

## **DISCLOSURE OF CASH RECEIPT AND EXPENDITURE OF BAITUL MAAL HIDAYATULLAH D.I YOGYAKARTA REPRESENTATIVE AS A GRASS ROOT ENTITY FOR THE ECONOMIC EMPOWERMENT OF PESANTREN IN THE NEW NORMAL ERA**

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**ABSTRACT.** Baitul Maal Hidayatullah Yogyakarta is considered a grass-root entity that has an obligation to provide stimulus during the pandemic and improve the welfare of its members during the Covid-19 pandemic. The financial reports in order to increase credibility and its role must be maximized. The research will have the aim of knowing the application of the internal control system in the cash receipt and cash disbursement cycle and identifying the weaknesses and strengths that have been implemented. This study used a descriptive research method using a factual approach and also journals as literature and conducting observations and analysis at the Baitul Maal Hidayatullah Yogyakarta and conducted a qualitative study. The results of the study measured 5 aspects of the application of internal control in the cycle of cash receipts and disbursements according to COSO at the Baitul Maal Hidayatullah Yogyakarta, namely 1) control environment, 2) risk assessment, 3) control activities, 4) information and communication and 5) monitoring. From these results, it is concluded that the implementation of the internal control system in the cash receipt and cash disbursement cycle of the Baitul Maal Hidayatullah Yogyakarta Mosque has been going well, in line with the identified strengths and weaknesses. Weakness points such as managing using basic applications can potentially be developed further.

*Keywords: saving, mosque financial report, internal control, cash receipt system, cash withdrawal system.*

### **1. INTRODUCTION**

The Covid 19 pandemic has caused a series of impacts on the global economic sector, including the environment around the author. Therefore, it takes an effort that emerges as a strategy that can minimize the deterioration of economic conditions, especially in areas that can be reached by the author. The role of economic strategy in the community itself is needed in stabilizing the economy of its members or the communities around the environment during the Covid-19 pandemic and fumigate the restructuring of the financial sector in the new normal era. It's just that these strategies must be efficient and transparent to avoid cheating from managing cash receipts and expenses. This of course will lead to how an organization is able to report its cycle of receipts and cash expenditures.

When it comes to the cycle of receipts and cash expenditures, it will organizationally lead to internal controls in financial reporting. As part of financial reporting, in accordance with PSAK No.45 2008, financial statements

can utilize accounting science which can be used to help make decisions (Made Aristia Prayudi, 2015). This can be implemented in large organizations to organizations related to Islamic finance and economics in non-profit organizations based on pesantren economy, such as Baitul Maal Hidayatullah in Yogyakarta (Andarsari, 2016). The author chose the object in Baitul Maal Hidayatullah Yogyakarta, because during the pandemic often strengthening the religious-based economy or pesantren economy is rarely understood as a solution to restructuring the economic sector. The author will analyze how the role of institutions with religious entities can try to convey information in order to maintain the economic stability of its members as well as the credibility of the organization, later this credibility can provide a strengthening staretgi during the pandemic (Wibowo, 2018).

The mosque is considered *as a grass root* entity, where it can directly touch all levels of society, therefore its role must be maximized (Astarani, 2019). The good financial management of the mosque by the administrators is one of the main factors used to maintain the sustainability and prosperity of a mosque. This is because the mosque needs a small amount of funds every month to support worship activities, provision of facilities and infrastructure, and the development of mosques.

Some cases that can be observed from previous research before the Covid-19 pandemic show there are that several mosques that have had Baitul Maal Hidayatullah Yogyakarta with excess funds but going without clarity of activities and financial reporting. On the other hand, there are mosques that have progressive activities, but lack of funds. Therefore, internal control for the cycle of receipt and expenditure of cash to religious entities requires a synergism in order to achieve optimization of the financial potential of existing mosques as a strengthening of pesantren economy during the pandemic. In addition, internal control for the cycle of receipt and expenditure of cash on religious entities, especially for mosques is still rarely of particular concern in the writing of scientific studies.

Therefore, the research will have the aim of knowing the implementation of internal control system in the cash receipt cycle and cash expenditure of Baitul Maal Hidayatullah Yogyakarta and identifying the weaknesses and advantages of internal control system in the cash receipt cycle and cash expenditure implemented in Baitul Maal Hidayatullah Yogyakarta cash.

