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Original Article

An Investigation of Management of Kanzus Sholawat on the Ethics of Preparing Financial Statements in Indonesia

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Abstract: Ethics is an essential thing to Indonesian society. Earnings management is acceptable or unacceptable behavior. For company managers, earnings management is not explicitly prohibited. Whereas a few professionals contend that earnings management is unscrupulous. Islamic boarding schools make reasonable financial reports and do not manage earnings. Islamic boarding school financial reports are presented according to standards. This study examines Kanzus Sholawat administrators' perceptions of the morals of arranging financial statements based on PSAK 112 Accounting Islamic Boarding School. Ethical indicators of financial statement preparation can be seen in misstatements, earnings management, disclosure, cost benefits, and responsibilities. The object of research is the Kanzus Sholawat Habib Muhammad Luthfi bin Yahya Pekalongan. This research was conducted by direct survey method against the Kanzus Sholawat Habib Muhammad Lutfi bin Yahya Pekalongan administrators. The number of respondents in the study was 82 administrators. The ANOVA test was used to analyze hypothesis 1. Validity and reliability tests were carried out on all collected questionnaires showing that all data were valid and reliable. The ANOVA results show no difference in the Kanzus Sholawat administrators' perception of the PSAK of Islamic Boarding Schools. Moreover, there is no distinction in reacting to Law Number 18, 2019, concerning Islamic Boarding Schools.

Keywords: earnings management; misstatement; disclosure; cost-benefit; responsibility.

1. Introduction

Education produces competence in human resources in society (Klett, 2010; Mulang, 2021). Ethics provides moral insight to humans at the level of ethical judgment and recognition (Gray et al., 2012; Harsanyi, 1977). Humans need to be aware of divine values to urge the activity level. Therefore, honest, moral education is required to make a gracious society. Pesantren instruction is organized by the community

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as a frame of teaching from, by, and for the community. Islamic boarding school education is growing before Indonesia's independence. Religious values in education boarding schools have become the cultural roots of the nation. Pesantren education develops because the formal education curriculum is limited. Historically, the community needs Islamic boarding schools because they include religious education, etiquette, morality, and natural knowledge (formal education).

Law Number 18 (2019) concerning Islamic Boarding Schools controls the usage of a few capacities, to be specific: instruction, da'wah, and community strengthening. Through the law, implementing Pesantren education becomes part of national education. Law Number 18 Year (2019) concerning Islamic Boarding Schools provides a legal basis for its role in forming, establishing, building, and maintaining the State of Indonesia: the ex-student quality assurance methodology processes traditions, religious values, and norms taught by Pesantren. The unique position and function of Pesantren education in Indonesia is related to the role of caregivers. Caregivers have a vital role and are a differentiator from other educational institutions (Bubb & Jones, 2020). Since the new order, the part and position of Islamic boarding schools have been influenced by the development of various things such as economic, social, political, cultural, and external environment (Starrett, 1998; Zuhdi, 2006)

Pesantren is an Islamic religious education institution that uses a dormitory system. The caregiver gets to be the central figure. The mosque becomes the center of learning exercises and enlivens the lessons of Islam from the caregivers of Islamic boarding schools, which are taken after by all understudies. Santri has various formal education bases, including an accounting major. Both in vocational and higher education (Faradisi, 2022). Understanding prospective accountants (accounting students) on "ethics" is indispensable. The part of morals within the advancement of the bookkeeping calling is exceptionally imperative. Moral courses must be connected to the higher education subsystem. This is often so that understudies have a total identity as imminent proficient bookkeepers (Cagle & Baucus, 2006).

Ethics is an essential thing in Indonesian society. Later moral degradation occurs in community with corruption or another deviation. This is often an infringement of morals, proficient morals, and morals in common. Evans (2008) explains that professionalism requires three main things that every member of the profession must possess: three things, namely expertise, knowledge, and character. Character shows a professional's personality, manifested in ethical attitudes and actions. Earnings management is acceptable or unacceptable behavior. For company managers, earnings management isn't expressly denied. A few professionals contend that profit administration is untrustworthy and that the phone incorporates a terrible effect (Kerler & Killough, 2009; Malina & Selto, 2001).

The financial statements of Islamic boarding schools are prepared moderately, not containing earnings management. Islamic boarding school financial reports are presented according to standards. For company supervisors, doing profit administration is not expressly denied. A few professionals contend that profit administration is untrustworthy, and the hone incorporates a terrible effect. Based on the above background, the author writes an article about the perception of the Kanzus Sholawat management on the ethics of financial statements based on PSAK 112 Accounting for Islamic Boarding Schools.

