

# Public Accountability in Financial Management Practice at Islamic Education Institutions: A Survey Research

Yundri Akhyar

Universitas Islam Negeri Sultan Syarif Kasim Riau, Indonesia; yundri.akhyar@uin-suska.ac.id

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## ABSTRACT

This study examines the financial management practices of Islamic educational institutions, with a focus on public accountability. As financial transparency and accountability become increasingly important in educational organizations, it is essential to evaluate how Islamic institutions manage their financial resources. A survey research design was employed to assess perceptions of financial management accountability. Data were collected using a questionnaire distributed via Google Forms, with a sample size of 162 participants from various Islamic education institutions. The findings revealed that respondents generally hold positive views regarding the transparency of financial management practices at Islamic educational institutions. However, challenges in implementing these practices were also identified, such as limited financial training, technological infrastructure gaps, and insufficient stakeholder engagement. While the positive perception of transparency indicates a solid foundation for accountable financial management, the study highlights the need for further improvements. Recommendations include enhancing financial training, upgrading technology, increasing stakeholder involvement, and conducting regular financial audits. Additionally, institutions are encouraged to benchmark their practices against industry best standards to ensure ethical and efficient resource utilization. This research underscores the importance of fostering a culture of accountability in financial management within Islamic educational institutions. By addressing identified challenges and adopting the suggested improvements, these institutions can better ensure financial transparency and ethical resource management.

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## Corresponding Author:

Yundri Akhyar

Universitas Islam Negeri Sultan Syarif Kasim Riau, Indonesia; yundri.akhyar@uin-suska.ac.id

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## 1. INTRODUCTION

Public accountability in financial management is essential for ensuring the trustworthiness, integrity, and efficacy of public institutions' governance. It promotes the responsible and ethical use of public funds and resources, enhances public confidence, and strengthens the legitimacy and credibility of public organizations (Matete, 2022). When discussing a company or organization's level of financial transparency, the information is made available to shareholders, investors, employees, and the general public (Hakim, 2021). The organization must present financial reports and statements that are easy to

understand and fully cover the organization's financial position, performance, and cash flows (Tetlock, 2013). Financial transparency is essential to Islamic educational institutions, whose primary mission is the promotion of spiritual development and the spread of religious knowledge (Murdayanti, 2017). Towards openness, trust, and effective resource management, the principles of financial accountability (Anas, 2019).

Islamic educational institutions also uphold the value of accountability. Decisions about money and the enforcement of rules and regulations are the responsibility of those in positions of authority (Dwangu & Mahlangu, 2021). These institutions show their dedication to accountability by keeping detailed financial records, subjecting them to regular audits, and rectifying any discrepancies or irregularities that are uncovered (Abdulkadriroğlu, Angrist, Dynarski, Kane, & Pathak, 2011). Financial management at Islamic educational institutions is guided by the principle of stewardship, which is central to Islamic teachings (Anas, 2019). Prudent stewardship involves minimizing waste and maximizing the usefulness of financial resources (Thompson, 2019). If you want to make sure the schools' resources are being used as efficiently and effectively as possible, you need to do some careful financial planning, budgeting, and decision-making (Sakamoto, 2022).

In order to teach Islamic ideas and maintain the highest moral standards, Islamic educational institutions need to make financial openness as a core component of their operations. This dedication enhances the institution's standing and enhances its influence on the community as well as its long-term viability (Yunika Murdayanti & Puruwita, 2019). Funds must be used prudently and openly so that interested parties can track how money is being spent and make sure it's going where it's supposed to (Hakim, 2021). The foundation of fiscal responsibility is openness. When it comes to finances, Islamic schools know they need to be transparent with everyone who has a stake in the institution, including parents, donors, and government oversight agencies (Fauzi & Suci, 2022). Transparency in budgeting, revenue generation, and expenditures builds trust and encourages responsibility (Handayani, Sholihin, Pratolo, & Rahmawati, 2022).

The Asian Development Bank (ADB) has established four generally recognized tenets of good governance. They are accountability, transparency, predictability, and participation (Ebrahim, 2003). To be accountable means to take personal, institutional, or governmental responsibility for one's actions or inactions. Being accountable means taking responsibility for one's actions and offering an explanation for them if asked. Mechanisms for holding those in authority accountable for their actions and spending are essential for ensuring efficiency and effectiveness. The availability and ease of access to information is what we mean when we talk about transparency (Daniels & Sabin, 2008). It entails giving the public and relevant parties access to accurate and timely information. Information about government policies, decisions, and performance, as well as business operations, can be made available to the public through transparent processes and systems (Jatmiko et al., 2019). This transparency aids in combating corruption, bolstering public confidence, and facilitating well-informed decision making (Vian, 2020). Stability and uniformity in policies, laws, and regulations are called "predictability." (Paschke, Dimancesco, Vian, Kohler, & Forte, 2018).

