



Implementation of Good Corporate Governance Principles in Increasing the Number of Muzzaki

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INFO ARTIKEL

Abstract

Keywords:

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Zakat, Good Corporate Governance Principles, BAZNAS Kediri Public trust in zakat management institutions as non-profit institutions is very important. The establishment of National Amil Zakat Agency as an effort to maximise zakat governance in Indonesia by providing guarantees for good zakat management, as well as building public trust and realising the enormous potential of zakat in Indonesia, can be realised by applying the principles of Good Corporate Governance to zakat management institutions in order to create added value to zakat management institutions. The growth of zakat that occurs in Kediri City has increased every year, it proves that the potential of zakat in Kediri City is very high. The existence of BAZNAS Institution of Kediri City makes the management of zakat effectively organised with the realisation of an increase in muzakki every year. With the application of these principles, it is able to increase the trust of muzakki and provide satisfaction value for mustahik and improve zakat management in BAZNAS Kediri City. This study aims to determine the application of Good Corporate Governance principles in zakat management institutions. The results showed that the collection, management, and distribution of zakat in BAZNAS Kediri City as a whole has applied the principles of Good Corporate Governance which consists of the principles of transparency, accountability, responsibility, independence, and fairness effectively.

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Introduction

The National Committee on Governance Policy argues that the good corporate governance system regulates and controls an institution to create added value to muzakki (Sulastiningsih, 2019). With this principle, muzakki trust in the zakat that has been deposited with the amil zakat body can be channelled to people who are entitled to receive zakat properly. Therefore, the amil zakat body as a government agency that has the obligation to distribute muzakki funds must provide an accountability report.

Kediri City is one of the areas that is famous for its tourist attractions

as well as the well-organised economy of industry and MSMEs. Therefore, the city of Kediri is called a municipality that has been shredded in an orderly manner by its government. The development of MSMEs in the city of Kediri has increased every year, therefore the MSME economy has a large contribution to the regional economy. In addition, Kediri city MSMEs are one of the business places that still apply traditional systems and try to keep up with technological advances. The Kediri City Statistics Agency said that in 2020 the potential for MSMEs in Kediri City was 300 MSMEs engaged in fashion, food and beverages. This makes a forum for MSMEs to channel some of the funds to the zakat institution to be distributed to people who are entitled to receive it (Latisia, 2017).

The national zakat index in 2019 said that, the number of muzakki in Kediri city reached the highest number with 1,051 people (Pusat Kajian Strategis BAZNAS, 2020). The potential for zakat in Kediri city has always increased, but there is a difference between the potential recipients of zakat funds and the realisation of the collection of zakat funds. The number of muzakki in Kediri city in 2020 was 203,245 muzakki, and the distribution of zakat funds to mustahiq was 17,325 mustahiq. This happens because many people in Kediri city are Muslim, but in paying their zakat directly to mustahiq not through the amil zakat agency in Kediri city (Pusat Kajian Strategis BAZNAS, 2020).

BAZNAS Kediri city is an institution that performs its duties as a national scale zakat manager owned by Kediri city. BAZNAS Kediri city was established in 2002 under the name of amil zakat institution. With many changes and less effective management, the institution was discontinued. In 2013, the government launched the establishment of the Kediri city national amil zakat agency. BAZNAS Kediri city has a goal that becomes one of the references to always improve the quality of effective services. One of the goals is to develop zakat management productively and efficiently to produce excellence in the amil zakat agency programme, as well as to produce a management system that is trustworthy, transparent, accountable and responsible. However, BAZNAS of Kediri city only applies the principles of transparency and accountability (Dina Fitriasia Septiarini, 2016).

The assets managed by BAZNAS Kediri city in 2020 amounted to Rp. 577,673,671 which came from the potential zakat of civil servants (PNS), MSMEs, zakat collection units, and muzakki who wanted to channel their zakat funds. With this amount of assets, BAZNAS of Kediri city manages zakat funds by making its newest program the people's market to maximise the potential of small businesses run by mustahiq fostered by BAZNAS of Kediri city (Anggraini, 2019).

