

## FINANCIAL MANAGEMENT BASED ON PESANTREN; CENTRALIZED VS DECENTRALIZED SUPPLY PROCESS

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### Abstract :

*This research aims to determine the financial governance of pesantren where centralization and decentralization policies. The research method uses qualitative research that is descriptive of a phenomenon that occurs at the research location. This study uses a qualitative approach and data collection techniques using documentation, interviews, and observations with three steps, namely: data reduction, data presentation, and data verification. There is a problem where the change in decentralization policy to centralization in financial governance has an impact on the sustainability of pesantren education. From the results of the data analysis, it can be concluded that in the financial management of Nurul Jadid Islamic Boarding School financial governance is carried out through the process of financial planning, implementation, reporting, evaluation, and financial supervision. In this case, pesantren needs to issue a more decentralized financial policy direction where regions and educational institutions can optimize their resources and be creative in managing their resources.*

### Abstrak:

*Penelitian ini bertujuan untuk mengetahui tata kelola keuangan pesantren dimana kebijakan sentralisasi dan desentralisasi. Metode penelitian menggunakan penelitian kualitatif yang bersifat deskriptif terhadap suatu fenomena yang terjadi di lokasi penelitian. Penelitian ini menggunakan pendekatan kualitatif dan teknik pengumpulan data menggunakan dokumentasi, wawancara, dan observasi dengan tiga langkah yaitu: reduksi data, penyajian data, dan verifikasi data. Terdapat permasalahan dimana perubahan kebijakan desentralisasi menjadi sentralisasi dalam tata kelola keuangan berdampak pada keberlangsungan pendidikan pesantren. Dari hasil analisis data dapat disimpulkan bahwa dalam pengelolaan keuangan Pondok Pesantren Nurul Jadid dilakukan tata kelola keuangan melalui proses perencanaan keuangan, pelaksanaan, pelaporan, evaluasi, dan pengawasan keuangan. Dalam hal ini, pesantren perlu mengeluarkan arah kebijakan keuangan yang lebih terdesentralisasi dimana daerah dan lembaga pendidikan dapat mengoptimalkan sumber dayanya dan kreatif dalam mengelola sumber dayanya.*

## INTRODUCTION

The implementation of centralization policies in central regions, formal and non-formal institutions, and decentralization policies in autonomous regions have an impact on the sustainability of educational institutions, especially in financial governance. The response to the realization of the budget is a problem that has not been resolved by the central region, formal and non-formal institutions. In contrast to the autonomous regions (decentralization), where optimization is supported by fast decision-making, especially the realization of the budget in dealing with the problem of continuity of Islamic boarding school education so that the great potential of autonomous regions can be developed.

BPS (Santri Education Fees) is the main source of funding for the central region, formal and non-formal institutions which are centralized in the Islamic Boarding School Finance Bureau so that regions and institutions need a Draft Islamic Boarding School Revenue and Expenditure Budget (RAPBP) for the continuity of education. But in reality, the realization of the budget in the central regions is often inappropriate, the budgeted submissions do not match the realized budget, so the central regions find it difficult to develop their potential and the response is slow to changes in the educational environment. DOP (Pondok Operational Fund) is a sharia fund that is paid monthly in the autonomous area of the pesantren including a fraction of the BPS payment, the fund is managed and developed for autonomous regional resources independently. Where the budget realization process is not as complicated as the regions under the auspices of the centralization policy.

Changes in decentralization to centralization in financial governance towards the central region, formal and non-formal institutions that originally implemented decentralization, even though it was felt to bring changes in a positive direction, negative views still emerged towards the implementation of centralization and decentralization policies under the auspices of one pesantren. Regions or educational institutions with low financial support usually simply manage their finances. Meanwhile, those with large financial carrying capacities tend to be more complicated to manage. So that a strong institution will arise financially. (Hasibuan, 2021)

The expansion of regions has a normative aim to reduce the piling up of pesantren burdens on regional agendas and educational institutions, promote accountability and transparency, be competitive, and increase independence.

