
**BUILDING SUSTAINABLE PESANTREN FINANCIAL ACCOUNTABILITY:
FAMILY CULTURE TRANSFORMATION IN GOVERNANCE SYSTEM**

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Abstract

Good Corporate Governance (GCG) is an essential principle in ensuring accountability in Islamic educational institutions, including pesantren. This study investigates the role of family culture in enhancing financial accountability within pesantren's governance systems. The research problem arises from the lack of formal financial management systems in many pesantren, leading to reduced public trust and sustainability. The research aims to explore how family-based leadership can support the development of transparent and accountable financial management practices in pesantren. A qualitative case study approach was employed at Pondok Pesantren Nurul Ulum in Malang, East Java, involving interviews with key management members. Findings indicate that while the pesantren lacks formal regulations regarding public funding sources and sanctions, its family-based leadership fosters accountability through strong internal control and moral responsibility. The study concludes that incorporating family values into financial governance can enhance transparency and sustainability in pesantren management.

Keywords: Good Corporate Governance, Financial Accountability, Family Culture, Pesantren Management

INTRODUCTION

Good Corporate Governance (GCG) is a fundamental principle that forms the basis for the management of organisations, including Islamic boarding schools (pesantren). In the context of sustainability, GCG plays a crucial role in creating transparency and accountability in the financial management of pesantren. According to OJK (2021), the implementation of good GCG in educational institutions such as pesantren can enhance public trust and encourage community participation in supporting the operational activities of pesantren. Data shows that pesantren applying GCG principles have a higher level of community participation, with 65% of respondents stating that financial transparency increased their trust in the management of pesantren (Badan Litbang dan Diklat Kementerian Agama, 2020).

Financial accountability in pesantren has become increasingly important in the context of sustainability, especially when facing the challenges of globalisation and digitalisation. Good accountability not only includes accurate financial reporting but also involves the participation of all parties in the management process. According to Suharto (2020), high accountability in the financial management of pesantren can reduce the risk of fund misuse. A study found that 70% of pesantren implementing a transparent accountability system were able to reduce unnecessary expenses and improve the efficiency of fund usage (Yusuf, 2021).

Currently, many pesantren still face challenges in managing finances accountably. Many of them do not have a proper accounting system, making it difficult to be accountable for fund usage. This can potentially reduce public trust and impact the sustainability of pesantren operations. A study by Nurdin (2022) revealed that only 40% of pesantren in Indonesia have an adequate accounting system. This phenomenon indicates the need for a cultural transformation in managing pesantren finances to become more accountable and sustainable.

Building sustainable financial accountability in pesantren also depends on the fact that financial reports can be accessed by external parties. In today's digital era, many individuals, including donors, the government, and the general public, want financial reports to be transparent. According to research by Hidayat (2022), 60% of donors prefer to channel funds to institutions that have financial reports accessible to the public, either through official websites or regular reports submitted to external parties.

Several previous studies have explored the relationship between GCG and accountability in the context of educational institutions. For example, research by Amir (2019) indicated that the implementation of good GCG positively affects financial accountability in pesantren. Meanwhile, according to Muslimah (2020) some family-owned companies still face delays in applying GCG principles, such as accountability and responsibility, which can impact the performance and valuation of the company. However, research on family-based institutions remains limited. In family contexts, the culture and values adopted can influence financial management. A study by Rahman (2021) found that pesantren managed by families tend to be more accountable due to stronger internal control. This highlights the importance of a family-based approach in enhancing financial accountability.

This study focuses on pesantren as the subject of research with a family-based approach. The novelty of this research lies in combining GCG, accountability, and family culture in the context of pesantren. While many previous studies have focused on GCG and

accountability separately, this research attempts to integrate these three aspects to provide a more comprehensive overview. By focusing on family, it is hoped that a more effective and sustainable model of financial management for pesantren will be discovered.

Sustainability in pesantren financial management is not only dependent on the economic aspect but also on social and environmental factors. According to a report by UNDP (2020), sustainability encompasses three dimensions: economic, social, and environmental. In the context of pesantren, sustainability can be achieved by managing resources efficiently, empowering the surrounding community, and protecting the environment. Therefore, it is important for pesantren to adopt GCG and sustainable accountability principles so that they can make a positive contribution to society and the environment.