The management and distribution of zakat funds in BAZNAS Kediri city has been in accordance with Law No. 23 Year 2011 on zakat management. The management system of zakat funds in BAZNAS Kediri city is carried out in accordance with the principles of accountability, responsibility and transparency. Which is where a muzakki who pays his zakat will know clearly the distribution of zakat funds that have been paid in BAZNAS Kediri city. With its development in 2014 BAZNAS Kediri city has a planning programme for the distribution of zakat funds to underprivileged communities. The programme includes Kediri cerdas, Kediri peduli, Kediri sehat, Kediri taqwa, Kediri Makmur (Sutantri, 2020).

RESEARCH METHODS

This research uses a qualitative approach, which will produce

descriptive data in the form of written data from people and behaviour that can be observed. Qualitative research is research used to research on natural object conditions, where the researcher is the key instrument. In qualitative research, sampling of data sources is carried out by snowball sampling, data collection techniques come from primary and secondary data (Nursapia Harahap, 2020).

DISCUSSION

Zakat management is a religious institution that has a function as a manifestation of social justice for all mankind, by increasing and paying attention to the concerns of underprivileged communities. Therefore, the zakat management system that has been running needs to be refined, in order to provide professional zakat management without forgetting the foundation of the law that has been set by the government. Zakat is not only an obligation in religion, but also the empowerment of public financial institutions that are used with full responsibility based on justice, trustworthiness, and transparency.

The development of zakat management today is inseparable from the management of zakat at the beginning of its obligation for every human being who is Muslim. The collection and spending of zakat can be seen as a means to achieve more equitable income distribution activities. Islam does not want assets that are idle, meaning that they are not rotated properly, so in the teachings of Islam for human beings are required to spend their assets if they have reached the nisab that has been determined by sharia.

To increase public trust or muzakki in the professionalism of BAZNAS Kota Kediri, it is necessary to have good governance by applying the principles of Good Corporate Governance in running each programme. The application of the principles will run effectively if the level of understanding index of the board and stakeholders understand related to the principles of Good Corporate Governance, because the index of understanding of Good Corporate Governance will have a significant effect on the management of existing programmes at BAZNAS Kediri City.

The main index to show the level of understanding of the management of BAZNAS Kediri City related to the principles of Good Corporate Governance consists of the principles of transparency, accountability, responsibility, independence, and fairness, then BAZNAS Kediri City can take action with system reform, performance, and institutional governance in order to be optimal. Thus, it will have implications for the behaviour of administrators and stakeholders or muzakki.

a. Transparency

In the Good Corporate Governance guidelines, transparency is a basic principle that serves to maintain objectivity in the management of an institution. In the management of zakat, BAZNAS Kota Kediri has provided material and relevant information services in a way that is easy to access and understand by stakeholders (Yulianti, 2016). In BAZNAS Kediri City, the value of transparency is not only for the benefit of the board, but is the interest of stakeholders, namely muzakki. The trust of muzakki is very dependent on the quality of information submitted with the BAZNAS Kediri City Institution. So in particular organisational institutions must provide information that is clear, accurate, timely, and comparable, and easily accessible to stakeholders, especially for muzakki.

The governance of BAZNAS Kota Kediri in transparency has resembled the character of the Prophet's leadership called *tabligh* which

means conveying, disclosing, and reporting. To maintain and improve the application of the principle of transparency, BAZNAS Kota Kediri conducts updates in terms of knowledge in order to build awareness regarding the importance of the principle of transparency both formally and non-formally to all administrators and stakeholders, with the aim that there is an increase in terms of understanding.

b. Accountability

Accountability is a principle of accountability that includes clarity of function, structure, system, and institutional responsibility, so that the management of zakat funds can be carried out effectively. With the principle of accountability, the management of zakat in BAZNAS Kota Kediri is measured in accordance with the interests of the institution while still taking into account the interests of management and muzakki. The principle of accountability is needed to achieve performance by having a sustainable relationship, so that BAZNAS Kediri City can maintain the trust of muzakki and the community. The principle of accountability emphasises the clarity of accountability for the performance of the Institution, which accountability in the time of the Prophet is called Amanah.

c. Accountability

The management of zakat funds of BAZNAS Kediri City has optimised the principle of accountability in running its programme. Therefore, BAZNAS Kediri City must comply with the laws and regulations that have been agreed upon by the government. It aims to carry out responsibilities to the community and muzakki. Forms of responsibility BAZNAS Kediri City in the form of programmes Kediri care, Kediri taqwa, Kediri healthy, and Kediri Makmur.

