

## The Dynamics of Accounting Practices and Accountability in the Selected Mosques in Federal Territory

Dinamika Pengamalan Perakaunan dan Akauntabiliti terhadap Masjid Terpilih di Wilayah Persekutuan

SITI ROKYAH MD ZAIN  
ROS NORITA ABD SAMAD  
MOHAMED MUNEER SAMSUDIN  
RADUAN NOOR ARMIA

### ABSTRACT

*The aim of the paper is twofold. First, it describes the accounting practices at the selected mosques in Federal Territory in Malaysia. Second, it reviewed the financial records provided by the mosque committee members to portray their accountability. Within a three-month period, the study employed a series of unstructured interviews with key leaders of the four selected mosques such as the imams, mosques chairman, mosque treasurers and account clerks. It also reviewed some of the financial records of particular mosques such as financial statements, Friday's collection statements and other accounting-related records. In addition, researchers also observe the counting of Friday collection of three mosques. The finding suggests that accounting is dynamic in meeting the needs of mosque committee members to demonstrate their accountability and as part of their day-to-day activities. It is also discovered that the mosques committee members perceived that accounting practices are imperative tools to support various activities carried out by the mosques. As accounting is loosely practice by the selected mosque, it provides the wisdom of accountability for the four mosques that vary from one another since accounting practices and accountability are based on the wisdom of the committee members of the mosques.*

*Keywords: Accounting; accountability; mosque; dynamics; Islamic perspectives*

### ABSTRAK

*Kajian ini bersifat serampang dua mata. Pertama, kajian ini menerangkan amalan perakaunan masjid masjid yang dipilih sekitar Wilayah Persekutuan, Malaysia. Kedua, kajian ini meneliti rekod kewangan yang disediakan oleh ahli jawatankuasa masjid bagi menggambarkan kebertanggungjawaban mereka terhadap kedinamikan perakaunan dan perekodan masjid. Data diperolehi melalui kajian lapangan yang menggunakan metod temu bual tidak berstruktur dengan jawatankuasa tertinggi masjid terpilih seperti imam, pengerusi, bendahari dan kerani akaun dan pemerhatian. Kajian ini juga menganalisa beberapa rekod kewangan masjid seperti penyata kewangan, penyata kutipan hari Jumaat dan lain lain rekod berkaitan perakaunan. Para penyelidik juga memerhatikan pengiraan kutipan Jumaat di tiga masjid. Dapatan kajian merumuskan bahawa perakaunan adalah bersifat dinamik dalam memenuhi keperluan ahli jawatankuasa masjid demi menunjukkan kebertanggungjawaban mereka. Perekodan perakaunan juga adalah sebahagian daripada aktiviti harian mereka. Kajian ini mendapati bahawa ahli jawatankuasa masjid menganggap bahawa amalan perakaunan adalah instrumen penting untuk menyokong pelbagai aktiviti yang dijalankan oleh masjid. Walaupun, masjid terpilih didapati tidak mematuhi kerangka piawaian perakaunan yang biasa diamalkan oleh pengamal perakaunan, namun, pihak jawatankuasa masjid membuktikan kearifan dan kebijaksanaan lokal demi mempamerkan akauntabiliti ke atas masjid masing masing. Justeru, amalan perakaunan dan akauntabiliti mereka didasarkan pada kearifan dan kebijaksanaan ahli-ahli jawatankuasa masjid yang menunjukkan perbezaan kearifan dalam menangani akauntabiliti mereka.*

*Kata kunci: Perakaunan; akauntabiliti; dinamika masjid; perspektif Islam*

### INTRODUCTION

Religious institutions are a unique institution (Abdul Wahid 2004). One of its uniqueness is; it

owns its existence based on the theological values and belief of the community (Abdul Wahid 2004; Hairunnizam, Sanep & Radiah 2012). The mosque institution belongs to everybody in the community

and to those who share similar theological values and belief system. Accordingly, the main purpose of the existence of any religious institution is for theological, spiritual and missionary agenda to the community (Hairunnizam, Sanep & Radiah 2012). Because of that reason, religious institution benefited from continuous financial resources from various sources such as donations from the congregations, fund raising, and government or state grants. As religious institution is perceived as “holy and sacred” institution, the people place their trustworthiness on religious administrators to operate the institution and utilise the donations without doubt (Irvine 2011; Lightbody 2003).

