

## The Effectiveness of Implementing The Khalifatullah Fill Ardh Philosophy in Increasing Financial Transparency

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**ABSTRACT** - Financial transparency is a crucial element of good governance and organizational accountability. One philosophy that can be applied to enhance financial transparency is the Khalifatullah Fill Ardh concept. This research aims to evaluate the effectiveness of the Khalifatullah Fill Ardh philosophy in improving financial transparency in mosques. The study employs a qualitative method with a descriptive approach, focusing on the Al-Ikhwan Mosque as its research object. The findings reveal that the takmir (management board) of the Al-Ikhwan Mosque has not effectively implemented the principles of the Khalifatullah Fill Ardh philosophy, which include the traits of apostleship (siddiq, amanah, tabligh, and fathanah). Moreover, financial management and accountability are centralized under the chairman of the takmir, resulting in insufficient financial transparency and accountability within the mosque. Future research is encouraged to explore the application of other principles of the Khalifatullah Fill Ardh concept to enhance financial transparency, using the same or different research objects.

**Keywords:** The Effectiveness, Philosophy of Khalifatullah Fill Ard, Financial Transparency

**ABSTRAK – Efektivitas Implementasi Filosofi Khalifatullah Fill Ardh dalam Meningkatkan Transparansi Keuangan.** *Transparansi keuangan adalah salah satu elemen penting dalam tata kelola yang baik dan akuntabilitas organisasi. Salah satu konsep yang dapat digunakan untuk meningkatkan transparansi keuangan adalah filosofi Khalifatullah Fill Ardh. Tujuan penelitian ini adalah untuk mengetahui efektivitas konsep khalifatullah fill ard dalam meningkatkan transparansi keuangan masjid. Metode penelitian yang digunakan dalam penelitian ini adalah metode kualitatif dengan pendekatan deskriptif. Sedangkan objek pada penelitian ini adalah masjid Al-Ikhwan. Hasil dari penelitian ini menunjukkan bahwa takmir masjid al-ikhwan belum menerapkan secara efektif konsep khalifatullah fill ard yaitu sifat-sifat rasul, siddiq, amanat, tabligh, dan fathanah selain itu pengelolaan dan pertanggungjawaban keuangan dipegang dan dilakukan oleh ketua takmir masjid al-ikhwan sehingga akuntabilitas dan transparansi keuangan masjid al-ikhwan kurang. Penelitian selanjutnya disarankan untuk menggunakan sifat-sifat konsep khalifatullah fill ard yang lainnya dalam meningkatkan transparansi keuangan dengan objek penelitian yang sama.*

**Kata Kunci:** Efektivitas, Filosofi Khalifatullah Fill Ard, Transparansi Keuangan

## INTRODUCTION

The philosophy of Khalifatullah fill ardh in Islam is outlined in the concept of Islamic leadership. Islamic leadership is a holistic and just leadership model that has been implemented for a long time. This concept not only focuses on spiritual aspects, but also emphasizes the concept of the afterlife. Islamic leadership in organizational management has a major influence on organizational performance, productivity, decision making, planning implementation, and employee satisfaction (Gazi, M.A.I, 2020). In general, the philosophy of Khalifatullah fill ardh is stated in the Qur'an, Surah Al-Baqarah: 30, which means that humans are leaders on this earth, as leaders humans should carry out good deeds and good deeds (Nurasiti & Mursalin, H, 2023). Apart from that, as a caliph on earth, you must also emulate the characteristics of Rasulullah SAW so that you do not cause damage to the earth, one of which is being able to mitigate fraud (Uyun, J, et al, 2020).

Several studies on the philosophy of Khalifatullah fill ardh have been carried out. In 2023, Nurastiti & Mursalin stated that the concept of khalifatullah fill ardh can foster a sense of responsibility in every human being by positioning humans as caliphs who preach amar ma'ruf nahi munkar (Nurasiti & Mursalin, H, 2023). The concept of khalifatullah fill ardh is related to the concept of leadership in Islam so that in 2020, Gazi's research stated that by applying the Islamic leadership concept in the management of an organization it can have a big impact on organizational performance, decision-making productivity, and implementing planning and employee satisfaction (Gazi, M.A.I, 2020). Apart from that, in 2018, Hisham, et.al stated that applying Islamic leadership concepts in organizational practices will increase transparency in an organization which will then achieve sustainability of good governance practices (Hisham, R.R.I.R, et al. 2018).