The public administration and economic activities are governed by transparent, consistent, and well-understood rules and procedures. Business investment, economic expansion, and societal progress all flourish in an environment of predictability (Kuddy, 2017). With less uncertainty and risk, people and businesses can confidently plan and make decisions. Individuals and communities are more likely to be satisfied with the outcomes of important decisions when they have a hand in making those decisions (Hillman, Fryar, & Crespi, 2017). It guarantees that citizens, civil society organizations, and communities all get a chance to voice their opinions and input. The inclusion of traditionally excluded groups is promoted, and social cohesion is bolstered, through increased participation (Mahmud, Susilowati, Anisykurlillah, Aeni, & Sari, 2023). By incorporating multiple viewpoints and perspectives, policies and programs become more robust and long-lasting. Governments, organizations, and institutions can use this framework to improve their governance practices by focusing on the four pillars of good governance:

transparency, accountability, participation, and predictability (Atmadja, 2018). They are essential for improving social cohesion, advancing sustainable growth, and realizing desirable outcomes.

However, there are a number of obstacles that Islamic schools must overcome in order to maintain fiscal responsibility (Fauzi & Suci, 2022). The lack of financial know-how within these organizations is a major barrier. Finding and keeping employees with adequate financial knowledge is a constant challenge, which can lead to inefficient money management and a lack of awareness of accountability principles (Thompson, 2019). Inadequate funding is also a significant obstacle. Limited resources can make it difficult to implement thorough financial accountability measures in Islamic educational institutions. Due to a lack of resources, these establishments may be unable to afford the financial systems, training programs, and audits necessary to maintain a culture of fiscal responsibility (Limbong, 2021). Islamic schools have a few options to improve their fiscal transparency and accountability in the face of these difficulties. Putting in place secure monetary policies and procedures is essential (DiatulFajri, Rizal, & Nofrivul, 2021). The reporting mechanisms, financial controls, and ethical practices can all be outlined in these policies. Maintaining relevance and effectiveness in the face of best practices and ever-evolving regulations requires regular reviews and updates (Jacob, Ho, Yao, & Xiong, 2018).

Another important tactic is to put money into education and training programs. Workshops on financial management, lectures from industry experts, and opportunities for ongoing training and education in fiscal responsibility should all be made available by institutions of Islamic higher education. In order to ensure accountability, it is important to provide leaders, administrators, and staff with the financial knowledge and skills they need to do their jobs effectively (Mubin, 2018).

The role of external audits performed by independent auditors in maintaining the reliability of financial records cannot be overstated (Prihartono & Asandimitra, 2018). These audits offer an objective evaluation of current financial procedures, highlighting potential trouble spots (Huber & Helm, 2020). They are a crucial control that demonstrates the institution's dedication to fiscal transparency and inspires trust among its constituents.

Financial procedures can be streamlined, and transparency can be increased by utilizing technology (Tengah, 2018). Accounting software and financial management programs allow for timely analysis, detailed documentation, and concise summaries. Increased financial accountability is another benefit of collaboration and partnership. Islamic educational institutions can improve their capacity to implement best practices by forming partnerships with other organizations, regulatory bodies, and financial institutions (Sian, Magli, Nobolo, & Guarini, 2020). Partnerships like these allow institutions to expand their spheres of influence and receive more feedback on how to improve their fiscal transparency (Matete, 2022).

The management of Islamic schools places a premium on transparency in financial matters. Islamic educational institutions can protect the integrity of their good work and the future of the community they serve by practicing openness, accountability, and good stewardship with the money they receive (Rodriguez-ardura, Catalunya, Meseguer-artola, & Catalunya, 2020). These institutions will be propelled towards a future based on financial accountability and excellence if they implement strategies like strong financial policies (David, 2011). However, there is no research that explores about the accountability based on the perception of the all the school components. Most of the previous research only explore about the theory or give descriptions about accountability in Islamic institutions (Nelly, 2021), (Susilo, 2022), (Wulandari, Munastiwi, & Dinana, 2022), (Tafssir, Husain, Puspitasari, Hamidah, & Rofiq, 2022). So, the survey research aims to give the real data to judge the Islamic education institution accountability according to principal, teachers, parents, and community.

## 2. METHODS

This study employed a quantitative research methodology in the survey method to investigate accountability in Islamic education institution financial management practices. A survey research design

was employed to collect data from participants and examine their perceptions and experiences regarding financial accountability. The definition of survey research is the collection of data from a sample of individuals through their responses to questions. This type of research permits the use Google Form for participant recruitment, data collection, and instrumentation. (e.g., utilizing questionnaires with numerically rated items).

Before data collection began, ethical approval was obtained from the relevant institutional review board. Invitations to participate in the survey were distributed via email with the assistance of the management of Islamic education institutions. The survey was administered through an online survey platform, ensuring participant convenience and anonymity. A questionnaire of one's own design was created for data collection purposes. The questionnaire included sections on demographic data, perceptions of financial accountability, and financial management practices at Islamic educational institutions. The questions were developed based on a review of pertinent literature and the research team's expertise.

This study's intended audience consisted of administrators, teachers, parents, and schools' staff members employed by Islamic education institutions in Pekanbaru, Riau province. Using a technique of convenience sampling, a sample of 162 participants was obtained. The characteristics of respondents can vary depending on the survey or research study being conducted and the surrounding circumstances. The researcher focused on Education and the roles of participant in education.