In the Malaysian context, with regard to mosque institution, often, the mosques are managed by a handful of volunteers. This assumption leads the institution to be self-determination where the mosque institution creates its own way on how to shape and construct the operation and management of their religious institution; either formally or informally constructed (Laughlin 1990; Weaver & Stansbury 2014). Thus, the aimed of this paper is to shed light on the dynamics of accounting practices and accountability of the four selected mosque institutions in the Federal Territory.

## RESEARCH BACKGROUND

### THE DYNAMICS OF ACCOUNTING AND ACCOUNTABILITY IN ISLAMIC PERSPECTIVE

Islam is a way of life, and a consequence, accounting has long been accepted as one of the notions in Islam. In the Holy Quran, the longest verse that is Al Baqarah: 282 pronounces the dynamics of accounting and accountability as a way of life of the Muslims.

O ye who believe! When ye deal with each other, in transactions involving future obligations in a fixed period of time, reduce them to writing, let a scribe write down faithfully as between parties: let not the scribe refuse to write: as God has taught him, so let him write. Let him who incurs the liability dictate, but let him fear his Lord God, and not diminish aught of what he owes. If the party liable is mentally deficient, or weak, or unable to dictate, let his guardian dictate faithfully, and get two witnesses, out of your men, and if there are not two men, then a man and two women, such as ye choose, for witnesses, so that if one of them errs, the other can remind her. The witness should not refuse when they are called on (for evidence). Disdain not to reduce to writing (your contract) for future period, whether it be small or big: it is juster in the sight of God, more suitable as evidence, and more convenience to prevent doubts among yourselves but if it be a transaction which ye carry out on the spot among yourselves, there is no blame on you if ye reduce it not to writing. But neither take witness whenever ye make a

commercial contract; and let neither scribe nor witness suffer harm. If ye do (such harm), it would be wickedness in you. So fear God; for it is God that teaches you and God is well acquainted with all things.

(Al Quran, Al Baqarah: 282)

From the above verse, it can be deduced that the dynamics of accounting and accountability is embedded in Islam. First, it shed lights on the accountability of any Muslim to document the various transactions by means of recording. The recording could be in various forms such as the documentation of minutes of meeting, or proper book-keeping that records the transactions. Second, the duties and responsibilities should be given to competent personnel to prepare the keeping, maintaining and up-dating those transactions. The duties and responsibilities is not for the sake of being accountable to the parties involved but in line with the accountability that God has bestowed to them. Third, as accounting affects everyday life especially those involved in business activities, the accountability of having witnesses in the contract is vital. This is to ensure that justice prevails for those who participated in the contract. The dynamics of accountability in Islam is holistic in nature. Islam does not approve of any legitimacy of separation between daily activities and religious acts. Therefore, the dynamics of accountability in Islam are related to three major components.

The primary accountability is towards God which is in tandem with the tawhidic paradigm (Mohammad Khalifa 2017; Muhamad Kamal 2013). Tawhidic paradigm incorporates three axioms i.e. 1) the divine unity (tawhid *uluhiyyah*), 2) oneness in Lord (tawhid *rububiyyah*) and 3) believing in His holy names (*tawhid asma* and *sifat*) (Mohammad Khalifa 2017; Shah Haneef 2005). The divine unity is having faith that God is the Oneness of Allah; there is no real God to be worshipped except Him. The divine unity is portrayed in man's actions of creed (*aqidah*), worship (*ibadah*) and morality and ethics (*akhlak*) (Ashraf Wajdi & Irwani 2008; Mohammad Khalifa 2017; Sidek & Tareq 2015).

The second accountability is also embedded in the tawhidic paradigm. Allah has appointed man as His vicegerent (Al Quran, Adz Dzaariyaat 51, 56) and every man is accountable for his actions. Man is appointed as the administrator of the universe. In fulfilling his duties and responsibilities as administrator, Allah has relinquished him with Allah's bounties and resources guided with the knowledge of how to perform his duty rewardingly. In addition, the concept of Oneness of Allah (*tawhid*

*rububiyyah*) requires man though appointed as His vicegerent, is in fact servant to Allah as the absolute sovereignty belongs to Him.

