has an important role in ensuring the integrity and transparency of its management. This research was conducted with the aim of investigating the regulations governing accountability in the governance of Hajj funds using the literature study method. This study involves analysis of various literature sources such as relevant journals, books and related publications. The main focus of this research is to reveal the regulations that have been implemented to increase accountability in the management of Hajj funds. Apart from that, the challenges and opportunities faced in regulatory accountability will also be given attention. It is hoped that the results of this research can provide a more comprehensive understanding of accountability regulations in the governance of Hajj funds and their contribution to improving the management of Hajj funds.

3. RESULTS AND DISCUSSIONS

Hajj Fund Management Accountability Regulations

1. Law Number 34 of 2014 concerning Hajj Financial Management.

This law regulates the management of Hajj finances in Indonesia, including aspects of accountability in the management of Hajj funds. This law is the main legal basis for regulating the management of Hajj funds in Indonesia.

2. Minister of Religion Regulation Number 8 of 2018 concerning Organization and Work Procedures of the Ministry of Religion.

This regulation regulates the organization and work procedures of the Ministry of Religion, which has an important role in managing Hajj funds. Minister of Religion Regulation 8/2018 also includes provisions regarding accountability and supervision in the governance of Hajj funds.

3. Minister of Religion Regulation Number 23 of 2018 concerning the Implementation of Hajj and Umrah.

Minister of Religion Regulation 23/2018 regulates in detail the implementation of Hajj and Umrah in Indonesia, including aspects of managing Hajj funds. This regulation includes provisions relating to accountability and supervision in the governance of Hajj funds.

4. Decree of the Minister of Religion Number 320 of 2019 concerning Guidelines for Implementing Hajj Fund Management.

Minister of Religion Decree 320/2019 provides implementation instructions regarding the management of Hajj funds in Indonesia. This decision contains instructions relating to accountability, transparency and supervision in the governance of Hajj funds.

Regulatory Accountability in Hajj Fund Governance

1. Challenges in Regulatory Accountability

Challenges in regulatory accountability in the governance of Hajj funds in Indonesia include several aspects that can affect the accountability and effectiveness of Hajj fund management. The following is an explanation of these challenges:

a. Challenges in effective supervision and monitoring

One of the main challenges in regulatory accountability for Hajj fund governance is effective supervision and monitoring. Inadequate supervision can result in a lack of transparency and accountability in the management of Hajj funds. This can happen because of the complexity and large volume of Hajj funds which need to be monitored carefully (Yasril, 2019).

b. Challenges in risk management

Regulatory accountability in Hajj fund governance also faces challenges in risk management. Financial risk, investment risk and operational risk can affect the effectiveness of Hajj fund management. There needs to be appropriate policies and mechanisms to identify, assess and manage these risks (Fitriani, 2020).

c. Challenges in sustainability and regulatory renewal

Renewing and improving Hajj fund governance regulations is also a challenge that needs to be overcome. The sustainability and relevance of regulations must be maintained to suit developments and changes in economic, social and political conditions. Regulations that are not updated regularly can cause incompatibilities and difficulties in dealing with rapid environmental changes (Kurniawan, 2019).

d. Challenges in managing and distributing funds efficiently

Efficient management and distribution of Hajj funds is also a challenge in Hajj fund governance. The complex management and distribution process, including investment and use of Hajj funds, requires careful and efficient management so that the funds can be utilized optimally according to the expected goals (Lubis, 2020).

2. Opportunities in Regulation and Regulatory Accountability

Opportunities for regulatory accountability in the governance of Hajj funds in Indonesia could include several aspects involving policy updates, increasing transparency and strengthening supervision. The following is a detailed explanation regarding this opportunity:

a. Policy Updates

Policy updates in Hajj fund governance can increase efficiency, accountability and transparency. One opportunity for regulatory accountability is to update Law Number 34 of 2014 concerning Hajj Financial Management (UU 34/2014). Such reforms could include improving fund management mechanisms, affirming the role of relevant institutions, and more effective governance arrangements. This will help increase public confidence in the management of Hajj funds.

b. Increased Transparency

Providing transparent information regarding the management of Hajj funds is important in creating accountability. In regulatory accountability, it is necessary to emphasize increasing transparency in financial reports, investment management and the use of Hajj funds. Increasing the accessibility of information to the public can be done through official websites and periodic publications that provide an overview of the management of Hajj funds.

c. Strengthening Supervision

Strengthening supervision is an important step in maintaining accountability in the governance of Hajj funds. Opportunities for regulatory accountability could involve increasing the role and quality of supervision carried out by related institutions, such as BPKH (Hajj Financial Management Agency). A more effective monitoring mechanism is needed, including regular and independent audits of the management of Hajj funds. Strengthening supervision must also involve community participation in monitoring the use of Hajj funds.