Responsiveness BAZNAS Kediri City in serving the community there are two aspects, which BAZNAS Kediri City will be responsive to muzakki and responsive to the needs of mustahik. With the aspect of attractiveness, BAZNAS Kediri City is encouraged to be responsive, proactive, anticipatory, innovative, creative, and competitive, not only passive and reactive in seeing the phenomenon of society. For BAZNAS Kediri City, muzakki is likened to a consumer for the company, providing services to muzakki is a matter of responsibility of a zakat institution to muzakki for the mandate that has been given.

BAZNAS Kediri City is always responsive to the welfare of the community or mustahik, therefore BAZNAS Kediri City has a symbol to empower mustahik to become muzakki. With that, BAZNAS Kediri City not only distributes zakat funds in the form of consumptive, but in a productive form.

d. Independence

Independence is a principle that must be managed in zakat institutions, especially BAZNAS Kediri City. With the principle of independence makes BAZNAS Kediri City become objective decision making, because with the principle of independence BAZNAS Kediri City will not be influenced by other institutions. This makes BAZNAS Kediri stand alone without any conflict of interest from other parties.

With the existence of BAZNAS Kediri City, the government is assisted in solving the problem of poverty levels in the Kediri City area, as well as providing alternatives to the Muslim community in managing their assets. In addition, BAZNAS Kota Kediri is certainly in an independent position that does not contain political elements in it, so that it really focuses on empowering the people.

e. Fairness

BAZNAS Kediri City provides facilities for prospective muzakki who will pay their zakat transparently and accountably. BAZNAS Kediri City offers prospective muzakki to come to the office or want to be picked up on the spot. When the zakat contract has been implemented, BAZNAS Kediri City gives proof of payment to the muzakki with the aim of respecting the institution to the muzakki who has channeled a little of their wealth to people in need (Syamsi, 2021).

BAZNAS Kediri City helps muzakki if there are problems in calculating zakat, then BAZNAS Kediri City will provide assistance and facilities in calculating zakat funds. Because the essence of a muzakki who wants to pay his zakat of course muzakki will calculate in advance the value and wealth that will be issued to pay zakat (Syamsi, 2021).

CONCLUSION

Based on the results of the study it can be concluded that the National Amil Zakat Agency (BAZNAS) of Kediri City has implemented the principles of Good Corporate Governance consisting of Transparency, Accountability, Responsibility, Independence, and Fairness, but its application is still less productive and effective. So it can be concluded that the application of the principles of Good Corporate Governance in BAZNAS Kediri City has been implemented well, but the approach of BAZNAS Kediri City to the potential of zakat in Kediri City, especially for people who are able to be less than optimal. The principles that have been applied by BAZNAS Kediri City include the principle of transparency in which BAZNAS Kediri City in implementing it by presenting reports to the public, and disclosure of information both in transparency and planning. In addition, the principle of accountability has been applied well by BAZNAS Kediri City with clear information related to zakat calculation procedures in zakat management. In addition, the principle of good independence has been applied by BAZNAS Kediri City with no dependence from other institutions in managing zakat funds. In addition, the principle of justice has been applied by BAZNAS Kediri City by distributing zakat funds to mustahik within the scope of Kediri city. With the effective application by BAZNAS Kediri City, there are some principles that have not been applied optimally, namely the principle of accountability. This happens because there are some obstacles that cannot be resolved, of course, BAZNAS Kediri City's approach to muzakki.

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