## **2. LITERATURE REVIEW**

Internal control as an organizational plan, all synchronized methods and scaling applied to the company to maintain assets, rely on and claim accounting data, improve operational efficiency and spur the kepatuahn against managerial regulations that have been placed (Ompusunggu, 2020). The COSO states that internal control is a procedure because internal control breaches the organization's operational activities and is also an integral part of basic management. Guarantees are reasonably given by internal control, because the

possibility of collusion, human error, and management's lack of control can make this process or procedure less good (COSO, 2013).

According to the COSO the components of internal control can be described as follows:



Figure 1. COSO Internal Control: Integrated Framework

As displayed that the components of internal control that can be described include:

- a) A control environment, which is one of the things that affects the way an organization sets its strategies and objectives, structures business activities, and identifies, assesses and responds to risks.
- b) Risk assessment, which is an activity to identify, analyze, and manage risks that may affect the objectives of the organization. Organizations should be able to know and avoid possible risks, especially at the time of receipt and expenditure of cash certainly has a lot of risks (Sukadwilinda, 2013). Management must also be able to identify and assess changes significantly that could impact internal control.
- c) Control activities are policies, procedures, and rules that can provide adequate guarantees with the aim of controlling what has been achieved and future risks. It also gives a belief that the necessary activities can be carried out so as to reduce risks in achieving the company's objectives.
- d) Organizations need much-needed information and communication within the organization to support its activities, carry out internal control responsibilities and support the achievement of its objectives. The information itself must be identifiable, processed and communicated to the appropriate parties so that everyone
- e) organizations can carry out their responsibilities well (Tawaqal, 2016). While communication is a process of understanding the role of individuals and accountability related to internal control over financial statements.
- f) Monitoring is a process that determines the quality of internal control performance during their working time (Steinbart, 2015). In this monitoring

includes the determination of the design and control of timely operations and also the taking of corrective actions (Mulyadi, 2008).

Cash is the most active asset in the asset component of all types of organizations, including those that occur in Baitul Maal Hidayatullah Yogyakarta. Cash has *liquid properties* that provide ease of use, but it can also be a cheating loophole (Halim, 2010). In addition, cash has a trait that is easy to transfer so that otherwise it will be biased as evidenced by its ownership and potentially misused cash (Rahmawati, 2016). Elements of good internal control in cash management are: 1) Organization, 2) Authorization system and recording procedures, 3) Healthy practices and 4) Potential employees (Hapsari, 2016).

Cash expenditure is a procedure designed so that every expenditure is approved and is a useful expenditure for the purposes of Baitul Maal Hidayatullah Yogyakarta. The cash expenditure system can help companies to easily manage the details of cash expenditures that have been issued (Baridwan, 1993).

### **3. RESEARCH METHODOLOGY**

This research uses descriptive research method using fact and journal approach as literature and conduct observation and analysis in Baitul Maal Hidayatullah Yogyakarta unit and qualitative study. Qualitative research is especially important in behavioral sciences where the goal is to find the underlying motive of human behavior (Jusup, 2014). Through this research we can analyze various factors that motivate people to behave in a certain way or that make people like or dislike certain things (Mardi, 2011). It can be stated, however, that to apply qualitative research.

## **4. DISCUSSION**

### **4.1 Baitul Maal Hidayatullah Yogyakarta Overview**

Baitul Maal Hidayatullah Yogyakarta is an Islamic religious-based financial institution that began to grow rapidly in some communities and became popular in the 1980s. Baitul Maal Hidayatullah Yogyakarta has the main task of implementing economic activities, education, and personality development of its members in the field of Islamic religion. The task was implemented by Baitul Maal Hidayatullah Yogyakarta through various programs and activities carried out during a year of management.

As an effort to provide economic strategy and *strengthen* the economy in the new normal era, synchronize moves and establish brotherhood, Baitul Maal Hidayatullah Yogyakarta has to synergize with several partnership and finance organizations of a religious nature including financing institutions in several regions, and the Forum for Interfaith Spiritual Cooperation from regional to national scale. Baitul Maal Hidayatullah Yogyakarta aspires to be a home that can provide the best service and revive syiar as a solution for all community aspects of the members. The role of Baitul Maal Hidayatullah Yogyakarta itself is increasingly highlighted as one of the financial solutions during the Covid-19 pandemic by the surrounding region.