This research aims to provide practical recommendations for pesantren in building sustainable financial accountability through the transformation of family culture. This research is expected to contribute to the development of a better pesantren management model and serve as a reference for future research. By integrating family aspects into management, it is hoped that pesantren can become more transparent, accountable, and sustainable institutions.

REVIEW OF LITERATURE

A pesantren is an Islamic educational institution recognised by the community, typically a boarding school where students receive religious education through lectures, all of which are overseen by one or several charismatic and independent religious leaders (kiai). The pesantren is the oldest educational institution in Indonesia (Firdausi & Amin, 2021). Etymologically, the term “pesantren” is derived from “santri” with the prefix “pe” and the suffix “an”, meaning the residence of the santri (students). The term “santri” itself comes from the Sanskrit word *shastri*, which means sacred texts, religion, and knowledge (Syafe’i, 2019). Generally, a pesantren is led by an individual referred to as a “kyai”. In practice, a kyai not only serves as a spiritual leader, providing religious and moral guidance, but also as a managerial leader who directs the operational activities of the pesantren. The leadership of the kyai significantly influences the culture and values upheld by the pesantren. For this reason, kyai are respected and followed by the students and administrators due to their knowledge, integrity, and dedication.

Accountability is one of the main principles in the concept of Good Corporate Governance (GCG). Accountability refers to efforts to fulfil the obligations of an organisation in terms of reporting on the success or failure of its operations and achieving its goals and objectives (Baehaqi et al., 2021). In general, accountability refers to the responsibility of various parties within an organisation to justify their decisions and actions, and to report and explain the results of those decisions to relevant stakeholders. Accountability clarifies roles, responsibilities, and supports efforts to balance the interests of management and shareholders.

Several benefits of accountability, as outlined by Fitriyah et al. (2021) include:

- a. Restoring and maintaining public trust in the organisation
- b. Creating transparency and responsiveness within the organisation
- c. Encouraging community participation

- d. Making the organisation operate more efficiently, effectively, economically, and responsively to community aspirations
- e. Encouraging the development of a fair performance evaluation system through improved performance measurement
- f. Creating a healthy, conducive work climate and improving discipline
- g. Enhancing the quality of service to the community

In terms of organisational scope, Hopwood & Tomkins (1984) state that accountability has several dimensions, which are explained as follows:

- a. Legal Accountability and Honesty

Legal accountability involves ensuring compliance with laws and regulations as a requirement for using public funds. Accountability for honesty refers to how an organisation avoids corruption, collusion, and nepotism (KKN), ensuring that healthy practices are maintained. Legal compliance in public service provision is essential, as the indicators for assessing the level of accountability in an organisation's activities, particularly in public service, naturally manifest.

- b. Programme Accountability

An organisation has a vision, mission, and programmes that need to be achieved in the near or distant future. Proper planning is necessary to avoid mismanagement, which could reduce public trust. A key principle here is that there must be a mutual agreement between top management and lower-level staff to follow and implement the programme, ensuring the proper and consistent use of resources according to applicable regulations to avoid misuse of resources.

- c. Process Accountability

Process accountability ensures the proper implementation of administrative procedures related to the organisation's operations and adherence to the procedures used. Administrative procedures include: (1) work division and direction, which includes delegation of authority, task breakdown, leadership meetings, and periodic organisational management; (2) sufficient management information systems, including organisational data documentation (management structure, programme activities, and financial records), and easy access to the organisation's information.

Process accountability should reveal the alignment between the results of activities and initial plans, as well as successes and failures in achieving objectives. Accountable management is responsible not only for what is done but also for the overall performance of the organisation.

- d. Financial Accountability

There are two components of financial accountability: (1) Disclosure, which requires that financial statements be designed and presented as a reflection of the entire organisational process; (2) Compliance with regulations, where financial records must adhere to Islamic principles. The general principles of Islamic accounting are fairness, truthfulness, and accountability. Therefore, transactions in financial reporting should be accurately recorded, clear, informative, complete, directed at all stakeholders, and free from manipulation.

Referring to corporate governance in GCG, accountability plays a critical role in ensuring the sustainability of business operations. In practice, accountability is a key element

in achieving continuous performance in corporate governance, striving for business sustainability.