So in 2018, Khodijah stated that with high human understanding of the concept of khalifatullah fill ardh, fraud could be prevented and detected (Khodijah, S, 2028). In contrast to Uyun's research, et al in 2020 said that the concept of khalifatullah fill ardh cannot mitigate the occurrence of fraud (Uyun, J, et al, 2020). However, in 2008, Suyudi said that the concept of Khalifatullah Fill Ardh with accounting must be placed at a balanced and proportional level so as to form a new, more established concept from the internalization of the Khalifatullah Fill Ardh perspective, namely the zakat perspective (Suyudi, M, 2028). Furthermore, in 2007, Anwar & Ghofar's research stated that by internalizing the khalifatullah fill ardh perspective in the zakat perspective in the form of the value of monotheism as outlined in the organization's vision and

mission, the Shari'te Balance Scorecard could be formed which has a more humanistic, emancipatory, transcendental and teleological (Anwar, S & Ghofar, A, 2007).

Based on several studies that have been conducted, it was found that there are several research problems that can be formulated in this research. The research problem is that no research has been conducted regarding the implementation of the Khalifatullah Fill Ardh concept in increasing financial transparency. Apart from that, the research that has been conducted has not yet measured the effectiveness of the Khalifatullah Fill Ardh philosophy in increasing financial transparency. Apart from that, in practice the concept of khalifatullah fill ardh is not implemented perfectly so that the proportion between the concept of khalifatullah fill ardh and financial transparency is not balanced.

The purpose of a problem statement is to achieve the following:

1. To find out the application of the concept of the Khalifatullah Fill Ardh philosophy to the financial management of mosques.
2. to determine the effectiveness of applying the concept of the Khalifatullah Fill Ardh philosophy in increasing mosque financial transparency.

## **LITERATURE REVIEW**

The concept of khalifatullah fill ardh is identical to the concept of leadership in Islam. This is because the caliph is interpreted as a representative. In addition, it is also termed as ulil amri which means the highest leader in Islam. (Hidayah, N, et al, 2022) humans as the highest leaders in Islam have several characteristics as ideal Islamic leaders, namely (a). Piety, (b). Patience, (c). Dependence on Allah, (d). knowledge and wisdom, (e). Spirit of sacrifice, (f). Keeping promises, and (g). Excellence. In addition, there are four important elements of the concept of Islamic leadership, namely (1). Accountability, (2) justice (3). Trust, and (4). Consultation (Akhtar, S & Nawaz, D, 2021). In the philosophy of khalifatullah fill ardh, humans are required to be leaders who have a vision and have innovation, as well as high responsibility (Manzoor, S, 2023 & Annisa, A & Septyan, K, 2023). The philosophy of khalifatullah fill ardh is closely related to financial transparency and accountability. In general, Islamic leadership is an important mechanism that needs to be considered in increasing financial transparency and the importance of performance analysis as a decision maker also needs to be considered in financial transparency (Hisham, R.R.I.R, et al. 2018).

Financial Transparency is a necessary stage before the accountability stage. Organizations need to comply with the principle of financial transparency as a prevention to reduce administrative and financial corruption (Jadar, S.M & Al-Wadi, M.H, 2021). In addition, the philosophy of Khalifatullah fill ardh can also mitigate financial fraud (Uyun, J, et al, 2020). The implementation of the philosophy of Khalifatullah fill ardh in financial transparency needs to be known how effective the application of the concept is in increasing financial transparency. In addition, in implementing the concept, there are certainly obstacles and challenges. This is the basis for this research.

Previous research has not identified the effectiveness model of the application of the philosophy of khalifatullah fill ardh on financial transparency, so this research produces a novelty in the form of an effectiveness measurement model in the application of the philosophy of khalifatullah fill ardh in increasing financial transparency and the novelty of the factors of obstacles and challenges in the implementation of the philosophy of khalifatullah fill ardh in increasing financial transparency.

The effectiveness of the philosophy of the khalifatullah fill ardh can be measured by:

1. The existence of leadership that is in accordance with the Qur'an and exemplifies the behavior of the Prophet is applied in the organization
2. The existence of special specifications of the philosophy of the khalifatullah fill ardh with the implementation of good internal control
3. Increased financial transparency
4. The achievement of the goals of the organization

Financial transparency is a stage of financial management. Transparent financial information can reduce financial abuse and fraud. However, in increasing transparent financial information, an effective application of the concept of khalifatullah fill ardh is needed. So that the goals of the organization are achieved optimally. For example, the application of the concept of khalifatullah fill ardh in higher education can mitigate fraud Uyun, J, et al, 2020).

## **METHODOLOGY**

Previous studies have not identified the effectiveness model of the application of the philosophy of khalifatullah fill ardh on financial transparency, so this study produces a novelty in the form of an effectiveness measurement model in

the application of the philosophy of khalifatullah fill ardh in increasing financial transparency and the novelty of the factors of obstacles and challenges in the implementation of the philosophy of khalifatullah fill ardh in increasing financial transparency. This study uses a qualitative research method with a descriptive approach, namely research that explains an individual or group phenomenon in depth. The object of this study is the al-Ikhwan Pamekasan mosque which was implemented in August until completion. The research procedure used in this study starts from the observation stage, interviews, data processing, and drawing conclusions.