The members of Baitul Maal Hidayatullah Yogyakarta are all Muslims in its surrounding consisting of administrators and communities. The administrators of Baitul Maal Hidayatullah Yogyakarta are people who are officially registered through a selection process. The service of Baitul Maal Hidayatullah Yogyakarta is generally a one-year management period. As a religious institution, Baitul Maal Hidayatullah Yogyakarta is the motor of Islamic da'wah syi'ar through a series of activities carried out. Baitul Maal Hidayatullah Yogyakarta is a formal and legal organization that has two functions, namely:

- a. as an Islamic religious institution that houses the activities of all Muslims in its founding environment;
- b. as a financial institution that strives to be able to shelter all Muslim communities around its founding environment.

The general vision of Baitul Maal Hidayatullah Yogyakarta is to become a religious institution that is close to all levels of society, friendly to all elements of ethnicity and religion, and is always beneficial for Muslims and the people in general. The general mission of Baitul Maal Hidayatullah Yogyakarta is as follows:

- a. Optimizing the role of Baitul Maal Hidayatullah Yogyakarta in the process of forming a sholeh, intelligent and global-minded member character.
- b. Becoming an organization that always embraces all elements of society and is ready to work together in goodness.
- c. Shaping members and administrators and cadres who behave well, tough, and courageous.
- d. Becoming an organization that prioritizes public service.

Baitul Maal Hidayatullah Yogyakarta has a general structure consisting of:

- a. Board of Daily Management hereinafter abbreviated as BPH
- b. Finance
- c. Charities

Badan Pengurus Harian (BPH) is a body tasked with coordinating, control, developing administrative and financial management systems as well as communication in building internal and external relations baitul Maal Hidayatullah Yogyakarta. The Board of Daily Management consists of the chairman, vice chairpersons, secretaries and treasurers.

As for the Field of Finance itself, the main tasks and functions are:

- a. Head of Finance as General Treasurer of Baitul Maal Hidayatullah Yogyakarta, plays a role to develop policies and financial system, supervise and evaluate the implementation of the budget, test and authorize the SPM submitted by the Budget User, directly responsible to the Chairman of Baitul Maal Hidayatullah Yogyakarta related to financial management, responsible for the preparation of financial statements, carrying out other duties related to finance.

- b. The Deputy Head of Finance as the Attorney General Treasurer, is tasked with receiving, storing, managing, reporting, and accounting for the receipt of Baitul Maal Hidayatullah Yogyakarta (storage function), recording cash receipts, issuing BKK and disbursing funds, and carrying out other duties that are his responsibility.
- c. Verificator is tasked to check the fairness of the Letter of Accountability submitted by the Budget User and carry out other duties that are his responsibility.
- d. The Expenditure Treasurer has the task of receiving, storing, managing, reporting, and accounting for money for the purposes of field spending, arranging documents related to the use of funds, preparing documents of accountability for the use of funds (e.g. SPJ), recording of cash expenditures based on the SPJ, calculating the remaining budget ceiling of each field, and carrying out other duties that are his responsibility.
- e. There are six Treasurers of Expenditure, each Treasurer of Expenditure will have the fields as Secretariat General and Finance, Household, Education and Media Information, Syiar, Arts and Culture and Youth Sports. The Treasurer of Expenditure for Human Resources Development and Keputrian is the Internal Treasurer of the Field. The Position of Expenditure Treasurer will be adjusted directly as needed.
- f. Head of Sector as Budget User, responsible for preparing budget plan documents, appointing The Treasurer of Auxiliary Expenditures, reporting field receipts, issuing and signing SPM, and submitting Accountability Letters and other accountability documents related to the use of funds to the General Treasurer.
- g. The Assistant Expenditure Treasurer, tasked with organizing documents related to the use of funds and carrying out other duties that are his responsibility.
- h. The Project Treasurer is the Treasurer in the form of committee project activities. The project treasurer carried out his duties by pointing to SPI Keuangan Baitul Maal Hidayatullah Yogyakarta. The project treasurer is obliged to submit a financial accountability report document and the remaining money of the activity to the Expenditure Treasurer.

