Reconstruction Of Asset Accountabilities
Definition And Waqf Asset

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Abstract: The philosophy of waqf assets and business assets has fundamentally different in principles. Waqf assets have religious and material objectives, while business assets have material objectives. This paper aims to reconstruct the definitions and concepts of assets and waqf assets. The literature review was used as a method to reconstruct the definition and accountability of waqf assets. Definition and concept of waqf assets and assets in accounting perspective has a different dichotomy in views of two main theories, that is entity theory and the shari'ah enterprise theory. Definitions and accountability of entity-based assets are more emphases on the welfare of owners. The definition and accountability of waqf assets over oriented social interests and God (spiritual). Reconstruction of asset accountabilities definition and waqf asset -oriented not only a reality but hyperreality useful asset for happiness in this world and eternal life in heaven.

Index Terms: Waqf Assets, Business Assets, Spirituality, Accountability and Reconstuction

1 INTRODUCTION
The definition and accountability of waqf assets should be different from conventional asset management accountability for both profit and non-profit organizations. Because waqf assets are oriented towards the welfare of the people. Accountability of waqf assets is a form of responsibility for management of waqf assets by Nazhir. Although the waqf accounting theory framework is not yet established, the general accounting principle for waqf can be called the Al-Quran verse in the Al Maidaah verse 1 as follows, namely: you who believe, fill the contract [388]. It is permissible for you cattle, except those that will be read to you. (that is so) by not justifying hunting when you are doing the Hajj. Lo! Allah has established laws according to His will.[388] Covenants (covenants) include: servants' praised promises to God and agreements made by humans in their fellowship. Accounting for waqf is important because there is a contract between Nazhir and Wakif. Nazhir is responsible for waqf assets entrusted by Wakif. In other words, accounting is a means to release accountability Nazhir's. Because waqf assets are intended for the public interest, so accountability scope Nazhir's will be different from company managers, where they must be responsible for various stakeholders such as Waqif, waqf institutions, charity employees, waqf, regulators, beneficiaries and the public in large numbers (1)(1)(1)(1). Accountability is one of the management processes in managing waqf assets, accountability plays a significant role as a parameter of professionalism in handling waqf. (Antonio, 2008, p. VIII) argue that professional management of waqf has three basic philosophies, namely; First, the management pattern must be in an integrated frame. Second, put forward the principle of welfare Nazhir that balance between the obligation to do and entitlements. Third, the principle of transparency and accountability. Accountability Nazhir's can be seen as Islamic accountability developed by (2) which explains dual accountability as follows: As Allah's caliph, humans are accountable to Allah (God) for all entrusted resources, in addition to fulfilling every contract made between humans. This type of accountability is more appropriate for waqf since the waqf deed is based on religious motivation and concerns the public interest. Sharia enterprise theory regarding the distribution of value-added wealth not only to parties with an interest in the company, such as owners, creditors, investors, employees, government, but there are other parties that are not directly related to the company. This means that added value is not only shared with parties related to the creation of added value but parties that are not directly related (4). Accountability for the management of productive waqf assets is identical to the use of Islamic financial statements that use the construction of Islamic accounting based on the concept of zakat values. Zakat orientation means trying to achieve optimum zakat realization. Zakat is a measure of material and spiritual performance (ethics) rather than profit oriented (5). Waqf assets is used for productive purposes will generate income and the results can be used to improve welfare for those who are entitled to receive. Thus a financial report standard/format is needed for institutions developed with waqf funds. This is needed as a responsibility for the use of funds and the distribution of value-added from these activities. To support this (Law, Republic of Indonesia No. 41 of 2004) article 43 states that: Management and development of waqf property by Nazhir as referred to in article 42 is carried out in accordance with sharia principles

2 LITERATURE REVIEW
Different from the definitions and concepts of accountability of entity theory (entity theory). Accountability according to this theory is related to who the amount of rupiah called profit depends on the theory of the entity adopted. The theory of entities relates to determining who is most interested in the benefits of economic activity in enjoying increased welfare. Entity theory is also called the equity theory. Included in the theory of equity is the theory of joint business entities (enterprise theory), (business entity theory), investor theory (investor theory), owner theory (proprietary/stockholder