In view of the dynamics of accountability above, accountants and those involved directly and indirectly with accounting alike, far from viewing that their duties and responsibilities are stated in the policies of the organisation, need to exert further by executing their duties as the servant to his Master. As servants, they must abide to the rules of their Master that is spelled out in the revelation. With relation to mosque institutions, those who were appointed as the key personnel and committee members of mosque had to portray their notions of accounting and accountability in managing the resources.

#### MOSQUE INSTITUTION IN MALAYSIAN CONTEXT

The sociological perspective viewed formal institution as a “body” that adheres to specific constitution to protect the interest of the community (Pettit 1995). In the Malaysian context, Islam is pronounced as the official religion in the Federal Constitution. Thus, Article 3 of the Federal Constitution indirectly regarded a mosque as a formal institution. Accordingly, an institution is shaped by a predetermined system. This system is arranged according to its hierarchical level in that society (Keizer 2008). In the similar Article, it is stated that the highest hierarchical level related to the Islamic affairs is the Sultan of each state, who has been automatically appointed as the Islamic ruler in their respective state. For states of Sabah, Sarawak, Pulau Pinang, Melaka and Federal Territory, Yang Di Pertuan Agong, is automatically head of Islamic ruler in their states. Therefore, various departments have been established to ensure the sovereignty of Islam in Malaysia. Among them is Jabatan Kemajuan Islam Malaysia (JAKIM). The department is established under the jurisdiction of the Prime Minister’s Department in order to observe the state affairs of the Muslim in Malaysia. Second, the State Islamic Religious Council (SIRC) of each state had been established to focus on the policy making and procedures with relation to financial and administrative matters of Islamic affairs in the state. The third body is the Islamic Division of each state. Its main function is to execute the policy and procedures that have been issued by SIRC. In Federal Territory, the SIRC of Federal Territory (SIRCFT) exercises its power, authority and jurisdiction for the Muslims in Federal Territory. Whilst Jabatan Agama Islam Wilayah Persekutuan (JAWI) is the

Islamic Division of SIRCFT that executes the policy and procedures.

Therefore, mosque institution in Federal Territory is under the supervision of JAWI. Similarly, for other states, the Islamic affair in that particular state is under the jurisdiction of the predetermined SIRC of that state. As such, the administrative and financial structure from one state to the other varies accordingly. Most of the roles and responsibilities of mosque committee members are written in the Enactment of each state. For instance, the administration and financial matters related to mosques that are situated in SIRC Selangor is clearly predetermined under Enactment of Law and Administrative of the State of Selangor 1989 Section 58(1).

#### MOSQUE ADMINISTRATIVE MATTERS IN MALAYSIAN CONTEXT

In general, mosque institutions in Malaysia execute two legal structures of administrations, i.e. the occupational groups and the volunteer group. The occupational group refers to mosque officers such as Nazir (similar to supervisor), Imam (head of Friday prayers and deliver the sermons), Khatib (similar to assistant supervisor), Bilal (similar to assistant of Imam) and Noja or Siak (his duties is to ensure that mosque is well maintained). They are fully paid by the government or SIRC, while the Imam and Khatib receive allowance from SIRC. The Bilal (or Noja) and Siak are unsalaried. In certain mosque, their allowances are taken from the mosques’ contributions with the consent of the committee members that are passed through annual general meeting.

A group of people who volunteer for the mosque administration is commonly known as mosque committee members (MCM). They are accountable for the mosque administrative matters including financial, mosque activities and maintenance matters. MCM usually comprises of a chairman, an assistant chairman, a secretary, a treasurer, four or five committee members for specific bureau such as community affairs, maintenance, education and missionary. The treasurer is expected to keep good financial recording of mosque institution and is unsalaried and works as volunteer or part-timer.

#### FINANCIAL REQUIREMENT

The State Islamic Religious Council of Federal Territory (SIRCFT) has issued Accounting Guidelines for Mosques and Suraus (AGMS) in the Federal

Territory. The contents of AGMS can be classified into seven main sections. The first section comprises of financial recording which covers the responsibilities of mosque committee members, the recording of income, expenditure, petty cash, banking matters and safety boxes. The second section discusses about how to account for depreciation of assets, fixed assets register and inventory register. The third section is related to the receipts and payment, whilst the fourth section is on how to account for disposal of assets, disposal of financial documents, fixed assets and inventory whereas in the fifth section, it covers about the internal audit duties and responsibilities. The sixth section is about the budgeting and lastly, the seventh section is related to the appointment of mosque staff. The AGMS also includes the template of cash book, petty cash, sample of general vouchers and sample of fixed assets register as guidance to the treasurers. It could be summarised that the AGMS provides mosque treasurers with sufficient accounting guidelines for mosques of SIRCFT.