#### **4.2 Business Process of Receiving and Spending Cash Baitul Maal Hidayatullah Yogyakarta**

Based on the author's interview with the board, here is a description of the process of receiving and spending cash at Baitul Maal Hidayatullah Yogyakarta

##### **a. Cash Receipts**

Before the cash receipt process, the process of budgeting and budgeting is carried out first. Budgeting is an important process because the budget serves to support the planning of activities that have been prepared.

Budgets at non-profit organizations are an overview of the plan of an organization's activities or programs and the source of funds needed. Therefore, non-profit organizations such as mosques need to focus on their activities or programs and also in finding sources of funding to finance the program.

The procedures for preparing and setting the budget of Baitul Maal Hidayatullah Yogyakarta are:

- 1) APB plan in which each field makes a work program accompanied by a budget plan poured into the RAB and RKA
- 2) The budget plan of each field is collected and discussed in preliminary talks between BPH and the Head of field.
- 3) APB Drafting is based on the budget plan approved by the Chairman of Baitul Maal Hidayatullah Yogyakarta. The APB draft must be based on the guidelines for drafting the APB
- 4) RKA and RAPB Baitul Maal Hidayatullah Yogyakarta discussed together with all management.
- 5) RAPB is submitted to the financing institution.
- 6) Baitul Maal Hidayatullah Yogyakarta discussed the Draft APB.
- 7) Then the Draft APB is determined to be an APB by sharia financing institutions.
- 8) The General Treasurer will inform each area of the budget determination and decide on the size of the budget ceiling for each field.
- 9) Within a maximum period of 7 days after the budget decision is announced, each head of field is obliged to adjust the RAB and RKA that has been made, then submit it to the General Treasurer for ratification.
- 10) The budget period follows the applicable provisions
- 11) APB changes are further regulated through the Financial Sector Policy.

Cash receipts at Baitul Maal Hidayatullah Yogyakarta begin when cash is received by the treasurer of the field or by the Attorney General or The General Treasurer. Cash is received in the general cash account of Baitul Maal Hidayatullah Yogyakarta, then recorded using Proof of Cash Entry (BKM) as the basis of journaling. Documents that are evidence of cash receipts such as Infaq reports, BKM, receipts, and other cash receipt documents, are used as the basis for recording cash receipts. Each field and by the Attorney General's Office subsequently records cash receipts. Recording or journaling will be done when the document has been made proof of cash receipt and the date recorded according to the date of cash receipt transaction.

#### b. Cash Expenses

Cash expenditure system is a system designed so that the cash issued by the institution can be accounted for. A good cash expenditure system is expected to provide efficiency and effectiveness of use and financial resources. In this case, Baitul Maal Hidayatullah Yogyakarta as one of the institutions

given the authority to manage keuangan independently is expected to implement an ideal control system, especially cash expenditure.

Cash expenditure begins when there is a Payment Request Letter (SPP) by the Head of Field. Furthermore, SPP is verified by the verifikator and then the issuance of a Pay Warrant (SPM). SPM can be received only if assisted by a complete document supported by the completeness of the previous fund use accountability document in the form of Nominative List, Accountability Letter, and other necessary documents. Proof of cash expenditure documents in the form of receipts, notes, invoices, checks, proof of transfer, and other cash expenditure documents that can be used as the basis for recording cash expenditures.

Furthermore, the Attorney General's Office issued a Fund Disbursement Order (SP2D) to be then authorized by the General Treasurer. Cash is then issued, either through account mutations or in cash. All goods and services obtained from each field are written in the nominative list. One nominative list created can only be used for one type of activity and expenditure, in which it needs to be attached proof of the cash expenditure that has been used. The spending accountability of each field is conveyed in the form of SPJ compiled by the Treasurer of Expenditures. SPJ must be accompanied by a nominative list and evidence of cash expenditures. Journaling is carried out by the Expenditure Treasurer.