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line with (2),
theory), residual owner theory (proprietary residual / stockholder theory), control theory (commander theory), fund theory (fund theory). Entity theory is always associated with participants in economic activity. Those who are parties who will receive benefits and added value from economic activities (6). Furthermore to the concept of accountability in a conventional manner, as according to stakeholder theory all participants bear all aspects of activities from joint activities so that they are referred to collectively as holders (stakeholders) consisting of managers, employees, shareholders, creditors, customers, government, and society. The company functions as a binder, designer or center of activity. This view is based on the idea of a company that is large and has a complex economic influence so that social responsibility is demanded (7). Accountability of waqf assets with the zakat metaphor has basic assumptions that are different from conventional accounting concepts relating to the concept of measurement, recognition, and disclosure. The basic assumptions are different because there are differences in the designation of the added value produced. The added value generated by assets for conventional accounting (entity theory) is used for parties related to the company (6). Whereas in value-added accounting based on sharia enterprise theory is used for related parties and parties that are not related to the company (4). Based on the view of-based assets sharia enterprise theory brings logical consequences to the design of value-added statements, cash flow statements and current value balance sheets. Value-added statements emphasize more on the distribution of added value created to the parties entitled to receive it (4). Furthermore (8) proposes Tazkiah Accounting, an accounting concept that carries out the continuous purification of both individuals and society. This sanctification has an impact on improving social justice and better spiritual development. The Tazkiah concept will balance the balance between quantitative and qualitative. Of the many sharia institutions, waqf has become one of the instruments in Islamic economics that has world and hereafter welfare goals. Waqf has become an ideal model for community participation in assuming shared responsibility for carrying out all obligations in the citizen sector (9). Waqf in general Indonesia is given for mosques, prayer rooms, schools, orphanages, meals and very little is used for productive activities in the form of businesses whose results can be used for those who have the right to receive. But there is also waqf that has been used for productive activities. Waqf means holding back property that can be taken advantage of without being destroyed instantly and for corrupt use, and intended to obtain the pleasure of Allah SWT. Or with another sentence, waqf is holding back the origin and flowing the results. In this way, waqf assets can be used for public and public benefit sustainable manner without losing the original assets. Waqf is known to function to empower the economy of the people. The instrument of waqf is so great for the Muslim community, both past, present, and future, as a model and pattern for improving the welfare of the people. In the Indonesian context, it is needed such as the formulation of new waqf conceptions, productive management of waqf, Nazhir coaching, legislation that supports it, and joint commitment between Nazhir, the government and the community to develop waqf productively (10). While in (Law, Republic of Indonesia No. 41 of 2004) concerning waqf, it is stated that waqf is a legal act of wakil to separate and/or separate part of his property to be used forever or for a certain period time following the interests of worship purposes and/or general welfare according to sharia. The waqf system has played a significant socio-economic role throughout Islamic history. It is a fact that important services such as health, education, city services, etc. This has important implications. Besides, this is achieved not through ordinary methods, namely tax redistribution, but basically through voluntary donations without state coercion. Thus, waqf emerged as the most important voluntary institution for poverty reduction in the Islamic world. All vital waqf roles will be more relevant and more likely to reach in our modern times if some prerequisites for reforming and improving the classical concept of waqf, legal framework, law and management can be implemented. The nature of waqf to generate income and establishing new waqf institutions is also important to do (11). Asset according to the FASB is a fairly definite future economic benefit that is obtained or controlled/controlled by an entity as a result of a transaction or past event. The definition separates meaning and understanding and recognition, then the definition is semantic rather than structural. According to the IASC, it defines assets as company-controlled resources from past results for economic benefits that are expected to flow in the future. Whereas according to AASB assets are potential services or future economic benefits that are controlled by the entity's report as a result of past transactions or past events (6). The three main characteristics so that objects can be said as assets are: (a) certainty of future economic benefits; (b) the entity can control and control; (c) is the result of past transactions (6).

3 RESULT AND DISCUSSION

3.1 Conventional Asset

3.1.1 Recognition of Asset

Recognition of an asset is recognized as an asset if the amount of the rupiah due to the transaction affects the ownership of the asset. Generally, assets are recognized at the same time the transaction occurs. Recognition rules are technical instructions or procedures for establishing recognition criteria which include measurement, linkage, reliability. The rule relates to a cost (cost) capitalized or cultured (6).

3.1.2 Measurement of Asset

Measurement is the determination of the amount of rupiah that must be attached to the object at the time of occurrence which will be used as a basis for following the physical flow of the object. Accounting for a physical flow must be represented in rupiah amounts so that the relationship between objects can be meaningful information. In accounting, the terms measurement and assessment are often not distinguished because accounting uses a monetary unit to measure the meaning of objects, posts, or elements. Measurements are usually determined by the amount of rupiah that must be recorded at the time of acquisition. Some basic judgments based on input values are: first, historical cost, that is, the lowest agreement value for the buyer because the buyer cannot obtain goods/services at a lower price elsewhere. Second, the cost of substitution is the (current input cost) or (current cost). The amount of rupiah exchange price or agreement that is needed now to obtain similar assets and conditions or substitutes that are equivalent (equivalent). Third, the expectation is the value of economic sacrifice in the future if the asset service potential is obtained part by part (6).