**Table 1. Respondents' Characteristics**

Groups		Frequency	Percentage
Education	S3	0	0%
	S2	5	3%
	S1	96	59%
	SMA/SMK	60	37%
	SMP	1	1%
	SD	0	0%
<b>Total</b>		<b>162</b>	<b>100%</b>
The roles	Principal	3	2%
	Lecturer	8	5%
	Teacher	56	35%
	Parents	52	32%
	others	43	27%
<b>Total</b>		<b>162</b>	<b>100%</b>

A total of 162 respondents eagerly participated in the survey, each representing a distinct viewpoint and contributing valuable insights. With 96 respondents representing 59% of the total, the majority of these respondents had completed their undergraduate education. They held a Bachelor's degree (S1), which demonstrated their dedication to higher education. Closely following were those who had completed their senior year of high school (SMA/SMK), which accounted for 60 respondents or 37% of the total. These people had completed specialized vocational or general education programs, which had equipped them with practical skills and knowledge.

Five respondents, or 3% of the total, had completed their graduate studies and earned a Master's degree (S2), making up a subset of the total sample. Their advanced degrees demonstrated their commitment to advancing their expertise and knowledge in their respective fields. In addition, only one respondent had a middle school education (SMP), which accounted for less than 1% of the total. This person's contribution provided a unique viewpoint from the younger educational demographic.

Intriguingly, there were no respondents with a primary school education level (SD), which suggests that this group was underrepresented in the study.

Beyond formal education, the purpose of the study was to identify the various roles within the educational ecosystem. Three respondents identified themselves as principals, indicating their positions of authority within educational institutions. These administrators represented 2% of the total.

Eight respondents self-identified as lecturers, representing academic professionals who contribute their expertise and knowledge in settings of higher education. They made up 5% of the total. 56 respondents, a sizeable proportion, embraced the role of educator, demonstrating their commitment to shaping young minds and imparting knowledge. Teachers comprised 35% of the total, illustrating their influential role in the education sector. Another important group of respondents, consisting of 52 individuals, self-identified as parents. 32% of the total reflected the critical role that parents play in supporting and guiding their children's educational journeys. In the "others" category, 43 respondents held a variety of roles within the education landscape. These individuals served in a variety of capacities, including administrators, researchers, counselors, and policymakers. The "others" category comprised 27% of the total, highlighting the diversity and breadth of roles in the field.

Through this study, researchers gained valuable insights into the respondent's characteristics, including their educational backgrounds and various roles within the educational ecosystem. These findings served as the basis for additional analysis and investigation, allowing for a deeper understanding of the education sector.

The preparation of this instrument adheres to the Podsakoff & Mackenzie (2003) and Rodriguez-ardura, Catalunya, Meseguer-artola, & Catalunya (2020) for anticipating a biased result. The following are the phases of questionnaire preparation: 1). Investigation of the related theory; 2). discussed the concept of the instrument in a closed expert forum or joint discussion. This phase resulted in numerous instrument enhancements. The instrument has been modified to incorporate constructive inputs and is now prepared for pilot testing. 3). Before the instrument was implemented, a pilot test was conducted to evaluate it. The pilot test was conducted with 30 participants as respondents, along with instrument-related input. Validity and dependability of the pilot test results were evaluated, and the results were accepted and could be used further. The reliability and validity test of 30 pilot test participants concluded that the instrument was suitable for field use.

**Table 2.** Reliability validity test results

Indicator	Correlation Sig. (2- tailed)	Result	Cronbach Alfa	Composite reliability
<b>Accountability</b>			<b>0.896</b>	<b>0.931</b>
Comprehensive financial statements	0.724***	Accepted		
Regular internal audits	0.778***	Accepted		
Clear accountability mechanisms	0.754***	Accepted		
Involvement of parents/guardians in decision-making	0.760***	Accepted		
Procedure for handling complaints or grievances	0.829***	Accepted		
Conformity with pertinent regulations and guidelines	0.833***	Accepted		
<b>Transparency</b>			<b>0.765</b>	<b>0.888</b>
Complete and easily comprehensible information about the amount of funds	0.741***	Accepted		
Communicate the funding policy	0.581***	replaced		
Communication of fund usage policies and procedures	0.724***	Accepted		
Public access to information regarding expenditures	0.864***	Accepted		
Discussion forums or meetings on the use of funds	0.754***	Accepted		
Availability of information regarding the expenditure of funds	0.760***	Accepted		

<b>Predictability</b>			<b>0.786</b>	<b>0.952</b>
Year-to-year consistency of policies and procedures pertaining to funds	0.829***	Accepted		
Notification of policy changes pertaining to funds	0.753***	Accepted		
Consistent and prompt availability of funds	0.716***	Accepted		
A detailed plan for the long-term use of funds	0.715**	Accepted		
Information submitted regarding funding plans	0.724***	Accepted		
<b>Participation</b>			<b>0.912</b>	<b>0.871</b>
Forum or mechanism for parental or guardian participation	0.864***	Accepted		
Participation of parents/guardians in planning the use of funds	0.770***	Accepted		
Information supplied to provide input or suggestions on funds	0.760***	Accepted		
Consideration of input and suggestions from student parents and guardians	0.716***	Accepted		
Participation of diverse community groups	0.768***	Accepted		

Indicators were adapted from (Tetlock, 2013)

During the six-week period of data collection, respondents had the opportunity to complete the online questionnaire. Frequent reminders were sent out to encourage participation and maximize response rate. Participants were assured that their responses would remain private and anonymous. The collected data were stored securely, and only the research team had access to them.