### **4.3 REVIEW OF FIVE ASPECTS OF INTERNAL CONTROL OF THE CASH RECEIPT AND EXPENDITURE CYCLE**

Baitul Maal Hidayatullah Yogyakarta is a Religious-based Financial Institution that facilitates religious activities and Islamic da'wah for the community required to provide economic strategies and strengthen the economy in the *new normal* era. The scope of Baitul Maal Hidayatullah Yogyakarta organization is very broad, therefore it requires an internal control related to finance designed to manage financial resources. Thus, an Internal Control System is established that is expected to improve financial management and ensure the fairness of baitul maal hidayatullah yogyakarta financial statements. The system that is made remains based on AD/ART and Accounting Standards, namely:

- a. Accounting Standards, are accounting principles applied in compiling and presenting financial statements of each element.
- b. Baitul Maal Hidayatullah Yogyakarta is authorized to manage its resources independently.
- c. Baitul Maal Hidayatullah Yogyakarta reserves the right to use resources in order to achieve its goals.
- d. Not regulated in this SPI, it follows the provisions governed by SA.

The review of the implementation of possible internal controls as an economic strategy in the era of *new normal* in the cycle of receipt and expenditure of cash according to COSO at Baitul Maal Hidayatullah Yogyakarta will be identified through 5 aspects, namely

- a. environmental control,



- b. risk assessment,
- c. control activities,
- d. information and communication and
- e. Monitoring.

The detail is as follows:

1) Environmental Control

The control environment is the most important basic component for other internal control components. How the attitude and actions of the board become a reflection of an organization. The control environment is a foothold for all parts of internal control to form a disciplined and structured character (Sabeni, 2010). The control environment establishes the organizational pattern and affects the awareness of the control of those around it, including:

a. Commitment to integrity and ethical values

The values of honesty and discipline have been applied by the board of Baitul Maal Hidayatullah Yogyakarta well in accordance with the established SOP. To regulate the attitudes and behaviors of the administrators, a clear and explicit code of conduct has been established. Rewards are also given for areas with averages that provide the best service to fellow members and penalties are also given for those who violate the code of conduct. The administrators also remind each other and monitor if any members are dishonest or violate the code of conduct.

b. Management philosophy and operating style

An organization must have a shared philosophy or belief and attitude, about the risks that affect policies, procedures, oral and written communication, and decisions (Singleton, 2010).

Related to the philosophy of the management, the management and members of Baitul Maal Hidayatullah Yogyakarta base their beliefs, attitudes, decisions and policy making on the Qur'an, hadith and Code of Ethics Baitul Maal Hidayatullah Yogyakarta. In addition, related to the style of operation, the lines of authority and responsibilities of the administrators are strictly determined in accordance with their respective main duties and functions. This indicates that the board has considerable attention to internal control and risk management to ensure the achievement of the organization's objectives.

c. Commitment to competence

The recruitment of administrators at Baitul Maal Hidayatullah Yogyakarta was carried out honestly, fairly and openly. Board recruitment is open to anyone without discrimination. The placement of the position of the manager of the mosque is carried out in accordance with the interests and expertise of the members.

Training in general is also held for the administrators such as cadre orientation activities (a kind of orientation period of the new management Baitul Maal Hidayatullah Yogyakarta) and there are also in the form of certain trainings, depending on certain areas that are considered necessary to hold, such

as Socialization of Internal Control System for members of the management of Finance. This training is held so that they are more capable in carrying out their duties so that over time they will get used to doing the work that has been mandated to them.

d. Board of Commissioners and Audit Committee

At Baitul Maal Hidayatullah Yogyakarta, the duties of the board of commissioners and audit committee are carried out by parties conducting internal and external monitoring. Internal monitoring is carried out by the Chairman, Inspectorate General and Finance. While external monitoring is carried out by the Da'wah Institute of Community Organizations and the Internal Audit Agency as an audit body. The monitoring process is carried out informally.

e. Organizational Structure

The organizational structure in Baitul Maal Hidayatullah Yogyakarta has been explained in detail along with each task. The existence of a clear structure provides a framework for the operation of planning, implementation, control and supervision of the organization. A clear structure shows the limits of authority of each administrator through a line of command and establishes a line of authority and responsibility (Soemarso, 2009).