The Impact of Regulations on Accountability

1. Positive Impact

- a. **Increasing Transparency:** Regulations that regulate accountability in the governance of Hajj funds ensure transparency in the management of Hajj funds. This is important to give confidence to the public that Hajj funds are managed well and in accordance with applicable regulations. With transparency, information regarding the use of Hajj funds can be accessed openly by the public (Ridwan, 2019).
- b. **Improving Accountability:** Existing regulations help increase accountability in the management of Hajj funds. With clear provisions regarding reporting, auditing and supervision, institutions involved in managing Hajj funds must be responsible for their actions and decisions. This creates an accountable environment and encourages managers to carry out their duties with integrity and responsibility (Wibowo, 2019).
- c. **Preventing Misuse of Funds:** Strict regulations in the governance of Hajj funds can prevent misuse of funds. Provisions regarding auditing, supervision and reporting ensure that Hajj funds are used according to their intended purpose and are not misused for personal or certain group interests. This protects the rights of Hajj pilgrims and maintains the integrity of the Hajj fund management system (Kurniawan, 2019).
- d. **Increasing Public Trust:** With strict and effective regulations, public trust in the management of Hajj funds can increase. When the public feels that Hajj funds are managed with transparency, accountability and high integrity, they will have more trust and feel confident that Hajj funds are used for the benefit of the people in a fair and sustainable manner (Nasution et al, 2021).

2. Negative Impact

The following are some of the potential negative impacts of regulations on accountability in the governance of Hajj funds in Indonesia according to Zuhdi et al (2019):

- a. **Lack of Transparency:** Regulations that are not clear enough or inadequate in regulating aspects of transparency in the management of Hajj funds can result in a lack of information disclosure to the public. This can reduce the level of accountability, because the community does not have full visibility into the use and management of Hajj funds.
- b. **Lack of Supervision:** If regulations do not require a strong supervisory mechanism for the management of Hajj funds, then there could be weaknesses in supervision and monitoring of actions taken by parties involved in managing Hajj funds. This can open up opportunities for abuse or actions that are not in accordance with accountability principles.
- c. **Technical and Infrastructure Constraints:** Regulations that do not consider the technical and infrastructure constraints that exist in the management of Hajj funds can cause difficulties in effective accountability. For example, a lack of adequate systems to track and monitor the use of Hajj funds or a lack of technological accessibility for all parties involved.
- d. **Lack of Sanctions and Punishments:** If regulations do not contain adequate sanctions and penalties for rule violations and irresponsible actions, then the level of compliance with accountability principles may decrease. Without clear consequences, potential violations or misappropriation of Hajj funds may continue to occur.

At the end of the discussion, the author can conclude that regulations regarding accountability for Hajj fund management in Indonesia have been implemented well. The results of research by Kurniawan (2021) also found that the governance and management of Hajj funds at the Hajj Financial Management Agency (BPKH) in relation to stakeholders and their interests in carrying out the state mandate as stated in the statutory system is good. This article can provide an overview to the public regarding the management of Hajj funds so that people have more trust in the Hajj Financial Management Agency.

4. CONCLUSION

The conclusion of this article is that regulations governing accountability in the management of Hajj funds have been implemented in Indonesia. These regulations include laws, regulations of the minister of religion, and decisions of the minister of religion which aim to increase transparency and accountability in the management of Hajj funds, then regulatory accountability in the governance of

Hajj funds in facing challenges, including effective supervision, risk management, sustainability and regulatory updates, as well as active role of related institutions. The advice given is the need to increase effective supervision and monitoring in the management of Hajj funds. Efforts are needed to ensure transparency and accountability in the use of Hajj funds. Then it is important to develop appropriate policies and mechanisms in risk management related to Hajj funds, including financial risks, investment risks and operational risks. Efforts are very necessary to maintain sustainability and update regulations governing governance. manage Hajj funds. Regulations need to be adapted to the latest developments in financial management and community demands. Relevant institutions, including the Ministry of Religion, need to play an active role in ensuring effective accountability for Hajj fund management regulations. By implementing adequate regulations and overcoming the challenges faced, it is hoped that the governance of Hajj funds can become more transparent, accountable and effective in achieving the goal of improving the management of Hajj funds and meeting the needs of Hajj pilgrims.

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