## METHODOLOGY

As little is known about the accounting practices in mosque institutions in Malaysia, this paper selected a qualitative exploratory field-based case study approach. The data collection is established

on the physical and archival documents in the natural setting (Hairul Suhaimi Nahar & Hisham Yaacob 2011). Since the aim of the study is not merely on accounting as technical matter but explore on the dynamics of accounting in mosque institution, qualitative approach facilitates in-depth understanding of the phenomena which construct and shape the reality in organisational context. Multiple data sources were employed from various sources such as unstructured interviews, observations and reviewing the accounting procedures, financial records and documents and minutes of mosque committee meetings. Unstructured interviews were chosen due to the inadequacy of information pertaining to accounting practices in mosque and it is appropriate because not much information has been obtained about the mosques accounting practices. The unstructured interviews with the key personnel of mosques committee members assist in enriching the understanding of the case study (see Appendix 1). They are selected due to their direct involvement in mosque administrative and financial matters. The four s mosque institutions in Federal Territory were selected as it is perceived that the mosques in the Federal Territory reflect well managed administration within the central administration of Malaysian government (Hairul Suhaimi Nahar & Hisham Yaacob 2011). Table 1 reveals the demography of the informants.

TABLE 1 Demography of Informants

Type of Mosque	Position	Gender	Age
“A” – State Mosque	Chairman	Male	50
	Imam	Male	30
	Accounts Clerk	Male	27
“B” - Non Kariah Mosque	Chairman	Male	33
	Imam	Male	30
	Accounts Clerk	Male	30
“C” – Kariah Mosque	Chairman	Male	60
	Imam	Male	30
	Treasurer	Male	50
“D” - Surau Friday	Chairman	Male	43
	Imam	Male	40
	Treasurer	Male	57

## RESULTS AND DISCUSSIONS

There are four categories of mosques under JAWI jurisdiction: 1) State mosque, 2) Non- kariah mosque (which are situated at non-residential housings area), 3) Kariah mosques (which are located in residential housings area) and 4) Surau Friday.

## THE BACKGROUND OF THE FOUR SELECTED MOSQUES

With reference to table 2, the first mosque is Masjid “A”. This mosque is situated in a non-residential area. Even though Masjid “A” is located at Federal Territory, but the administrative and financial matters

of Masjid “A” is directly under the supervision of JAKIM. This is due to the status of Masjid “A” as one of the state mosques in Federal Territory. The staffs are fully paid and receive grants from federal government for Islamic activities, maintenance and missionary purposes. The staff enjoys a fully

furnished and well equipped office. Masjid “A” has seven imams, six bilals and administrative staff to handle the administration matters of the masjid. The committee members of Masjid “A” are selected by JAKIM who comprised of key personal directors from JAKIM and JAWI.

TABLE 2. background of the mosques

Mosque	Type of Mosque	Administration and Financial matters	Staff
Masjid “A”	State Mosque	JAKIM	Fully paid
Masjid “B”	Non Kariah Mosque	JAWI	Subsidized by corporate bodies
Masjid “C”	Kariah Mosque	JAWI	Unpaid/ Volunteers
Masjid “D”	Surau Friday	JAWI	Unpaid/ Volunteers

The second mosque is Masjid “B”. It is a non-kariah mosque and is located in the middle of the metropolitan city of Kuala Lumpur. It is surrounded by skyscraper buildings such as Kuala Lumpur City Centre and various prestigious shopping malls. The administration of Masjid “B” is under the jurisdiction of JAWI and the maintenance is subsidized by one of the leading petrochemical corporations in Malaysia. It is established and registered under JAWI in 1999. Masjid “B” is empowered with 12 mosque religious officers and the mosque committee members comprise of various individual with different background. The activities include weekly religious talk by invited speakers, promoting various Islamic programs such as monthly mid night prayers, Quran reading and handling motivational activities for school children.

The third Mosque is Masjid “C”. It is situated in a residential area in the outskirts of Federal Territory. It is a Kariah mosque and is managed by volunteers that form as the Mosque Committee Members. The Imam is appointed by JAWI. The chairman of Masjid “C” is a retired director from a government department, whilst the treasurer worked as an accountant in a government-linked corporation. Other committee members are from diverse educational background. Masjid “C” has three imams, and two bilals.