The data collected from the survey were analysed using appropriate statistical methods. Descriptive statistics, such as frequencies and percentages, were employed to summarize demographic characteristics and participant perceptions of financial accountability.

### 3. FINDINGS AND DISCUSSION

In the field of educational research, a study was conducted in Pekanbaru Riau Province to determine the characteristics of survey participants. The purpose of the study was to shed light on the diverse educational backgrounds and roles of education professionals.

#### 3.1 Respondents' Response Regarding Accountability

To find out the respondents' perception or response to each indicator regarding accountability in financial practice, the researcher used the percentage score. Accountability consists of 6 indicators; comprehensive financial statements, regular internal audits, clear accountability mechanisms, involvement of parents/guardians in decision-making, procedure for handling complaints or grievances, and conformity with pertinent regulations and guidelines.

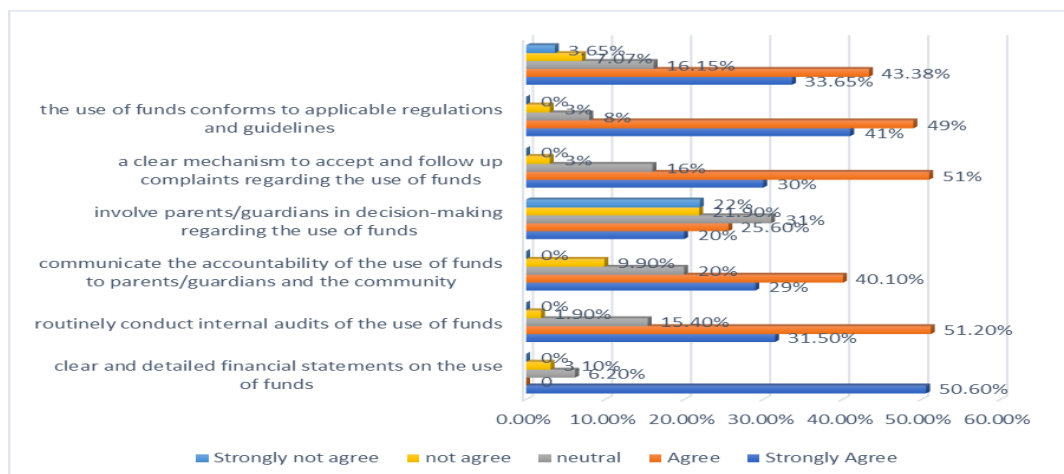


Figure 1. Respondents' Respond Regarding Accountability

In the realm of educational accountability, a study was conducted among respondents to gauge their perceptions of the schools' financial transparency and accountability. The purpose of the study was to determine the extent to which participants agreed or disagreed with various aspects of accountability. The opinions of the respondents were measured on a Likert scale ranging from "Strongly Agree" to "Strongly Disagree (77.03 %)." The results were then compiled and presented in Table 3 to illustrate the perspectives of the respondents considers that financial management practice at Islamic education institutions are accountable.

The majority of respondents agreed that schools should provide transparent and comprehensive financial statements regarding the use of funds. In particular, 50.6% of respondents strongly agreed and 40.1% agreed with the statement, indicating that a sizeable proportion of respondents understood the significance of transparent financial reporting. A small percentage, 6.2%, remained neutral on the issue, while 3.1% and none strongly disagreed.

Regarding internal audits of fund utilization, a sizable proportion of respondents acknowledged the significance of routine assessments. About 31.5% of respondents strongly agreed, while 51.2% agreed that schools should regularly conduct internal audits. A smaller percentage, 15.4%, remained neutral, whereas only 1.9% and none strongly disagreed.

The study also aimed to determine the extent to which schools communicated to parents/guardians and the broader community the accountability of fund usage. According to the results, 29% of respondents strongly agreed and 40.1% agreed that schools effectively communicate this information. In the meantime, 20% of respondents were neutral and 9.9% disagreed with the statement. None of the respondents strongly disagreed, which is notable.

Regarding the inclusion of parents/guardians in decision-making processes regarding the use of funds, opinions were more divergent. Twenty percent of respondents strongly agreed and twenty-five percent agreed that schools actively involve parents and guardians in decision-making. Nevertheless, 31% of respondents remained neutral, indicating a lack of consensus. In addition, 21.9% of respondents disagreed and 22% strongly disagreed, revealing a divide in opinions regarding parental involvement.

The study also examined whether or not schools had clear mechanisms in place to accept and investigate complaints regarding the use of funds. 30% of respondents strongly agreed and 51% agreed that schools possess such mechanisms. A smaller proportion, 16%, remained neutral, while only 3% were opposed. None of the respondents strongly disagreed, which is surprising.

The study concluded by examining respondents' perspectives on schools' compliance with applicable regulations and guidelines regarding the use of funds. With 41% strongly agreeing and 49%

agreeing, the majority of respondents expressed agreement. Only 8% of respondents remained neutral, while only 3% disagreed. Again, none of the respondents disagreed strongly.