The type of data used in this study is qualitative data, which is data presented in the form of descriptions obtained from interview results. The data source used in this study is primary data. Primary data is data or information obtained directly through interviews with informants and direct research to the object of research. The interviews conducted were semi-structured interviews conducted with the Takmir of the Al-Ikhwan Mosque and the community around the mosque to seek information about the management and accountability of mosque finances in increasing financial transparency. The data collection method used in this study was field research, which was carried out with the following stages:

1. Observation
2. Interview, the interview was conducted by the researcher by asking questions to the informant related to the management of mosque finances and the accountability of mosque finances.
3. Documentation.

The data analysis method used in this study is to use the descriptive analysis method, namely a method that discusses problems in detail with various stages of data analysis, namely as follows:

1. Data reduction, namely data that has been collected from written notes in the field will be selected, simplified, and abstracted (Miles and Huberman, 2009: 16).
2. Data presentation, after the data is reduced, the next step is to present the data in the form of a brief description which is then described in the form of a narrative text to better understand the management and accountability of mosque finances and their relationship to the application of the concept of khalifatullah fill ardh in increasing financial transparency.

3. Drawing conclusions, after the data is presented, the next step is testing the validity of the data quality, namely by testing the credibility, to prove that the data that has been collected is in accordance with the actual reality.

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## **RESULT AND DISCUSSION**

Financial transparency is one of the important elements in good governance and organizational accountability, especially in the public and government sectors. One concept that can be used to improve financial transparency is the philosophy of Khalifatullah Fill Ardh. This philosophy comes from Islamic teachings, which contains the principle that humans as caliphs (leaders) on earth are given the responsibility to maintain and manage the mandate, including in financial matters. This philosophy emphasizes values such as justice, trustworthiness, and balance in resource management, which can be applied to improve financial transparency. As caliphs on earth, humans have a comprehensive nature in all aspects, especially the financial aspect so that they not only have the goal of prospering the earth. But also manage it by paying attention to Islamic values such as justice, truth, good deeds, virtue, and politeness (Kamla et., al, 2006).

Based on the data collection and analysis that has been done, it can be concluded that the Al-Ikhwan mosque organization is a non-profit organization that gets funding from aid or grants and from charity boxes provided in the mosque. The Al-Ikhwan mosque funds collected from various sources are managed by the mosque administrators for the needs of the mosque such as

building a mosque, installing gazebos, and activities for major holidays such as the Prophet's birthday, etc. In carrying out management, it is necessary to carry out accountability for the mosque funds which are useful for the community and stakeholders who need information on the mosque funds.

In carrying out financial accountability of the mosque, the Al-Ihwan mosque administrators record finances by recording cash inflows and outflows and announcing them on the notice board at the time of the day. In addition, mosque officials have not yet implemented good accountability in accordance with the applicable PSAK. However, the Al-Ikhwan mosque administrators have personally implemented the concept of khalifatullah fill ardh in managing mosque finances, namely a concept that is in accordance with the characteristics of the apostle in prospering the earth, namely Shiddiq, the mosque administrators manage finances with an honesty system, the Al-Ikhwan mosque administrators calculate the results of cash collection from the charity box after Friday prayers so that the community knows the amount obtained from the cash collection, besides that it is also announced at the monthly meeting of the Al-Ikhwan mosque administrators. In addition to the shiddiq trait, another trait is Amanah, namely the mosque administrators manage mosque finances based on a trust system, meaning that the community entrusts their funds to be donated to the Al-Ikhwan mosque and the Al-Ikhwan mosque administrators announce the results of cash collected from the charity box every week, namely after Friday prayers. Between the community and the mosque administrators, both trust each other for the money received or donated to the mosque charity box. The community believes that by filling the mosque charity box, it becomes a charity and reward that can be felt in the afterlife. Meanwhile, the mosque administrators are also careful and afraid of the management of the mosque's finances, because if they are not careful, they will get sins in the afterlife. The third characteristic is tabligh, which means responsible, the mosque administrators carry out financial accountability correctly and accurately to the community and mosque stakeholders, but only use cash outflow and cash inflow mutations, not making detailed financial reports in accordance with PSAK 45 of 2011.