The fourth mosque is Masjid “D”. It is a Surau Friday which was located in a residential area near Gombak. By nature, Surau Friday main activity is to handle Friday prayer and Friday sermon. Surau Friday in Federal Territory is under JAWI supervision. Its main congregations are from the housing area nearby. Surau Friday is identical to a mosque because its Friday sermon text is prepared by JAWI. Simultaneously, JAWI will assign one imam to head the Friday prayer.

As far as Masjid “A” was concerned, it did not challenge with any difficulties in managing the mosque financial and administrative matters as compared to other mosques. Masjid “A” is fully supported by the government funding whilst the rest of other mosques heavily rely on the donations from congregations. Their staffs are a mixture of government staff and those paid by mosque funds.

ACCOUNTING PRACTICES

Accounting practices in Masjid “A” does not have any major problems. The accounts clerk is young graduate that acquired a Diploma in Accounting from a local higher institution in Malaysia. He is talented, qualified and knowledgeable to handle the full set of accounts. He possesses mastery skill in excel spread sheet. However, he admitted that there are times when he “lost” his confidence in his work due to the absence of supervision.

The accounts have never been audited for the last two years. I am still new here... about one year. I do not know whether what I did is on the right track or not. This is my first job after graduating from University. All the people, including the mosque committee members trust me. But as for myself, I am still confused. Nobody check my work...I mean, here, nobody really understand accounting accept me. I just follow what the past people have done. Am lack of experience.

(Account clerk Masjid “A”)

Masjid “B” account clerk revealed his disappointment while performing his duties and responsibilities in maintaining, and updating the accounts. The accounts clerk in Masjid “B” is uncertain with his accounting work due to lack of knowledge in accounting. He was actually offered as an Assistant Islamic Religious Officer but landed as an accounts clerk.

TABLE 3. educational background of the staff and the accounting practices

Mosque	Educational background	Accounting Practices
Masjid "A"	The accounting staff is well educated in accounting discipline. Fresh graduate.	<ul style="list-style-type: none"> <li>a. Able to handle full set of accounts.</li> <li>b. No proper supervision.</li> <li>c. Show uncertainty in handling the accounts.</li> </ul>
Masjid "B" Islamic Religious Affair Cum Accounts Clerk	No formal accounting background.	<ul style="list-style-type: none"> <li>a. Learned how to use the accounting software from the supplier.</li> </ul>
Masjid "C" Treasurer	Well educated in accounting discipline.	<ul style="list-style-type: none"> <li>a. Lack of commitment.</li> <li>b. Fully occupied with his current job.</li> <li>c. Managed by various mosque committee members such as the chairman, imam and mosque committee members.</li> </ul>
Masjid "D"	No accounting background Pensioner from police task force	<ul style="list-style-type: none"> <li>a. Attend various accounting courses conducted by JAWI</li> </ul>

I never have formal accounting course. I learnt this through the supplier who suggested this software (Mr Accounting) to the mosque. I even do not know why I should "debit" or "credit" the items. I just follow what has been thought by the supplier. My primary task here is as an assistant Islamic religious affair not accounts clerk. This job (accounts clerk) has put extra burden on me. The responsibility is more. There are times when I do not know what to do since the mosque committee members have many ideas on how to present the financial reports. The latest one, they urge me to do the coding system, which I am not familiar and do not understand what it is all about.

(Account clerk Masjid "B")

On the other hand, Masjid "C" is suffering from major deficiency with its record keeping. The absence of its treasurer who has tight schedule as an Accountant in a government link company, resulted in the failure of the mosque to prepare proper accounting records.

It is difficult for this mosque to have meeting where financial statement is discussed. The treasurer is busy with his own job or commitment. The meeting is always postponed due to his absence. The financial reports are discussed or tabled once every three or four months.

(Imam Masjid "C").

Though the financial records were not updated, the Imam clarified that all the expenditure were recorded as required. To clarify this "recording" matter, the Imam added that:

We record everything. The only thing that is not updated is the full set of accounts and the monthly financial reports. The recording is done by those who incurred the transaction. Then this person will hand over the invoice to the treasurer, including the Chairman.

(Imam Masjid "C").

