


Islamic Contribution To Accounting

¹An'im Fattach, ²Mufidul Abror, ³Akhlis Priya Pambudy

^{1,2,3}Lamongan Islamic University

Article Info	ABSTRACT
Keywords: Hasabah, accounting, Islam	The recent development of Islamic banks and financial institutions has created challenges for sharia and accounting experts. Experts are required to develop accounting standards that are different from the accounting standards applied by conventional financial institutions. Because in principle Islamic financial institutions are different from conventional financial institutions. This of course also has implications for the presentation of financial reports. Accounting as a science is needed to design financial reports which are actually needed by interested parties to make decisions regarding their activities. When the phrase Islamic accounting is expressed by experts, it must be justified by a clear concept and roots strong history. So the argumentative construct offered is difficult to refute. The Islamic accounting discourse was not born in a vacuum, but was stimulated by many factors that interacted in a complex, non-linear, dynamic and developing manner. Factors such as changing conditions in political, economic, social and cultural systems, increased religious awareness, revival spirit, scientific developments, all interact in a complex manner and ultimately give birth to the Islamic paradigm in the world of accounting.
This is an open access article under the CC BY-NC license 	Corresponding Author: An'im Fattach Lamongan Islamic University animfattah@unisla.ac.id

INTRODUCTION

This historical portrait of sharia accounting is during the emigration of the Prophet Muhammad, from Mecca to Medina in 622 AD/1 AH. In the period before the founding of the Islamic state, the Arab nation was divided, not united by one political system, except for the dominant tribal traditions. Nevertheless, they have markets and places for trading activities at home and abroad, which is reflected in two trips in winter and summer, namely to Yemen and to the land of Syria (now known as Syria, Lebanon, Jordan, Palestine , and Israel).

"Conventional" trade from Mecca to Yemen and Ash-Sham continued after 622, but began to take a different path in 10 Hijri'iah (H) (632). This was triggered by the Mecca fathul event in 8 AH (630), where the Arab people who embraced Islam began to be busy spreading Islam outside the Arabian peninsula, while expanding their trade far outside the Middle East.

According to Have's account (1976), since the 8th century the Arabs "sailed along the coasts of Arabia and India, and arrived in Italy with luxury goods unknown in Europe". The increasing commercial activity of Muslim traders necessarily necessitated the raising of funds to finance the growing European demand for their goods. The resulting expansion in the sphere of trade led to the emergence of partnerships and the need to maintain proper accounting records and prepare adequate reports as required by the Qur'an (Al-Baqarah, 2: 282).

The introduction of formal accounting concepts and procedures occurred during the time of Caliph Umar bin Khattab, who ruled between 633-644 AD (Trokic A, 2015). This was triggered by the increasingly widespread area of Islamic government, namely throughout the Middle East, North Africa, Asia. The expansion of this area is directly proportional to the increase in state revenues. In this way, the country's wealth stored in Baitul Mal will increase. Friends, including Al-Walid bin Hisyam al-Mughirah, recommended recording as a form of responsibility for state revenues and expenditures. Caliph Umar formed a special unit called Diwan (from the word dawwana which means writing) whose special task was to prepare Baitulmaal financial reports as a form of accountability for the Caliph for the Baitulmaal funds which were his responsibility (Khadafi, 2016).

The development of sharia accounting in the modern era is driven by various things as explained by Harahap in his book, namely:

- a. The increasing religiosity among the Muslim community has had an impact on the awareness of the Muslim community to return to Islamic teachings in every transaction model that will be carried out.
- b. Increasing demands for ethics and social responsibility which so far seem to be ignored in conventional accounting records.
- c. Conventional accounting is increasingly slow in anticipating the demands of society who want to apply the values of justice, truth and honesty in every recording.

METHOD

This research is qualitative research, using method library research on literature related to the research theme . The data source in this research is secondary data. The data obtained was processed in three stages, namely data reduction, data presentation and conclusions.

RESULTS AND DISCUSSION

Accounting is a practical or applied science that is currently used in all our activities. In accounting there are principles, standards, assumptions, techniques and procedures that are used as the basis for financial reporting, containing information that is useful for monitoring economic activity and influencing decision making for its users. The discourse on the Islamic economic system begins with the concept of non-usurious economics and business. In fact, the Islamic economic system covers all aspects of the economy as comprehensively formulated by (Chapra) in his book , The future of economics . However, nowadays it seems that Islamic economics is identical to the concept of the financial and banking system.