f. Division of authority and burden of responsibility

The determination of authority and responsibility at Baitul Maal Hidayatullah Yogyakarta is clear as described in the procedures for receiving and spending cash. Each stage is divided and has a responsibility to each of its parts. In the explanation is clear enough for the division of tasks and functions. However, the existence of no treasurer's admissions can be an oddity. Although the task of receiving cash has been carried out by the Deputy Head of Finance, it is expected that in the future there will be a Treasurer of Revenue in the management of Baitul Maal Hidayatullah Yogyakarta.

g. Human resources policies and practices

At Baitul Maal Hidayatullah Yogyakarta, policies and practices governing working conditions are made as fairly as possible to protect all the interests of the board and members. All policies are made as detailed as possible for each position so that no discrimination occurs. Baitul Maal Hidayatullah Yogyakarta is a non-profit organization and the elected administrators work without any strings attached or reward so that every job done is always based on the spirit of devotion and honesty. The existence of an honest administrator creates a good control environment.

2) Risk Assessment

One of the implementation of risk assessment at Baitul Maal Hidayatullah Yogyakarta is the provision of deadlines given to the organizing committee to submit a Responsibility Sheet (LPJ) no later than two weeks after the activity is completed so that the activities carried out can be evaluated immediately and do not conflict with the implementation of other activities. The Accountability Report at least contains a description of the time, place, agenda/material, participants and date, and details of the budget used.

Every year the board makes budget plan. Budget planning for nonprofit organizations has a different role to budget planning in the corporate or business sector. At the company, the budget is set with a focus on the target of receipt. Production and marketing are carried out to the maximum extent possible to be able to achieve this revenue target. In a nonprofit organization, a budget is a translation of the organization's activity plan or program and the required source of funds. For this reason, budget planning acts like a map for the executor of activities. The budget planning at Baitul Maal Hidayatullah Yogyakarta provides ease and clarity for the administrators to find a source of funds to finance the planned programs and activities.

Authorized and approval of the authorities for transactions carried out is a control so as to minimize the presence of funds that are not valid use. Without authorization, there will be a lot of manipulation of transactions that occur. In general, approval in this case has been dropped to each field, where in the Warrant to Pay (SPM UP / GUP / GU / LS) signed by the Treasurer of the Field / Treasurer event / Head of Field).

Meanwhile, physical cash storage in safes and regular monitoring of cash accounts in banks are carried out to keep cash safe and monitored. Safe access is only given to the authorities and any money taken must be made by at least two parties. Periodic monitoring of cash can minimize the misuse of cash.

### 3) Control Activities

At Baitul Maal Hidayatullah Yogyakarta, general control in the form of information technology audit is carried out by the internal monitoring board, namely by the Chairman and Inspectorate General and Finance. While external monitoring is carried out by the Community Legislature and the Community Audit Board as an audit body. While the control of applications is carried out by the installation of computer system data processing and antivirus that is always updated to minimize and prevent the occurrence of electronic data damage.

For physical control itself is carried out efforts as follows:

- a) proper authorization of transactions and activities,
- b) specialization of responsibilities,
- c) format and use of work documents,
- d) securing the company's assets, and
- e) independence of examination

### 4) Information and Communication

Looking at the development of the advanced era as it is now, Baitul Maal Hidayatullah Yogyakarta has recorded cash in and out using Ms. Excel technology and matched with manual recording whether there is an error in recording it or not. The match must be balance or equal. If there is a record-keeping error then, the finance department must correct immediately at the same time.

### 5) Monitoring

At Baitul Maal Hidayatullah Yogyakarta, an internal supervisor was formed, namely the establishment of Inspectorate General (Itjen) Baitul Maal Hidayatullah Yogyakarta is in order to be able to conduct internal supervision on the implementation of tasks in the Baitul Maal Hidayatullah Yogyakarta in accordance with the applicable regulations. There is always regular monitoring by the authorities in the form of internal monitoring by the Chairman and Inspectorate General and external monitoring by BLM and BAK that has a function to be able to determine whether internal controls have worked in accordance with what is expected, and whether changes are needed due to changes in the situation or changing circumstances. The mosque manager also conducts evaluations every month to control and see the performance of each board and ask what obstacles exist and what programs have been realized and which have not. If there are constraints, solutions will be sought together and immediately for improvement so that the obstacles are resolved.