From the observation, in Masjid "C", almost all the "recording matter" is done by the Chairman. This can be seen when all the receipts book and invoices were placed at the Chairman tables. The Chairman also handle the petty cash account using excel spreadsheet. Most of the time, the Chairman is performing a "one-man-show" in the "recording matters".

Even though the treasurer is not around, there is no problem in payment wise. The treasurer has already signed a "blank" cheque so that in case of any payment, the Chairman just have to put his signature (two signature is required i.e. the chairman and the treasurer) and write down the amount required.

(Chairman Masjid "C")

The Imam is aware of the current practice of the payment via cheques and having a blank cheques signed by the treasurer in advance. This might be due to his previous experience in maintaining and updating financial records.

I know that this is not right for our "masjid" because I have been working in an accounts department before I am engage as an Imam for this "masjid. I could not voice my dissatisfaction on those matters since he is well respected in the community. Similarly, JAWI also understood the dilemma that we (the management) have here. He is appointed by JAWI as Chairman of this "masjid because he had vast experience in management.

(Imam Masjid "C").

Despite the "one-man-show" by the Chairman, the Imam declared that there was no fraud or embezzlement case incurred. In addition, the Imam has taken an initiative to prepare the monthly Friday collection statement and paste them at the notice

board as a way of disclosure. This is to inform the congregations about the status of the monthly collections. The Imam of Masjid “C”, is aware of the violation of segregation of duties by the Chairman; who also acted as the treasurer. The Imam admitted that it is unethical for the Chairman to handle the accounts. The Imam added that he acknowledged that the actions of the Chairman is against the segregation of duties. However, he respected and trusted the Chairman because the Chairman is a well-respected person in the community. After all, there is no fraud cases occurred in managing the collections of the “masjid”.

There is no fraud case or breach of trust so far. We did not detect any mismanagement of funds. The treasurer himself has voiced his unwillingness to be appointed but since the mosque committee members have high trust on him, he was again elected. To tackle the issue, I make an initiative to prepare the monthly Friday collection and paste it at our notice board. This is the only way to communicate to our donors on how much collection that we have so far and as an avoidance of misappropriation of mosque funds. All the figures I get were from the treasurer.

(Imam Masjid “C”).

Despite its status as Surau Friday, Masjid “D” has an excellent financial recording. The audited financial statement was pasted on the notice board so as to inform the congregations and donor about the financial position of the surau. The treasurer, though a pensioner from police task force who has no idea about accounting has displayed his willingness to attend accounting courses and manage to handle a full set of accounts for Masjid “D”.

Before retirement, I was a police officer and know nothing about accounting. They (JAWI and JAKIM), sent me to attend their accounting courses. I was sent to attend accounting courses three times; in 2003, 2005 and 2007. There are so many things to do (to up-date). The task is merely as an accounts clerk but by God willing, I managed to maintain and up-date the accounts as required.

(Treasurer Masjid “D”)

Most key personal and mosque committee members who were interviewed, came from a diverse educational background and unfamiliar with accounting disciplines. They struggled to portray their accountability through accounting. They make an attempt to provide accounting records that are relevant and understandable to congregations. They are certain that portraying a worthy record is one approach to demonstrate their accountability towards the congregations.

## FRIDAY COLLECTION PROCEDURES

The researchers had an opportunity to observe the counting of the Friday collection funds in Masjid “A”, “B” and “C” due to the permission gained from the mosque Chairman (Appendix 2). Masjid “A” and “B” have a counting machine to assist them in counting the collection. The verification of total amounts of collections was recorded in a systematic manner in columnar format to record the amount of different notes received. There are also columns for verification and confirmation by two separate individuals (see Appendix 3). The segregations of duties among the Imams, accounts clerk and treasurer are distinguishable. However, the counting process of Friday collection in Masjid “C” differs from Masjid “A” and “B”. It is observed that the absence of segregation of duties is clearly identified during the whole counting process (see Appendix 4).

We count the Friday collections together; the mosque committee members, the chairman and an Imam or assistant Imam”. Once the counting is done, we record the amount in the collection registrar book and keep the money in our safety box and on Monday, the Chairman will bank-in the money.