This Islamic economic system is certainly not alone, it must be supported by other tools that support it in order to achieve its ideal goals, one of the supporting tools is an information system, measuring tools, accountability tools which have been known as accounting or Hasabah. .

As a way of life (way of life) which is completely sufficient, Islam has provided very clear guidance for humans in living life in all its aspects. Islam is goal oriented . The principles that guide the organization of economic activities at the individual and state levels aim to achieve the overall goals of the Islamic economic system.

The revival of Muslims with the strengthening of the neo-revivalism movement among Islamic thinkers has given rise to enthusiasm, especially among educated people who feel the shortcomings of Western capitalism. The revival of Islam was only felt after several countries whose populations were Muslim became independent fifty years ago, such as Egypt, Saudi Arabia, India (Pakistan and Bangladesh), Iran, Iraq, Indonesia, Malaysia and so on. This country is certainly ready to develop its human resources and a Muslim population will be born who is educated and gets knowledge from the West. In the acculturation of this science there are bound to be some contradictions and this is where it behaves. And began to feel the need to explore his religious beliefs which he considered comprehensive. So in accounting the science of Islamic Accounting was born.

- a. The development or anatomy of the accounting discipline itself.
- b. The need for an accounting system in sharia business institutions such as banks, insurance, capital markets, trading, etc.
- c. There is an increasing need for zakat calculation norms using established accounting norms as the basis for calculations.
- d. The need for recording, accountability and supervision of the community's assets, for example in Baitul Maal or wealth belonging to Muslims or their organizations (Harahap, 2004).

The findings regarding recording using the double book system which is the basic building block of modern accounting cannot be separated from the development of the science of arithmetic, namely that which was developed from Al Jabar equations (a science resulting from the ijihad of a famous Muslim thinker, namely Al Jabar), arithmetic and the discovery of the number zero by Al Khawarizmi (logarithms) in the 9th century AD. He wrote about Al Jabr Wal Mughabalah or what is known as Al-jabar which has become the basis for common accounting.

The development of accounting did not stop during the Caliphate era, but was also developed by Islamic philosophers, including Imam Syafi'i, by explaining the function of accounting as Book Review or auditing. According to Imam Syafi'i, an auditor must have certain qualifications, namely someone who has memorized the Al-Qur'an. 'an (as a value judgment), intellectual, trustworthy, wise.

In Arabic, accounting means al-muhasabah from the root words hasaba, yuhasibu, muhasabatan which means calculation, accounting or responsibility, this root word is used a lot in the Koran. If we want to look for the word "accounting" in popular language in today's business world as it is, then it is not in the Koran. However, in terms of basic meaning, understanding, substance and purpose, the Qur'an predates accounting experts before people knew the terms mathematics and accounting.

The root words hasaba, yuhasibu, muhasabatan are mentioned many times in the Qur'an, such as in surah al-baqarah: 284, al-an'am: 62, al-anbiya 47, at-thalaq 8 and al-nsyaq 8. In In the Qur'an, the word reckoning is always associated with profit/profit and loss and this is the essence of the accounting function which calculates profit and loss in business activities, whether business in this world with humans or business in the afterlife with Allah. This is because profit is the same as reward, or debit or loss is the same as sin or credit.

In the hadith perspective, Rasulullah SAW also emphasized:

عَنْ شَدَّادِ بْنِ أَوْسٍ عَنِ النَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ الْكَيْسُ مَنْ دَانَ نَفْسَهُ وَعَمِلَ لِمَا بَعْدَ الْمَوْتِ وَالْعَاجِزُ مَنْ أَتْبَعَ نَفْسَهُ هَوَاهَا وَتَمَنَّى عَلَى اللَّهِ (رواه الترمذي)

From Syaddâd ibn Aws, from the Prophet Saw. said, "The most intelligent person is the one who calculates for himself and does good deeds to provide for after death. The weakest person is the one who follows his desires and dreams of Allah's grace." (Hr al-Tirmidhi)

In the Qur'an surah al-Syuara: 182-183, Allah says:

حِيقْتُمْ مِمَّا سِطَّ قِلَابُكُمْ وَأَنْزَى
نَبْدِيسُكُمْ ضَرْبًا لَّا يَفِي أَوْتَعْتُمْ لَّاؤُمَّهُمُ أَيُّشَاءَ سَأَلْنَا أَوْسَخَبْتُمْ لَّاؤُمَّهُمُ

And weigh it with a straight scale. And do not harm humans in their rights and do not run rampant on your land by causing damage. The use of an accounting system is clearly a manifestation of the implementation of this order, because the accounting system can ensure that the assets under management maintain accountability so that nothing is harmed. Efforts to achieve justice both in the implementation of debt and receivable transactions and cooperative relationships between various parties such as in partnerships, musyarakah and mudharabah all require recording facilities that do not harm each other as per the spirit of the paragraph above.

In the rules of fiqh, it is stated that in order to achieve something that is obligatory, suggestions for achieving it become obligatory. Therefore, it can be stated that maintaining records, either as information to provide accountability for maintenance or for justice, is legally obligatory. If we look further at the concept of double entry in Surah al-Baqarah with the concept of balance, in the balance sheet: (1) between assets and liabilities which must be balanced (2) in assets (current assets and fixed assets) (3) in liabilities there are two records (debt and capital), if analyzed from the placement of the surah in the second paragraph (double entry or debt credit) can draw conclusions as if it describes a balance or balance sheet or mizan.

CONCLUSION

Accounting is a scientific legacy left by previous Islamic civilization. So protecting and maintaining this heritage is by studying it. So it becomes an argument construct for Muslim thinkers to dismiss the accusation that Islamic accounting is the result of plagiarism from western accounting. Apart from that, the development of Islamic banks and financial institutions as relatively new organizations poses major challenges. Islamic sharia and accounting experts must look for a basis for the application and development of accounting standards that are different from the accounting standards of conventional banks and financial institutions as has been known all along. Because in principle banks and financial institutions Islam is different from banks and conventional financial institutions. The emergence of Islamic banks and financial institutions as relatively new organizations has given rise to encouragement for accounting experts to seek a basis for the application and

development of accounting standards that are different from the accounting standards of conventional banks and financial institutions as known so far.

REFERENCE

- Adnan A, Labatjo I, 2006. Sejarah Akuntanis Dalam Perspektif Islam: Benarkah Luca Pacioli Bapak Akuntansi Modern. Matan, Yogyakarta
- Hamid, Shaari, Russel, Craig, & Clarke, F. (1995). Bookkeeping and accounting control systems in a tenth-century Muslim administrative office. *Accounting, Business & Financial History*, 5(3), 321–333. <https://doi.org/10.1080/09585209500000049>
- Harahap, Sofyan Syafri. (2004). Akuntansi Islam. Jakarta: Bumi Aksara. Khadafi, Muammar. dkk. (2016). AKUNTANSI SYARIAH. Medan: Madenatera.Muhammad. (2013). Akuntansi Syariah: Teori & Praktek untuk Perbankan Syariah. Jakarta: UPP STIM YPKN.
- Nurhayati, Sri; W. (2011). Akuntansi Syari'ah di Indonesia. Jakarta: Salemba Empat.
- Solas, Cigdem; Otar, Ismail. (1994). The Accounting System Practiced in The Near East During The Period 1220-1350 Based on The Book Risale-I Felekiyye. *The Accounting Historian Journal*, 21, 117–134.
- Trokic, Amela. (2015). Islamic Accounting; History, Development and Prospects. *European Journal of Islamic Finance*, (3), 1–6. <https://doi.org/10.13135/2421-2172/1043>
- Zaid, Omar Abdullah. (2000). Were Islamic Records Precursors To Accounting Books Based On The Italian Method? *Accounting Historian Journal*, 27, 73–90.
- Zaid, Omar Abdullah. (2004). Accounting systems and recording procedures in the early Islamic state. *Accounting Historians Journal*, 31(2), 149–170. <https://doi.org/10.2308/0148-4184.31.2.149>
- Sabrina I (2013), Kontribusi Islam Terhadap Akuntansi. *Al-Iqtishad: Vol. V, No. 1*, pp 289-304