A sizeable proportion of respondents expressed agreement or strong agreement on a variety of facets of accountability. The majority believed that schools should routinely conduct internal audits of their fund usage (82.7%) and provide clear and detailed financial statements (90.7%). Regarding communicating accountability to parents/guardians and involving them in decision-making, however, opinions varied (69.1% and 45.6% agreement, respectively). In addition, while a sizable proportion of respondents (81%) believed that schools had clear complaint mechanisms, opinions on parental involvement in decision-making were mixed (49% neutral or disagree). Nonetheless, 90% of respondents acknowledged the significance of schools adhering to regulations and guidelines. These findings highlight the importance of transparent financial reporting, internal audits, and regulatory compliance, as well as the need for additional efforts to involve parents and guardians in decision-making processes.

### 3.2 Respondents' Response Regarding Transparency

The researcher used the percentage score to determine the respondents' perception or response to each indicator regarding transparency in financial practice. Transparency consists of 6 indicators; Complete and easily comprehensible information about the amount of funds, Communicate the funding policy, Communication of fund usage policies and procedures, public access to information regarding expenditures Discussion forums or meetings on the use of funds, and Availability of information regarding the expenditure of funds.

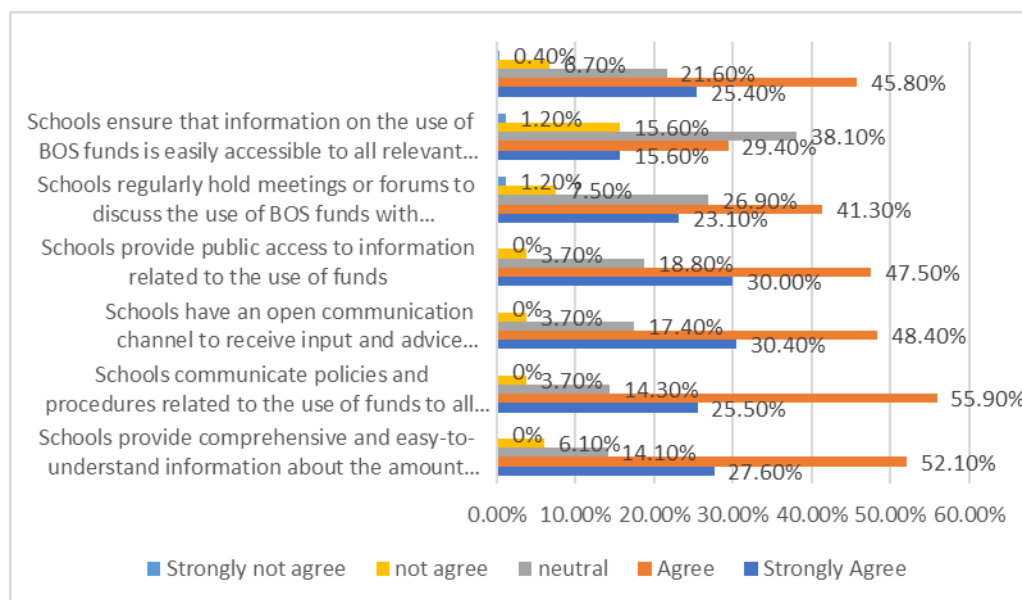


Figure 2. Respondents' Respond Regarding Transparency

The table 4 provides responses from respondents regarding school transparency. It focuses on disclosure of information about funds received, communication of policies and procedures, open channels for input and advice, public access to information, and engagement with parents/guardians and the community. These factors are essential for promoting openness and accountability in the expenditure of funds. The opinions of the respondents were measured on a Likert scale ranging from "Strongly Agree" to "Strongly Disagree (82.30 %)." The results were then compiled and presented in Table 4 to illustrate the perspectives of the respondents considers that financial management practice at Islamic education institutions is transparent.

According to table 4, 48.2% of respondents strongly agree and 82.2% agree that schools provide thorough and understandable information about the amount of funds received. This indicates that the vast majority of respondents have a favorable opinion of schools' financial disclosure practices. Transparency in fund disclosure is essential because it enables stakeholders, such as parents, students, and the community, to comprehend how funds are allocated and utilized. 30.5% of respondents strongly agree and 45.7% agree that schools effectively communicate policies and procedures pertaining to the use of funds to all relevant parties. This indicates that there is room for improvement in communicating policies and procedures to stakeholders. Transparent communication of these policies and procedures aids in fostering confidence and ensuring that funds are used for their intended purposes. The table 4 also reveals that 56.1% of respondents are strongly in agreement and 29.9% are in agreement that schools have an open communication channel to receive input and advice regarding the use of funds. This indicates that the majority of respondents believe that schools are receptive to feedback and recommendations from stakeholders. Open communication channels permit collaboration and shared decision-making, thereby enhancing the transparency and accountability of the use of funds.

25.8% of respondents strongly agree, and 39.9% agree that schools should provide public access to information regarding the use of funds. However, a substantial portion (29%) remains neutral, indicating that there is still work to be done to ensure that information regarding fund usage is readily accessible to the public. Access to this information by the public promotes transparency and enables stakeholders to examine and monitor the expenditure of funds. The table also reveals that only 18.4% of respondents strongly agree and 38% agree that schools hold regular meetings or forums to discuss the use of funds with parents/community members. Significantly, 30.1% of respondents are indifferent, indicating the need for more active engagement and participation of stakeholders in discussions about fund allocation. Regular meetings and forums offer opportunities for transparency by facilitating dialogue, clarification, and the exchange of ideas between schools and their stakeholders.