3.1.3 Disclosures of Asset
Asset disclosures are needed in preparing financial statements so that the assets in the report are not misleading. Asset disclosures include asset capitalization including also important disclosure of interest capitalization in acquiring assets. Such information must be disclosed in financial statements. Matters relating to assets that must be disclosed in the financial statements are: (a) if there is no capitalized interest, then the interest (cost) of interest charged in that period must be disclosed; (b) if part of the interest is capitalized, then the total interest will be incurred and the part capitalized (6).

3.1.4 Asset Accountability

In this chapter, several theories are explained which explain the development of theories in preparing financial accountability (financial statements). Every theory has weaknesses that are complemented by other theories to cover it.

3.1.5 Proprietary Theory

Proprietary is derived from the properties related to ownership issues. Although proprietary has another meaning that is different but proprietary is related to legal concepts such as proximity to right, which is a concept of legal rights (12). In proprietary accounting theory is related to ownership of assets in financial statements (13). While (14) defines proprietor as a person who has an interest in the success and failure of businesses that provide resources to the proprietor. The purpose of the company according to proprietary theory is that everything can be seen from the owner's perspective. So the company aims to prosper the owner. The company is considered as the owner's representative. Then the owner becomes the center of attention that will be served in the process of preparing financial statements. The aim of this theory is to determine the number of property rights of the owner (15). Based on this definition, the accounting equation is:

\[
\text{Assets - liabilities} = \text{owner's equity.}
\]

Then the owner is the ruler of the asset and also bears the obligation. Net assets are assets minus liabilities (12).

3.1.6 Entity Theory

Entity theory assumes that a company is a separate entity from the capital. Business units are those that are the center of attention not the owner of the company (Suwardjono, 2016). A separate existence in this theory is something different from the owner of the company or provider of capital. Business units are the center of the attention of accounting. Business units have responsibilities to owners and creditors (12). Then the accounting equation is:

\[
\text{Assets = equity} \\
\text{Assets = liability + stockholders equity}
\]

Accountability to owners is done by measuring an activity and financial achievements. Income is an increase in equity and an increase in the liability of the entity to the owner. After deducting creditor rights. Taxes and interest are profits obtained by the government and creditors (15) (13).

The Proprietary theory is different from entity theory in relation to valuation. Entity theory is not related to present value because of the emphasis on accountability cost on the owner. The basis of relevant recognition is historical costs. Although entity theory originates from development, the proprietary theory most of its content still comes from the same ideological concept, namely the same interests of capital owners (16).

3.1.7 Enterprise Theory

The company is seen as a social community that is affected by a variety of groups that are not limited to shareholders (17). Accounting plays a role in making financial reports to distribute the interests of various groups. Enterprise theory pays attention to all parties involved both directly and indirectly. Like management, owners, employees, suppliers, customers, creditors, government, and other parties as said by (15). All participants bear all aspects of the activity together so they are called stakeholders. The company as a binder of the center of activity (6). Enterprise theory holds that companies function as social institutions that have broad and complex economic influences, so companies are required to have social responsibility. The company is not seen as limited to the owner. Stakeholders' interests are carried out jointly with company owners (8).

3.2 Waqf Asset

3.2.1 Definition of waqf Asset

Literally, means of waqf assets is "limitation" or "prohibition." Waqf in Islam is "ownership and maintenance" of certain assets to be used socially which are determined with the intention of preventing the use of waqf outside the specified purpose. While Abu Bakar Jabir Al-Jazairi interpreted waqf as the detention of property so that the property was not inherited, sold, or granted, and donated the proceeds to the recipient of the waqf. From an economic perspective, it means the transfer of funds (or other assets) from consumption needs and invests in productive assets for the consumption of future results for individuals and groups of recipients (9). From this definition, it can be concluded that the enduring nature of waqf is that assets cannot be destroyed and their benefits are taken without reducing the assets represented. So waqf is identical to land, mosques, graves, books, animals, livestock, stocks, machinery, and cash (cash waqf). From the characteristics of waqf can be grouped into two, namely: first, direct waqf, namely assets held can be used directly by the community such as mosques, schools, roads, and others. Second, investment waqf used for investment. The waqf asset is used to generate income and the results are used to build public facilities used by the community (9). From the perspective of enterprise sharia maal-based balance sheet theory as wealth in the form of assets, liabilities, and equity is a concept of balance that is not only certainty of future cash flow but also is a reality of heaven investment that is related to financial, social and environmental interests. The concept of maal according to three sharia-based business breeds is: (a) Islamic company, maal is wealth obtained not only for business purposes but also for the benefit of the end of the day; (b) Nahdlatul Ulama, Maal is wealth as a form of da’wah bil haal which is the accumulation of sustenance in it for the benefit of the goodness of the people, both internal, social and environmental; (c) the wealth acquired after obtaining sustenance must have a new impact (equity) in the context of worship (12). Waqf metaphor by waqif to nazhir so that there is a realization of waqif expectations for the benefits of assets that have been represented. Uninterrupted charity if the assets that have been handed over have benefits. If the assets are continuously useful, the charity will continue to flow or not be broken (18). Then the hyperreality process occurs between the benefits of physical assets and uninterrupted charity obtained by waqif.