#### **4.4 GENERALIZATION OF 10 COMPONENTS OF THE INTERNAL CONTROL SYSTEM**

The results of the study presented a study that was generalized into 10 (ten) components of the internal control system according to COSO and studied the suitability between facts and the theory of pandemic situation from the role that has been carried out by Baitul Maal as one of the religious-based financial institutions, in the form of:

- a. The existence of a cultural strategy formed in the management of Baitul Maal Hidayatullah Yogyakarta has emphasized integrity and ethical values. The values of honesty and discipline have been implemented by the board well.
- b. The lines of authority and responsibilities of the executives are strictly established in accordance with their respective main duties and functions. This indicates that the board has considerable attention to internal control and risk management to ensure the achievement of the organization's objectives.
- c. The recruitment of administrators at Baitul Maal Hidayatullah Yogyakarta was carried out honestly, fairly and openly. Board recruitment is open to anyone without discrimination. This is a good example of a religious institution in society.
- d. The authorities have authorized and given approval to any transactions to minimize the presence of funds that are not valid use. Every time an activity is conducted, the chairman / coordinator of executives from each division applies for permission to the Chairman of Baitul Maal Hidayatullah Yogyakarta orally or in writing so that the Chairman is well-informed about the activity will be held and how much money it will spend.
- e. The organizational structure of Baitul Maal Hidayatullah Yogyakarta is adequate and the division of duties and functions of each position is quite clear. It's just that there is one weakness; the absence of the Treasurer of Revenue. The tasks of The Treasurer of

- Revenue is carried out by the Deputy Head of Finance. The Deputy Head should have the duties and functions to assist the Chairman in carrying out his duties, not being the Treasurer of Revenue.
- f. The documents for recording have been made in such a way and adapted to each type of transaction that occurs so that it facilitates the recording of each transaction and bookkeeping.
  - g. Money storage already uses its own account so that it is easier to manage and no cheating occurs.
  - h. Accounting information system of cash receipts and expenditures at Baitul Maal Hidayatullah Yogyakarta is quite good. Recording has been done using Ms. Excel application, making it easier to check and audit by the authorities. The results showed that the internal control system at Baitul Maal Hidayatullah Yogyakarta was adequate. The existence of internal and external supervisory boards that routinely check the financial statements and performance of the board of Baitul Maal Hidayatullah Yogyakarta shows that internal controls have been carried out properly.
  - i. The existence of competent human resources because it comes from the people of Yogyakarta who have knowledge of accounting, can facilitate the process of managing cash receipts and outings in accordance with applicable accounting standards.
  - j. The existence of recording using double entry accounting indicates the use of a standardized accounting system, making it easier to check financial statements by either the board itself or the supervisory board.
  - k. Internal control monitoring activities are carried out quite well. The existence of internal and external supervision and independence of the supervisory party makes the supervisory function can really be carried out to the maximum.

## 5. CONCLUSION

Based on the basis of the theory of internal control system according to COSO by analyzing the components of internal control system according to COSO and studying the suitability between facts and the theory of internal control system according to COSO.

From the results of the review, the author can conclude that the application of internal control system in the cash receipt cycle and cash expenditure of Baitul Maal Hidayatullah Yogyakarta has been running well with the identification of several advantages in the form of 1) culture formed in management, 2) the lines of authority and responsibilities of the administrators are strictly established in accordance with their main duties and functions, 3) the recruitment of administrators at Baitul Maal Hidayatullah Yogyakarta is carried out honestly, fairly and openly, 4) has been authorized and the transaction agreement by the authorities so as to minimize the existence of funds that are not valid use, 5) the organizational structure of Baitul Maal

Hidayatullah Yogyakarta is adequate and the division of duties and functions of each position is clear enough, 6) document adjustments, 7) money storage already using its own account, 8) accounting information system, 9) the existence of competent human resources, and 10) using *double entry accounting*, as well as internal control monitoring activities are carried out quite well.

As for the results of identifying weaknesses of the internal control system in the cash receipt cycle and cash expenditures implemented at Baitul Maal Hidayatullah Yogyakarta include a small number of organizations so that there is still a double assignment in certain parts, the next weakness is that management is still using basic applications and can potentially be developed further.

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