Finally, the table indicates that 25.8% of respondents strongly agree and 53.4% agree that schools ensure that all relevant parties have easy access to information regarding the use of funds. However, 15.3% of respondents are neutral, indicating that additional efforts should be made to improve accessibility. Accessibility to information enables stakeholders to make informed decisions and hold schools accountable for the use of funds.

In conclusion, the table depicts the perceptions of respondents regarding the financial transparency of schools. Even though there are positive responses indicating that schools provide comprehensive information and have open communication channels, there are still areas that need improvement (Peterson, 2011). Ensuring clear communication of policies and procedures, enhancing public access to information, engaging stakeholders actively, and improving accessibility of fund-related information are crucial steps for enhancing transparency and accountability in the use of school funds (Amos, Ephrahem, & Bhoke-Africanus, 2021). By addressing these issues, schools can build trust, encourage collaboration, and demonstrate their commitment to fiscal responsibility (Hastina, Safiltri, Ramadhan, & Andika, 2022).

### ***3.3 Respondents Response Regarding Predictability***

To find out the respondents' perception or response to each indicator regarding predictability in financial practice, the researcher used the percentage score. Predictability consists of 6 indicators; Year-to-year consistency of policies and procedures pertaining to funds, Notification of policy changes pertaining to funds, Consistent and prompt availability of funds, A detailed plan for the long-term use of funds, Information submitted regarding funding plans, and emergency situation or unexpected change in the use of funds.

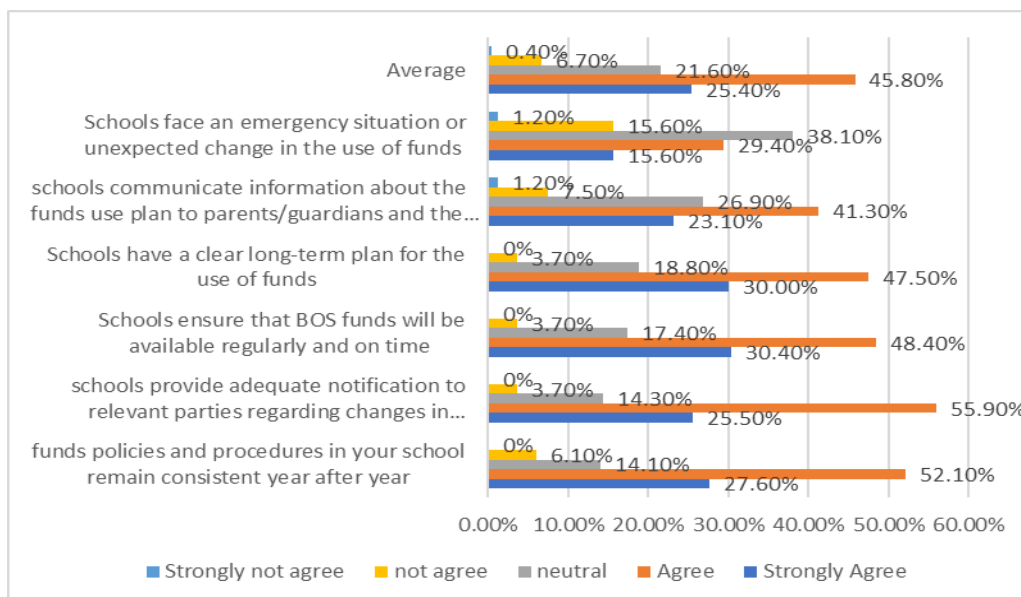


Figure 3. Respondents’ Respond Regarding Predictability

Chart 5 displays the responses of respondents regarding school predictability. The table examines various aspects pertaining to the consistency of policies and procedures, the adequate notification of policy changes, the regular availability of funds, the presence of a clear long-term plan, the communication of the fund use plan, and the handling of unforeseen changes or emergencies. These factors are essential for establishing predictability and stability in the administration of funds. The opinions of the respondents were measured on a Likert scale ranging from "Strongly Agree" to "Strongly Disagree (79.67 %)." The results were then compiled and presented in Table 5 to illustrate the perspectives of the respondents considers that financial management practice at Islamic education institutions is predictable.

According to table 5, 27.6% of respondents strongly agree and 52.1% agree that their school's financial policies and procedures are consistent from year to year. This indicates that the majority of respondents have a favorable view of the stability and continuity of fund management policies and procedures. Consistency in these policies and procedures ensures predictability, allowing stakeholders to comprehend how funds are handled and allocated with clarity.

Regarding the notification of changes in financial policies, 25.5% of respondents are strongly in agreement and 55.9% are in agreement that schools provide adequate notification to the appropriate parties. This indicates that a sizeable percentage of respondents believe that schools are proactive in communicating changes. Appropriate notification is necessary for stakeholders to prepare for and adapt to any changes in fund-related policies, ensuring a seamless transition and minimizing disruptions.