2. Hypothesis Development and Research Framework

According to Arsyad (2010), beliefs usually use the basis of the concepts used in research. Perception is the process of understanding the environment (which can be in the form of objects, people, or symbols) that involves cognitive processes. Someone gets stimulation from characters, objects, and people and interprets it. This is a cognitive process. Positive perceptions can be exemplified by someone who experiences the learning process (Bailey et al., 2009; Balım, 2009). Agreeing with Fitriani and Yulianti (2005) in Prayoga & Afrizal (2021), understudies who are given moral instruction have a more robust discernment of the morals of displaying financial statements than those who are not. This research was done because the researchers saw the potential for transparency and accountability in the accountability of the Pondok Endowment Fund boarding school from Law Number 18 of 2019. This study uses the same instrument as Fitriany and Yulianti (2005) in Prayoga & Afrizal (2021). While the sample used was different, namely the administrator of Kanzus Sholawat as the compiler of the financial statements of the legal entity organization. Based on previous research and the arguments above, it leads to the following hypothesis:

Hypothesis: There is a significant difference between the administrators of Kanzus Sholawat regarding the morals of planning money-related articulations based on PSAK 112 Bookkeeping Boarding School.

This study proposes the following research model: earning management, misstatement, disclosure, cost and benefit, responsibility, misstatement, and part of the ethics of preparing financial statements. Test ethics composing report finance based on PSAK 112 Pondok Accounting boarding school from corner look administrator of Kanzus Sholawat. Research model in this study can be seen in Figure 1, Research Model Framework. Earnings Management; Misstatement; Disclosure; Cost-Benefit; Responsibility.

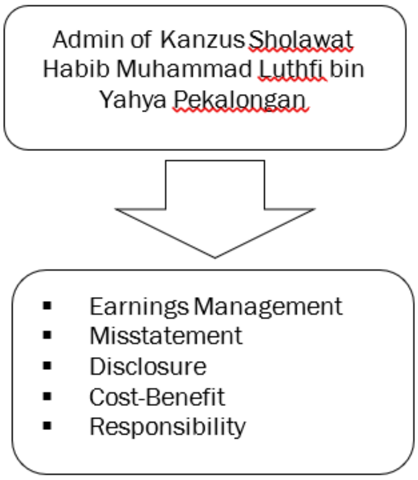

Figure 1. Research Framework

Figure 1 explains the description of Kanzus Sholawat administrator to ethical items composing report finance Kanzus Sholawat administrators have different backgrounds in education, work, and experience.

3. Materials and Methods

This study is classified as comparative research. Comparative research compares the viewpoint of Kanzus Sholawat chairpersons on the morals of planning financial reports based on PSAK 112 Bookkeeping for Islamic Boarding Schools. This study's ethical variables for preparing financial statements are earnings management, off-reporting (misstatement), disclosure, costs and benefits, and accountability (responsibility). The population of this study is administrators of Kanzus Sholawat Habib Muhammad Luthfi bin Yahya Pekalongan. Kanzus Sholawat researched is an organization with a legal entity and has a business unit (cooperatives, and others). Kanzus Sholawat routinely gets government financing help, both territorial and central. Sampling for Kanzus Sholawat administrators was carried out by purposive sampling. Kanzus Sholawat administrator who became object respondent has criteria are Minimum education D3, if there are economics (accounting), Becoming management minimum 3 years in Kanzus Sholawat, Understanding Constitution about cottage boarding school, Once accepting the socialization of PSAK 112 Accounting Islamic Boarding School, and Understand financial reporting.

A total of 93 administrators fulfilled the criteria respondent, and 82 administrators of Kanzus Sholawat. Testing the questionnaire on 82 respondents showed that the questionnaire was valid and reliable. Table 3 shows the correlation value above 0.3 and Cronbach Alpha above 0.6. This is in accordance with the reference from Sekaran (2018). This study aimed to analyze the differences in perceptions between the administrators of Kanzus Sholawat. Then using the ANOVA test with a significance of (α) 5%, to determine the impact of the independent variable on the dependent variable. The hypothesis is that there's a difference in discernment between the directors of Kanzus Sholawat on the morals of planning money-related articulations based on PSAK 112 Bookkeeping Boarding School. The following are the steps in analyzing the ANOVA results:

Test Between Subject Effects - This test shows the effect of the independent variable on the fixed variable. The independent variable's significance level will indicate the fixed variable's influence on the independent variable. Basis of decision making - Significant if the value of sig. <0.05, means there is a difference in perception between the administrators of the Kanzus Sholawat (H1 is accepted). It is not significant if the value of sig > 0.05, it means that there is no difference in perception between the administrators of the Kanzus Sholawat (H1 is rejected). Post Hoc Test - To determine the magnitude of the difference in perception between managers of Kanzus Sholawat on the variables, the Post Hoc test was used. The distinction within the normal recognition between Kanzus Sholawat administrators can be seen within the numerous comparison table within the cruel distinction column. Moreover, to discover whether the difference in values is noteworthy, it can be seen within the sig esteem column. The premise of choice making: If the significance level is > 0.05, then there is no difference in the average between the administrators of the Kanzus Sholawat. An average difference between the administrators of Kanzus Sholawat.