3.2.2 Measurement of Waqf Asset

Measurements that are more suitable waqf assets based on shariah enterprise theory using the approach were Continuously Contemporary Accounting (COCOA) developed (19), that is, assets are calculated based on relative
price level accounting at the balance sheet date which uses current market prices. Measurements based on current value / current cost accounting as developed by (20) relating to determining the amount of zakat paid will be more suitable compared to concepts historical cost such as those used in entity theory.

3.2.3 Recognition of Waqf Asset

The next consequence related to assets is the concept of asset recognition. Shariah enterprise theory has the consequence that the recognition of wealth must be carried out consistently by adhering to the principles determined by God. Doing economic activities based on things that are allowed in sharia, is beneficial, good, and free of usury (8).

3.2.4 Disclosure of Waqf Asset

According to (21) disclosure of sharia-based assets is full disclosure (full disclosure). Full disclosure is in accordance with the word of God in the letter Al Baqarah verse 71 (Surah 2:71), namely:

Moses said: “Verily Allah says that the female cow is a female cow that has never been used to plow land and not to irrigate crops, no blemished, there are no twists. ” they said: “Now you will explain the true nature of a female cow.” then they slaughtered it and almost they did not carry out the order.

Likewise, as in the letter An Nisa verse 135 (QS 4: 135), namely:

135. O people who believe, be you who are truly enforcers of justice, be witnesses of Allah even if against yourself or your father and relatives. If he [361] is rich or poor, then Allah knows his benefit better. So do not follow your passions because you want to deviate from the truth. and if you turn back (words) or are reluctant to be witnesses, then surely Allah is All-knowing all that you do. So that disclosures issued are in the form of true, fair and accurate information. Because the purpose of accounting information is to serve the public interest. then in the Islamic context the Ummah has the right to know about the results of the organization’s operations on the company as a requirement for shariah. Such accountability is interpreted as, first and foremost, accountability to God through freely available information. Honest and relevant disclosures are important (21).

3.2.5 Accountability of Waqf Asset

Entity’s profit-oriented business is the result of the use of the entity theory. This is very different from organizations based on trust metaphors. If the entity theory organization is profit-oriented, trust-based business organizations are oriented towards zakat. Zakat metaphor is more social (4). The relevant characteristics of zakat are used in drafting the concept of waqf asset accountability. Sharia enterprise theory explains that the most important thing in setting everything is God as the creator and sole owner of all the resources in the world. Sharia enterprise theory as trustworthy because it is the absolute owner. Whereas humans are asset managers (22). Sharia enterprise theory states that the distribution of welfare not only to participants who are directly involved in the company, but also other parties who are not directly involved. This understanding is very different from the concept enterprise theory which states that the distribution of wealth is given to all parties involved in the company (4). Wealth distribution is used for all beings on earth and distributed fairly. This is as a result of the concept that humans are Allah’s caliphs who are given the mandate to manage resources on earth (9).

4. CONCLUSION

The definition of waqf assets and assets has a different orientation. The definition of waqf assets based on entity theory is more asset oriented for the benefit of the owner of the asset or shareholders. Net assets are the difference between debt and equity. So that equity is the full right of the owner (shareholder). While the definition of waqf-based assets is that assets are oriented to social interests, not to individual interests. Cash flow generated by waqf assets is entirely for the benefit of humanity. The owners before being represented only hope that the charity reward is not cash flow as long as the waqf asset is utilized. Cash flow from the results of waqf assets is used for the welfare of the people or not for individuals. Accountability of waqf assets and assets also has a different orientation. Entity theory-based asset accountability is oriented towards the owners (shareholders). Information from financial statements is intended for the interests of the parties that are directly related to assets, both employees, shareholders, investors, creditors, and the government. While accountability of waqf assets places more emphasis on accountability to God. After examining the definition and accountability of waqf assets and assets, the definition and accountability of assets that we have understood so far are only more oriented to physical or material reality. Whereas there is other assets hyper-reality, so that reconstruction needs to be done. Reconstruction includes the hyper-reality of assets in which not only oriented to the future cash flow that is expected by the owner, but assets are a means of worship to God for the ultimate goal of human happiness in the world and eternal life in the hereafter.

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International Conference on Tawhidi Methodology