(Committee Member of Masjid “C”)

It is observed that there are no formal procedures incurred. Besides the Friday collection, there are two types of “white” envelope that is practice by the mosque. One is stamped with welfare purposes and the other is for orphanage. As if they know their duties well, two of them are assigned to open the “white” envelopes, whereas the rest counts the notes. Besides counting the notes, one person is assigned to write down the total Friday collection, total collection for welfare purposes and total collection for orphanage. Another man is assigned to verify the total amounts collected. The chairman and the assistant Imam helps in counting the collection. During the observation, few light conversations took place and were taken into considerations.

When I first came here, this area is surrounded by rubber plantations, I mean...jungle. Now you can see the light railway transit (LRT) make ways above our mosque. We have known each other (the mosque committee members) for so long and help each other till now.

(Committee Member of Masjid “C”)

Another mosque committee member added that:

I have been as the mosque committee members for almost 20 years...ever since the inception of the mosque...though often

time, I did change the portfolio to another position. Through my experience, we did not encounter any financial dilemma.

(Committee Member of Masjid “C”)

### FINANCIAL REPORTS

All the mosque (with the exception of Masjid “C”) produce their financial reports. Masjid “A” financial reports is heavily burdened with other unnecessary reports too, such as a report on the collection of donations for tsunami, collection for Johor flood victims etc. The accounts clerk mentioned that all the reports are demanded by the mosque committee members.

Besides balance sheet, income statement and cash flow, I have to prepare various reports such as donations to other external parties. I am not so sure why the mosque committee members need those reports. I just follow their request.

(Accounts clerk Masjid “A”)

Masjid “B” financial reports are focused more on the Friday collections and programs that were being conducted especially the implication on cost. The rationale of Masjid “B” for doing so is that, the mosque heavily depends on Friday collections to pay the salary of their contract staff such as Imam Ratib, Bilal Ratib, and Siak. Besides that, by handling worthy programs which are well known outside Kuala Lumpur, donors and congregations are more attracted to donate more in the future. Meanwhile, Masjid “C” failed to produce timely financial reports, as claimed by the Imam:

I am afraid that we could not disclose to you our financial report. We only have very simple financial reports regarding our cash inflow and cash outflow.

(Chairman of Masjid “B”)

The researchers raise the issue of the deficiency of financial reports to the Chairman, and inquire him whether JAWI is annoyed about the condition. He claimed that:

Even if they feel annoyed, what can JAWI do to us? JAWI did not contribute anything towards the development of the mosque. They only give us a small allocation of grants during fasting month which is not enough. When I took over as the Chairman, we have nothing. Now, all the fixture and fittings such as cupboards, personal computer, printer, fax machine, telephone and others were bought using mosque collections. They (JAWI) are only interested to know about the financial reports. Little did they care about the mosque essentials.

(Chairman of Masjid “C”)

Masjid “D” perceived financial reports as one of the important accounting requirement. The treasurer follows exactly as what being taught that he gained in the accounting courses which he had attended. Financial reports are widely use as one of the issues during their monthly meeting. The audited financial statement is pasted on to their notice board so as to inform the congregations and donors of their financial position.

### SUMMARY

The dynamics of accounting and accountability had been described in Al Quran, Al Baqarah 2, 282. In that verse, Allah commanded the recording of business transactions to ensure that justice prevails for the entire mankind. Accordingly, Islam gives flexibility on how mankind describes or transcribes the recording of the accounts. Al Quran recommended the general guidelines on how mankind should conduct their daily activities (in this case, it is related to accounting). Islam appreciates the idea on proliferation of knowledge among mankind. The knowledge is shaped and enriched by mankind through wisdom. It is a necessity for the improvement and enhancement for the everyday life of humanity. For example, the accounting courses conducted by JAWI contributed to the enhancement of knowledge among the mosques’ treasurers.

Despite the appreciation towards enrichment of knowledge, mankind should adhere to the general guidance i.e. Al Qur’an and within the Islamic law. In this case, due to the diversity of educational backgrounds and regions, it is permissible for the mosques committee members especially the treasurers to exercise flexibility in the implementation of the accounting practices. Thus the accounting practices are likely to differ from one place to another. Therefore, with reference to the above study, although JAWI had provided AGMS as guidelines for the mosque committee members, but due to the lacked of experience, different educational backgrounds and dissimilar types of mosques, the dynamics of accounting and accountability is loosely practiced in the selected mosques. The dynamics of accounting and accountability demonstrated by the mosque committee members is within their wisdom in addressing the issues of discharging their responsibilities.