4. Results

This study reports the result of normality testing. It's to ensure the data is normally distributed. The result of the analysis is seen in Table 1 below:

Table 1. One-Sample Kolmogorov-Smirnov Test (N = 82)

		MI	DI	CB	RE
		82	82	82	82
Normal Parameters[a,b]	Mean	17.1484	14.3594	11.1094	7.4727
	Std. Deviation	3.58557	2.34557	3.40987	2.23853
Most Extreme Differences	Absolute	0.090	0.116	0.104	0.108
	Positive	0.090	0.116	0.104	0.108
	Negative	-0.049	-0.082	-0.052	-0.077
Kolmogorov-Smirnov Z		1.448	1.849	1.666	1.728
Asymp. Sig. (2-tailed)		0.030	0.002	0.008	0.005

a. Test distribution is Normal.

b. Calculated from data.

Table 1 captures the result of One-Sample Kolmogorov-Smirnov Test, the questionnaire data from the respondents showed a normal distribution. This can be seen from the results of calculating the respondent's data. In conclusion, respondents as administrators of Kanzus Sholawat Habib Muhammad Luthfi bin Yahya Pekalongan City have similarities.

Table 2. Test of Homogeneity of Variances (N = 82)

Levene Statistic	df1	df2	Sig.
1.276	2	82	0.281
0.274	2	82	0.761
2.917	2	82	0.056
1.968	2	82	0.142

In One-way, tests were conducted on misstatement, disclosure, cost and benefit, and responsibility to determine whether the respondent's data had errors. Table 2 shows the results of the Homogeneity of Variances. The result indicates that the respondent's data is significant. The administrators of Kanzus Sholawat Habib Muhammad Luthfi bin Yahya Pekalongan City have the same perception (homogeny).

Table 3. ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
MI	Between Groups	95.328	2	47.664	3.789	0.024
	Within Groups	3183.031	82	12.581		
	Total	3278.359	84			
DI	Between Groups	16.882	2	8.441	1.541	0.216
	Within Groups	1386.056	82	5.478		
	Total	1402.938	84			
CB	Between Groups	103.896	2	51.948	4.594	0.011
	Within Groups	2861.041	82	11.308		
	Total	2964.938	84			
RE	Between Groups	56.362	2	28.181	5.837	0.003
	Within Groups	1221.447	82	4.828		
	Total	1277.809	84			

These come about are shown by the calculated F values of MI (3.789), DI (1.541), CB (4.594), and RE (5.837) in Table 3. The respondents commonly see the morals of planning budgetary explanations as the same. In this case, there may be likenesses within the characteristics of the Kanzus Sholawat chairmen. Results show that insufficient difference perception is significant to managing Kanzus Sholawat.

5. Discussion

The result of this study indicated no difference in perception significant to the management of Kanzus Sholawat. These come about are shown by the calculated F values of MI (3.789), DI (1.541), CB (4.594), and RE (5.837). The respondents commonly identify the morals of planning budgetary explanations as the same. In this case, there may be likenesses within the characteristics of the Kanzus Sholawat chairmen. So, they have the same recognition almost the morals of planning budgetary explanations based on PSAK 112 Bookkeeping for Islamic Boarding Schools. This consideration shows that the level of instruction and devout understanding can give a person the next level of understanding. Therefore, an individual who contains a boarding school instruction and a part of involvement can have a moral recognition of the arrangement of monetary articulations based on PSAK 112 Bookkeeping for Islamic Boarding Schools.

6. Conclusions

This study concludes that there is no noteworthy contrast within the moral discernment of the preparation of financial statements based on PSAK 112 Accounting for Islamic Boarding Schools between the administrators of Kanzus Sholawat. There is no difference in the response to Law Number 18 of 2019 concerning Islamic Boarding Schools. The ratification of Law Number 18 of 2019 concerning Islamic Boarding Schools was warmly welcomed. Kanzus Sholawat administrators hope there will be a real and tangible touch from the government in developing Islamic boarding school business units. There is no difference in insight regarding PSAK 112 Accounting for Islamic Boarding Schools on the administrators of the Kanzus Sholawat. The group of respondents who have received the socialization of PSAK 112 Accounting Pondok Islamic Boarding School gives understanding to another administrator. If the administrators of the Kanzus Sholawat have understood, then PSAK 112 Accounting for Islamic Boarding Schools is applied in preparing the financial statements of the Kanzus Sholawat.

This study focuses on 1 (one) object of the respondent, namely the administrator of Kanzus Sholawat Habib Muhammad Luthfi bin Yahya Pekalongan. The result can only be generalized to some Islamic boarding schools in Indonesia. It is recommended to conduct further research using a wider population. Until a general description of the ethical perception of financial statement preparation in Indonesia is obtained from Islamic boarding schools. This research was conducted centered on operations Kanzus Sholawat only. Many old and large Islamic boarding schools are still very well established. It is recommended that further research be carried out on old and well-established Islamic boarding schools that already have a Miro Waqf Bank (BWM) as a "mandatory" Islamic boarding school applying PSAK Accounting for Boarding Schools as of January 1, 2021. This research was conducted to coincide with the beginning of the month of Shawwal 1443 H (May 2022). Where the nuances of Eid and Shawwal all gather. Subsequent research is recommended during the month of Sa'ban. Where in the Islamic boarding school, the Santri Mukim is complete.

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