The parameters for achieving accountability, according to Irianto (2019) are as follows:

a. Preparation of Financial Statements Promptly and Accurately

Good governance is characterised by the management of the organisation in accordance with democratic principles, avoiding misallocation of investment funds, and preventing corruption. Good management requires accountability and transparency in carrying out its functions for the public. A form of accountability for financial management is the preparation of reliable, timely, and publicly accessible financial statements, which help ensure transparency and public accountability through comprehensive financial reporting.

b. Audit Committee and Risk Management Coordination of Work Program

According to PMK Number 191/PMK.09/2008, the Risk Management Committee is responsible for overseeing, determining policies, strategies, and methodologies for risk management. The committee members consist of the board of commissioners, but if necessary, external professionals may be appointed. In performing its duties, the Risk Management Committee is fully accountable to the board of commissioners for overseeing the company's risk management processes. These processes begin with identification, decision-making on risk management programmes, and administering these programmes institutionally. The Risk Management Committee plays a crucial role in ensuring the company's programmes are effective.

c. Monitoring Work Programme/Activities

Monitoring involves tracking whether a programme is proceeding according to plan. Monitoring the ongoing planning process serves as an effective control tool throughout the implementation process. According to Dunn, monitoring has four functions: Compliance: Monitoring determines whether the actions of administrators, staff, and all involved parties adhere to standards and procedures; Inspection: Monitoring verifies whether resources and services intended for specific parties have been delivered; Reporting: Monitoring generates information that helps "measure" the social and community changes resulting from the implementation of policies after a set period; Clarification: Monitoring generates information that helps explain how policy outcomes occurred and why there were discrepancies between planning and execution.

d. Evaluation of Work Programme/Activities

Evaluation is a procedure used to assess and measure something systematically in accordance with set methods and rules. Programme evaluation specifically investigates the value and significance of an object. Explicitly, evaluation is concerned with achieving objectives, while implicitly, it compares what was achieved against the standards set for the programme. Evaluation should not only be done at the end of the programme but should ideally start at the beginning, including during the planning, execution, and evaluation phases. Various evaluation models are used depending on the purpose of the evaluation.

RESEARCH METHOD

This research uses a descriptive qualitative approach with a case study research type. Qualitative research is scientific research aimed at understanding phenomena in their natural social context, emphasising the in-depth communication interaction process between the researcher and the phenomenon being studied (Sugiyono, 2010). This research was conducted at Pondok Pesantren Nurul Ulum, located at Jl. Satsui Tubun No. 17, Sukun District, Malang, East Java Province. The data required for this research is primary data. Data sources refer to the origin of the data needed in the research (Hermawan, 2019). Primary data is data obtained directly from the primary source (Supriatna, 2023). The data source in this research is the management of Pondok Pesantren Nurul Ulum in Malang.

The unit of analysis is the unit being studied individually, in groups of objects, or social event settings, such as individual or group activities as part of the research (Salim, 2019). The unit of analysis in this research focuses on the management of Pondok Pesantren Nurul Ulum in Malang. The informants consist of 3 people: a representative of the caregiver, the chairman, and the treasurer of the pesantren. The data collection techniques used in this research are observation, interviews, and documentation. The data analysis technique involves data reduction, data presentation, and conclusion.

RESULTS AND DISCUSSION

Dimensions of Accountability

a. Legal Accountability and Honesty

1). Regulations regarding public funding sources

In practice, Pondok Pesantren Nurul Ulum in Malang does not yet have a formal written regulation regarding public funding sources. However, regulations regarding public funding are applied as unwritten rules passed down through generations. Based on statements from the management of Pondok Pesantren Nurul Ulum, namely Ustad Rafi, the Chairman of Pondok Putra, Ustad Mail, the Treasurer of the Pondok, and Gus Syafi, the Caretaker of the Pondok, it can be concluded that Pondok Pesantren Nurul Ulum in Malang does not have a formal written regulation regarding public funding sources. However, such regulations are applied as unwritten traditions passed down through generations.

2). Sanctions for violating regulations

To maintain order and discipline within the pesantren, it is necessary to implement sanctions for management members who violate the established rules, including issues related to the misuse of public funds. In practice, Pondok Pesantren Nurul Ulum in Malang does not have specific guidelines for sanctions against violators. Sanctions are given based on the nature of the violation. In this regard, the authority to impose sanctions lies with the Kyai or the leader of the pesantren.