Accordingly, diverse educational backgrounds and experiences form the dynamics of accounting that vary according to their respective wisdoms



and abilities. These diversities do not impede the sense of accountability among the mosque committee members to discharge their duties as entrusted. Rather the diversities strengthened their relationship and teamwork in order to maintain and manage the mosque accounting records and display accountability. Similarly, the trust that the mosque committee members demonstrated to their counterparts (who were involved in preparing the accounts) encouraged the mosque accounts clerk to be liable in displaying their accountability. The accounting and accountability in the mosque institutions is an under-researched area. Therefore, it offers an avenue for other researchers to extend their research in various areas such as budgeting, internal control and audit per se.

The authors would like to express their gratitude to all the mosques committee members for their cooperation during the interviews.

#### REFERENCES

- Abdallah Yusuf Ali. 2000. *The Holy Quran*. Kuala Lumpur. SABA Media Press.
- AbdulWahid Hamid. 2004. *Islam the Natural Way*. MILES. United Kingdom.
- Ashraf Wajdi Dusuki & Irwani Abdullah. 2008. Maqasid al-shariah and corporate social responsibility. *The American Journal of Islamic Social Sciences* 24(1): 25-45.
- Federal Constitution 1957*. 2000. International Law Book Services. Kuala Lumpur.
- Garis Panduan Peraturan Kewangan Masjid & Surau Di Wilayah Persekutuan. Majlis Agama Islam Wilayah Persekutuan.
- Hairul Suhaimi Nahar & Hisham Yaacob. 2011. Accountability in the sacred context: The case of management, accounting and reporting of a Malaysian cash awqaf institution. *Journal of Islamic, Accounting and Business Research* 2(2): 87-113.
- Hairunnizam Wahid, Sanep Ahmad & Radiah Abdul Kader. 2012. Melokalisasikan urustadbir pengagihan zakat: Peranan Institusi Masjid di Malaysia. *Asian Journal of Accounting and Governance* 3: 71-83.
- Irvine, H. 2005. Balancing money and mission in a local church budget. *Accounting, Auditing & Accountability Journal* 18(2): 211-237.
- Keizer, P. 2004. The Concept of Institution in Economics and Sociology: A Methodological Exposition. Utrecht School of Economics. Working Paper.
- Laughlin, R. 1990. A model of financial accountability and the Church of England. *Financial Accountability & Management* 6(2): 93-114.
- Lightbody, M. 2000. Storing and shielding: financial management behaviour in a church organization. *Accounting, Auditing & Accountability Journal* 3(2): 56-174.
- Mohammad Khalifa Al Tamimi. 2017. *The Relationship between the Categories of Tawhid*. MEDIU Publication. 49-54.
- Muhammad Kamal Hassan. 2013. Isma'il al-Faruqi's Vision of Tawhidic Worldview. Keynote Address. *2<sup>nd</sup> International Conference on Contemporary Scholarship on Islam: The Legacy of Ismail Raji Al-Faruqi*. Kuala Lumpur.
- Pettit, P. 1995. The cunning of trust. *Philosophy and Public Affairs* 24(3): 202-25.
- Sidek Baba & Tareq. 2015. Knowledge of Syariah to manage "self" and system: integration of Islamic epistemology with the knowledge and education. *Journal of Islam, Law & Judiciary* 1(1): 45- 62.
- Weaver, G. R. & Stansbury, J. M. 2014. Religion in organizations: Cognition and behaviour in religion and organization theory. *Research in the Sociology of Organizations* 41: 65-110.

Siti Rokyah Md Zain  
SIG Accounting and accountability  
Faculty of Accountancy  
Universiti Teknologi MARA, Cawangan Terengganu  
Kampus Dungun  
rokyahmz@uitm.edu.my/ilajannatizumra@gmail.com

Ros Norita Abdul Samad  
SIG Accounting and accountability  
Faculty of Accountancy  
Universiti Teknologi MARA, Cawangan Terengganu  
Kampus Dungun  
rosno355@uitm.edu.my  
Mohamed Muneer Samsudin  
SIG Accounting and Accountability  
Faculty of Hotel Management & Tourism  
Universiti Teknologi MARA, Cawangan Terengganu  
Kampus Dungun

Raduan Noor Armia  
Faculty of Hotel Management & Tourism  
Universiti Teknologi MARA, Cawangan Terengganu  
Kampus Dungun