The mosque's financial report consists of a financial position report (Balance Sheet), activity report, cash flow report, and notes to the financial report (Andarsari, P.R, 2016) so that the financial management of the Al-Ikwan mosque can be trusted and transparent in its reporting. The next characteristic is fathonah, which is intelligent or competent, the takmir of the Al-Ikhwan mosque who manages the mosque's cash is the takmir of the Al-Ikwan mosque

with a bachelor's degree but not in accounting but majoring in Islamic religious education, so that in carrying out accountability for the management of mosque finances it is only limited to recording cash mutations, namely cash in and cash out and mosque income. So it can be concluded that the nature of fathonah or intelligent and competent is still not effective in implementing the concept of khalifatullah fill ardh. The nature of the apostle is implemented as an internal control in managing finances.

The effective implementation of the concept of khalifatullah fill ardh can increase organizational accountability and can encourage the openness of organizational information to the parties involved, namely mosque stakeholders. In addition, the concept of khalifatullah fill ardh can reduce corrupt practices that can be carried out by individuals or groups. So that the concept of khalifatullah fill ardh is a good internal control system to prevent fraud (Uyun, 2020). According to Gazi (2020) the concept of khalifatullah fill ardh is closely related to organizational leadership based on an Islamic perspective. Good financial management reflects good financial transparency and financial accountability. Financial transparency and financial accountability are good internal control management in an organization, but the management of the Al-Ikhwan mosque has not yet carried out financial transparency and accountability in a complex manner, because it adheres to a belief system from all people who contribute to the charity box and funds to the mosque. The concept of khalifatullah fill ardh is a reflection of humans who are given a mandate by God as God's representatives who can provide welfare for the whole world. So, humans need to realize for themselves their nature to prosper the earth, not to cause damage and carry out practices that can make humans disobedient and hypocritical (Annisa, A & Septyan, K, 2023). Politics in the modern archipelago today has an obligation to implement Islamic law properly so that it can be the basis for modern political practices (Zamharir, et.al, 2020). Human resource development is also important to create an accountable and transparent organization (Insani, I, 2009). This means that the concept of khalifatullah fill ardh in the accountability of mosque funds can be applied effectively if the nature of the human resources related to this accountability also supports it, namely not being selfish and having the goal of prospering the earth. In addition, it is also necessary to have competence and expertise in their fields in order to create effective financial accountability and transparency.

## **CONCLUSIONS**

The purpose of this study was to determine the effectiveness of the application of the khalifatullah fill ardh concept in managing mosque finances to increase

the transparency of mosque finances. Based on the discussion that has been carried out, it can be concluded that the source of funds for the Al-Ikhwan mosque comes from social assistance from mosque donors and also from the charity box provided by the mosque. In financial management, the Al-Ikhwan mosque administrator records the mosque's finances by only making cash outflow and cash inflow mutations, not making detailed financial reports in accordance with PSAK 45 of 2022 with financial reports for non-profit organizations. In the concept of khalifatullah fill ard, the Al-Ikhwan mosque administrator has personally implemented the concept of khalifatullah fill ardh in managing mosque finances, namely Shiddiq, mosque officers manage finances with an honesty system, meaning that the mosque administrator announces financial management every week after Friday prayers and also at the monthly meeting of the mosque administrators. Amanah, namely mosque officers manage mosque finances based on a trust system, meaning that the community and the mosque administrators trust each other for the money received or put into the mosque's charity box. The community believes that by filling the mosque's charity box, it becomes a charity and reward that can be felt in the afterlife. Meanwhile, the mosque administrators are also careful and afraid of the management of the mosque's finances, because if they are not careful, they will get sins in the afterlife. Tabligh means responsible, the Al-Ikhwan mosque administrators carry out financial accountability by recording cash outflow and cash inflow mutations, not recording financial reports in detail according to PSAK 45 of 2011. Fourth, fathonah, which is intelligent or competent, the mosque administrators who record and manage finances are the head of the mosque administrators who are graduates of Islamic religious education so they do not have the competencies that are in accordance with the financial field, besides that there is no mosque financial treasurer, meaning that the money of the Al-Ikhwan mosque is held and managed and recorded by the head of the mosque administrators so that it is only limited to recording cash inflow and cash outflow and the income of the mosque.

The application of the concept of khalifatullah fill ard in the takmir of the Al-Ikhwan mosque is less effective, because the Al-Ikhwan mosque does not make financial reports in accordance with PSAK 45 of 2011 as its accountability, in addition, the transparency and accountability of the Al-Ikhwan mosque are still categorized as lacking because the management of mosque finances is managed by the head of the takmir of the mosque whose field of knowledge is not accounting and is also not his competence. While the concept of khalifatullah fill ard is an internal control concept in managing finances. But there are still many other characteristics of the apostle that have been applied by mosque

officers that must be studied further by subsequent researchers with various objects.

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