The table also indicates that thirty-four percent of respondents strongly agree and forty-eight percent agree that schools ensure the regular and timely availability of BOS funds. This indicates that respondents have a favorable view of the predictability of fund availability. The availability of funds on a consistent and timely basis is essential for the smooth operation of schools, allowing them to meet their financial obligations promptly and effectively.

Schools have a clear long-term plan for the use of funds, according to 30.0% of respondents who strongly agree and 47.5% who agree. This indicates that a substantial proportion of respondents believe that schools have established a plan for the long-term utilization of funds. A well-defined long-term plan assists schools in prioritizing their financial goals, allocating funds strategically, and achieving their educational objectives in a consistent and predictable manner.

Table 5 reveals that 23.1% of respondents strongly agree and 41.3% agree that schools communicate effectively with parents/guardians and the community regarding the fund use plan. However, a sizeable proportion (26.9%) of respondents remain neutral, indicating that communication could be enhanced. For stakeholders to comprehend the school's financial priorities and actively participate in decision-making processes, it is essential that the fund use plan be effectively communicated.

In addition, the table 5 reveals that 15.6% of respondents are strongly in agreement and 29.4% are in agreement that schools face unforeseen changes or emergencies in the use of funds. A significant percentage (38,1%) of respondents are neutral, suggesting that there is uncertainty or a lack of awareness regarding how schools handle such situations. Schools must develop contingency plans and effectively disseminate them to address unanticipated changes or emergencies, thereby ensuring predictability even under difficult conditions.

The table summarizes the opinions of respondents regarding the predictability of school fund management. While there are positive responses regarding the consistency of policies and procedures, the notification of policy changes, the availability of funds on a regular basis, and the existence of a long-term plan, there are areas that require attention. Improving communication of the fund use plan, addressing unanticipated changes or crises, and enhancing the understanding and participation of stakeholders are essential steps for establishing greater predictability and stability in the management of funds (Rodriguez-ardura et al., 2020). By focusing on these areas, schools can foster trust, encourage effective financial planning, and create an environment conducive to academic excellence (Matete, 2022).

### 3.4 Respondents Response Regarding Participation

To find out the respondents' perception or response to each indicator regarding participation in financial practice, the researcher used the percentage score. Participation consists of 6 indicators; Forum or mechanism for parental or guardian participation, Participation of parents/guardians in planning the use of funds, Information supplied to provide input or suggestions on funds, Consideration of input and suggestions from student parents and guardians, and Participation of diverse community groups

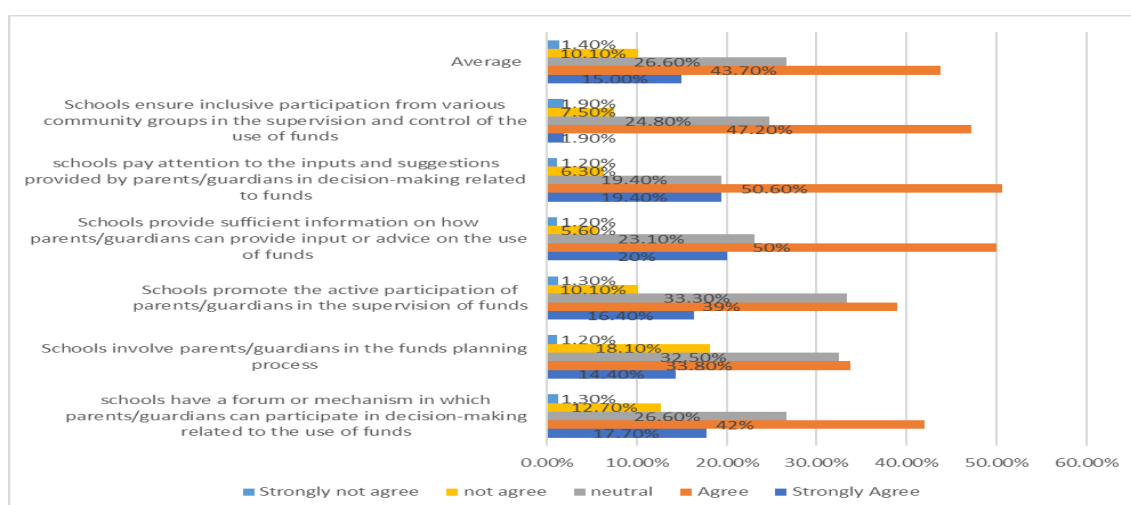


Figure 4. Respondents Response Regarding Participation

Table 6 provides an overview of the opinions of respondents regarding school participation. The table examines various facets pertaining to the participation of parents/guardians and community groups in decision-making, financial planning, oversight, the provision of input and advice, and the

responsiveness of schools to the suggestions and inputs provided. These factors are essential for fostering inclusive participation and collaborative decision-making in schools. The opinions of the respondents were measured on a Likert scale ranging from "Strongly Agree" to "Strongly Disagree (58.70%) compared not agree and strongly not agree (11.5 %)." The results were then compiled and presented in Table 6 to illustrate the perspectives of the respondents considers that financial management practice at Islamic education institutions give the public to participate to their financial program.

According to the table, 17.7% of respondents strongly agree and 42% agree that schools have a forum or mechanism through which parents/guardians can participate in financial decision-making. This indicates that parents/guardians have some opportunity to participate in decision-making processes. It is important to note, however, that a sizeable proportion of respondents (26.6%) remain neutral, indicating that there may be room for improvement in providing more structured and meaningful opportunities for parental participation.