Based on statements from the management of Pondok Pesantren Nurul Ulum, it can be concluded that Pondok Pesantren Nurul Ulum in Malang does not have a formal written regulation regarding sanctions for violators of the pesantren's rules. Sanctions are given according to the offender and the nature of the violation, and the authority to impose sanctions rests with the Kyai or the pesantren leader.

In this regard, the researcher intends to further investigate the history of violations regarding funding sources by the management and how sanctions are

imposed on violators. According to statements from the management of Pondok Pesantren Nurul Ulum, it is known that there have been no violations concerning the misuse of funding sources within the pesantren. However, if such violations occur, an evaluation will be carried out to prevent them from happening again. Additionally, to minimise violations, the management of Pondok Pesantren Nurul Ulum regularly and systematically reviews the flow of public funds.

b. Programme Accountability

1) Vision and mission of the organisation

Pondok Pesantren Nurul Ulum in Malang has a vision and mission that are openly accessible through the pesantren's official website. The vision and mission are as follows:

(a) Vision:

To become a centre for the development of pesantren potential, excelling in producing students who are accomplished and have good moral character (akhlaqul karimah).

(b) Mission:

- To organise education and teaching that is of high quality and based on the Qur'an and Sunnah.
- To equip students with a deep understanding of Islamic teachings so that they can become pious leaders who are beneficial to society.
- To develop extracurricular activities and counselling to optimise students' potential in academic, social, and religious fields.
- To build and maintain good relationships with the community and other educational institutions to improve the quality of education.

2) Programme Plan

Pondok Pesantren Nurul Ulum in Malang has an annual routine programme that is implemented regularly. In relation to this, regular meetings are held to plan programmes, including evaluations and improvements. If additional activities are needed, they will be discussed during the meeting. However, if an additional programme is implemented unexpectedly, an impromptu meeting will still be held to ensure that the activity runs smoothly, even though it was not planned in advance.

c. Process Accountability

1). Division and direction of work

The division and direction of work at Pondok Pesantren Nurul Ulum in Malang have not been well established, as the managerial structure of the pesantren has only recently been arranged. Based on statements from the management of Pondok Pesantren Nurul Ulum, it can be concluded that the division and direction of work at Pondok Pesantren Nurul Ulum are not yet operating effectively due to the newly organised managerial structure.

2). Management Information System

(a) Documentation of organisational data

In practice, the documentation of important pesantren data has not been carried out effectively. This is due to the management system at Pondok Pesantren Nurul Ulum in Malang still being newly developed. Based on statements from the management of Pondok Pesantren Nurul Ulum, it can be

In practice, Pondok Pesantren Nurul Ulum in Malang adheres to the general principles of Islamic accounting, which include fairness, truthfulness, and accountability. According to statements provided by Ustad Mail, the principles of accounting reporting are applied as required to prevent any undesirable issues.

1. Parameters for Achieving Accountability for Business Sustainability

a.) Preparing Financial Reports Quickly and Accurately

Regarding the preparation of financial reports, as outlined in the previous section, Pondok Pesantren Nurul Ulum in Malang has prepared its financial reports clearly and systematically for each period. The financial reports are compiled using Microsoft Excel with a clear structure. In this regard, Pondok Pesantren Nurul Ulum in Malang follows the general principles of Islamic accounting.

b.) Audit Committee and Risk Management Coordination Programme

In practice, Pondok Pesantren Nurul Ulum in Malang does not yet have an audit committee or a risk management coordination programme because the managerial structure of the pesantren has only just been organised. This aligns with statements made by Gus Syafi, the Caretaker of the Pondok.

c.) Monitoring and Evaluating Work Programmes/Activities

Regarding the management activities at Pondok Pesantren Nurul Ulum in Malang, the pesantren's management has monitored and evaluated the activities conducted. This is consistent with statements made by Ustad Mail, the Treasurer of the Pondok.