Schools actively involve parents/guardians in the process of budget planning, according to 14.4% of respondents who strongly agree and 33.8% who agree. However, a sizeable percentage (32,5%) remains neutral, indicating that schools must increase their efforts to engage parents and guardians during the planning stage. Participation of parents/guardians in budgeting can ensure that their perspectives and priorities are taken into account, resulting in more effective and inclusive financial decision-making.

The table also indicates that 16.4% of respondents strongly agree and 39.0% agree that schools encourage the active participation of parents and guardians in the management of school funds. This indicates that the majority of respondents have a favorable opinion of the schools' efforts to involve parents and guardians in overseeing the use of school funds. Active participation in supervision enables parents and guardians to contribute their insight, monitor fund management, and increase transparency and accountability.

Twenty percent of respondents strongly agree and fifty percent agree that schools provide sufficient information on how parents and guardians can provide input or advice on the use of funds. Nevertheless, a sizeable proportion (23.1%) remains neutral, indicating that there may be room for improvement in ensuring that parents/guardians are well-informed about how they can provide input and advice. Clear and readily available information empowers parents and guardians to actively participate in decision-making processes and provide valuable perspectives.

The table indicates that 19.4% of respondents strongly agree and 50.6% agree that schools take parental input and suggestions into account when making financial decisions. This indicates that the majority of respondents view the responsiveness of schools to parental input favorably. Actively considering and incorporating the suggestions of parents/guardians promotes collaboration and improves the legitimacy and efficacy of financial decision-making processes.

Only 1.9% of respondents are strongly in agreement and 47.2% are in agreement that schools ensure inclusive participation from various community groups in the supervision and control of fund utilization. However, a sizeable proportion (24.8%) of respondents remain neutral, indicating a need to enhance efforts to engage diverse community groups. Different stakeholders' participation ensures that the interests and perspectives of all community members are represented, resulting in decisions that are more equitable and well-informed.

The table summarizes the perceptions of respondents regarding participation in the financial decision-making processes of schools. There are positive responses indicating some level of participation and responsiveness, but there are also areas that require attention. Enhancing avenues for parental participation, providing clear information on how to provide input and advice, fostering inclusive participation from community groups, and actively considering suggestions and inputs are necessary steps for promoting meaningful and collaborative financial decision-making in schools (Mohammed & Muhairi, 2020). By focusing on these areas, schools can create an environment

that is more inclusive and participatory, thereby strengthening their relationship with their stakeholders (Nelly, 2021).

these conclusions stem from the investigation of stakeholders' opinions of financial transparency and the particular focus on Islamic educational institutions. While financial transparency has been studied in a variety of educational contexts, such as public and private schools, this study provides a special perspective by taking Islamic education into account. Given the unique moral and ethical considerations ingrained in Islamic governance and finance concepts, this is especially crucial.

Furthermore, the study adds to the body of knowledge by demonstrating the favourable opinions of stakeholders regarding financial management practices' transparency and reaffirming the significance of financial transparency in promoting accountability and trust in Islamic educational institutions. Additionally, it emphasizes the necessity of more investigation and work to improve stakeholder involvement in financial decision-making procedures in order to guarantee a more open and transparent governance framework.

The study's conclusions highlight the significance of accountability, predictability, and transparency in building stakeholder trust and confidence. They also offer insightful information about how stakeholders see financial openness in Islamic educational institutions. Going forward, maintaining continuous transparency and efficacy in financial management processes within these organizations would need addressing areas for improvement, such as increasing stakeholder participation.

#### 4. CONCLUSION

The primary findings of this analysis reveal that a significant majority of stakeholders, particularly parents, hold positive views regarding the financial transparency of Islamic educational institutions. While there is broad agreement on statements related to predictability, accountability, and openness, there is less consensus concerning stakeholder involvement in financial decision-making processes. To enhance openness and foster a sense of community ownership, the study recommends that these institutions actively engage stakeholders in financial decision-making through regular meetings, feedback channels, and participation opportunities. Transparent communication regarding budget allocations, expenses, and fundraising efforts should be prioritized to build trust and minimize misunderstandings. Additionally, the implementation of strong governance structures—such as independent audit committees, periodic financial reviews, and adherence to best financial practices—is essential for ensuring accountability and oversight. The findings suggest that stakeholders' favorable perceptions of financial transparency reflect trust in the institutions' management practices. However, the limited involvement of stakeholders highlights an area for improvement. Addressing this gap is crucial for strengthening both engagement and transparency. Future research could explore variations in financial transparency practices across different educational institutions (e.g., public, private, and Islamic) to identify best practices and assess the effectiveness of diverse governance models. Longitudinal studies are also recommended to track shifts in stakeholder perspectives over time and assess the impact of initiatives designed to improve transparency and involvement. Incorporating qualitative research methods, such as interviews or focus groups, would offer deeper insights into stakeholders' attitudes and motivations. Additionally, examining cultural perspectives on financial transparency within Islamic education could uncover cultural factors influencing stakeholder perceptions and governance practices. These recommendations aim to advance knowledge and practices related to transparency, accountability, and governance in Islamic educational institutions.

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