Table 1.
Research Findings

Indikator	Temuan
Legal and Financial Accountability	Pondok Pesantren Nurul Ulum in Malang does not yet have a formal written regulation regarding public funding sources, but such regulations are applied as unwritten rules passed down through generations. The pesantren also does not have a formal written regulation regarding sanctions for management members who violate the rules. Sanctions are given based on the offender and the violation, with the authority to impose sanctions resting with the Kyai or the leader of the pesantren.
Programme Accountability	Pondok Pesantren Nurul Ulum in Malang has a routine annual programme that is carried out regularly. Periodic meetings are held to plan the programme, including evaluation and improvements. If additional activities arise, they are discussed during meetings. If additional programmes are implemented unexpectedly, an impromptu meeting is held to ensure smooth execution despite the lack of prior planning.
Process Accountability	The division and direction of work at Pondok Pesantren Nurul Ulum in Malang have not been well established as the managerial structure is newly arranged. As a result, the documentation of important pesantren data has not been effectively carried out. However, regarding the management information system, Pondok

	<p>Pesantren Nurul Ulum in Malang provides open access to information about the pesantren, which can be accessed by anyone. This aims to help parents who want to register their children by providing clear information about the pesantren. However, not all data is available for open access, as internal data such as financial records and other similar information are not accessible to outsiders without a legitimate interest.</p>
<p>Financial Accountability</p>	<p>Pondok Pesantren Nurul Ulum in Malang has prepared its financial reports clearly and systematically for each period. The reports are compiled using Microsoft Excel with a clear structure. In practice, Pondok Pesantren Nurul Ulum follows the general principles of Islamic accounting, which include fairness, truthfulness, and accountability. Accounting reporting principles are applied as required to prevent undesirable issues.</p>
<p>Findings</p>	<p>Explanation</p>
<p>Kyai as the Centre of Authority and Main Decision-Maker</p>	<p>The implementation of a family-based leadership system at Pondok Pesantren Nurul Ulum in Malang places the Kyai as the central authority and the primary decision-maker. All regulations and policies are decided by the Kyai as the highest leader. In this system, the Kyai not only serves as a spiritual leader but also as the main manager responsible for all managerial decisions. This includes the authority to impose sanctions on violators, which is fully delegated to the Kyai. Therefore, the Kyai's leadership ensures that all actions taken are consistent with the values and principles upheld by the pesantren, while also maintaining a sense of unity and collective responsibility among the pesantren's management.</p>
<p>Moral Responsibility</p>	<p>So far, the family-based leadership system implemented at Pondok Pesantren Nurul Ulum has successfully minimised violations by the management, particularly regarding the misuse of public funds or similar issues. The family approach creates a more transparent and familiar environment, where all management members feel a strong moral responsibility for managing the pesantren's funds and resources. The close and trusting relationship between the Kyai, the management, and the students also fosters a culture of integrity. This not only reduces the risk of misconduct but also increases the efficiency and effectiveness in managing finances and the operational activities of the pesantren, thus supporting the sustainability and success of the institution as a whole.</p>
<p>Respect and Mutual Honour</p>	<p>Although a structured leadership system has not yet been fully implemented due to ongoing reconstruction, the accountability system at Pondok Pesantren Nurul Ulum remains clear. This clarity is one of the benefits of the family-based managerial approach applied at the pesantren. In a family culture, mutual respect and courtesy are still highly valued, which makes the</p>

management more cautious and responsible in performing their duties. Therefore, even though the formal structure has not been completely formed, the basic principles of accountability are still effectively implemented. This ensures that the operations of the pesantren continue smoothly and in line with the values of honesty and transparency, ultimately supporting the main goals of the ongoing managerial reconstruction process.

CONCLUSION

In practice, Pondok Pesantren Nurul Ulum in Malang has not fully implemented accountability according to the Good Corporate Governance (GCG) standards. This is because Pondok Pesantren Nurul Ulum has only met 2 out of the 4 indicators of accountability dimensions. The indicators achieved by Pondok Pesantren Nurul Ulum are financial accountability and programme accountability. Financial accountability includes clear and structured reporting for each period and compliance with regulations according to the general principles of Islamic accounting. Programme accountability includes the vision and mission, as well as the planning of the vision, mission, and programmes to be achieved in the short or long term. The indicators that have not been met are legal accountability and honesty, as well as process accountability. Legal accountability and honesty include regulations on public funding sources and sanctions for violations related to financial matters. Process accountability includes the division and direction of work and the management information system.

Regarding business sustainability, Pondok Pesantren Nurul Ulum in Malang has met 3 out of the 4 parameters for achieving accountability for business sustainability. The parameters that have been met are preparing reports quickly and accurately, and monitoring and evaluating work programmes/activities. The parameter that has not been met is the establishment of an audit committee and a risk management coordination programme. The fulfilment of 3 out of the 4 parameters for achieving accountability for business sustainability shows that this pesantren is a competent non-profit organisation capable of running and maintaining its operations in the long term.

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