Centralization is the centralization of all authority to several managers or those at the top of an organizational structure. While decentralization is a form of giving authority to managers with lower levels of authority in an organizational structure. The goal is to form a delegation capable of making independent decisions. Decentralization is an organizational term that is simply defined as the transfer of authority. (Nuradhawati, 2019, p. 11)

Centralization and decentralization policies implemented in several regions and Islamic boarding school educational institutions are the implications arising from paradigm inconsistencies in the application of regional autonomy and regional expansion to the relationship between central regions, institutions,

and autonomous regions in Islamic boarding schools. The problem of financial governance is indeed a problem that always underlies all problems that exist in life in this world, everything or all problems that exist are always associated and cannot be separated from financial problems (As'ad and Azizi, n.d., p. 5)

This previous research was researched by Rira Nuradhawati in determining centralization and decentralization policies where the change from centralization to decentralization brought changes in the government system. Even though it is felt as a change in a positive direction, pessimistic notes and negative views from various groups regarding the implementation of regional elections in Indonesia do not negate the importance of this institution in consolidating democracy in this decentralization era (Nuradhawati, 2019). So this research is very unique to be examined because since the implementation of the policy of centralization in central regions and formal and non-formal institutions as well as decentralization in autonomous regions which were previously decentralized became central, especially in financial governance. So it is considered necessary for pesantren to issue a more decentralized financial policy direction for all institutions and the shelter area of Islamic boarding schools. Decentralization policy provides a faster response in overcoming, determining decisions, and developing educational institution resources will be faster.

The difference between previous research and current research is the focus on changes in centralized policies towards decentralization, while previous research focuses on decentralization policies towards centralization. So that by transferring the function of financial governance which was originally handled by the center (Centralization) to decentralization. Therefore, the policy of Islamic boarding schools in the authority to administer decentralization in the field of financial management does not stop at the autonomous region level, but up to the level of educational institutions. Islamic boarding schools have the right to make decisions, regardless of the above pesantren policies. When educational institutions are more creative in management, educational institutions are more flexible in managing an institution according to their environmental characteristics and local wisdom, including in financial management.

Financial governance at the Nurul Jadid Islamic Boarding School is based on transparency, accountability, efficiency, and effectiveness. This is to realize the fulfillment of the institutional quality of Islamic boarding schools, improve quality, increase the welfare of students, increase the capability of teachers and administrators and fulfill infrastructure facilities as a form of Islamic boarding school education services. However, in terms of the form of the pesantren and the implementation of the centralization policy, the impact on the growth of institutional quality is equitable in each work unit. Therefore, the success of managing Islamic boarding schools can be seen as one of them from financial management. Starting from how to get funds to the allocation of funds in the sustainability of educational institutions.

## RESEARCH METHODS

This study uses qualitative research with more emphasis on processes and meanings that are measured precisely using descriptive data on a phenomenon

that occurs at the research location. The type of research approach is a case study. This is aimed at forming a decentralization policy that needs guarantees which can be seen from the lack of coordination with pesantren so that they do not have the authority to make decisions. With the decentralization policy at the Nurul Jadid Islamic Boarding School, all regions and educational institutions can develop resources.

The subjects in this study were governance staff, institutional treasurers, regional treasurers, and students who were also sampled. Primary data was obtained through interviews with several key informants while secondary data was obtained from books, journals, and scientific articles related to the research theme. Data were collected by interview, observation, and documentation. The interview system used open-ended focused on Islamic boarding school caretakers, committees, administrators, treasurers, and administrative managers related to the research theme, namely financial governance applied to Islamic boarding schools.

After the data was collected, the researcher checked the validity of the data by checking colleagues and using the triangulation method. The triangulation used in this study was source triangulation, researcher triangulation, and method triangulation. This test aims to ensure that the data obtained in the field is truly verified and not engineered by researchers and is expected to be able to explain the phenomenon being studied.

After the data is obtained then proceed with the analysis of the data. Data analysis is a very important part of the scientific method. Data analysis techniques in this study used data analysis techniques for Miles, Huberman, and balances as mentioned: 1) Data condensation is the process of selecting, focusing, simplifying, abstracting, and transforming data that approaches the entire section of written field notes, interview transcripts, documents, and empirical materials. 2) Data Display Presentation of data is an organization, unification, and inferred information. The presentation of data here also helps in understanding the context of the research because it performs a more in-depth analysis. 3) Data Verification is a process to ensure the data entered is the same as the data from the source.

Then, finally, after the data is reduced and presented, verification is carried out and a conclusion is drawn which can answer the phenomenon being studied, which in this case is a form of Islamic boarding school financial management. The initial conclusions put forward are still temporary and will change if no evidence is found. -strong evidence to support the next stage of data collection.

Research methodology explains about: the approach, scope or object, operational definition in each variable/description of research focus, place, population and sample/informant, main source and tool, technique of data collection, and technique of data analysis

## **FINDINGS AND DISCUSSION**

Islamic boarding school financial governance has four important stages, namely the planning (budgeting), implementation (accounting), evaluation

(auditing), and supervision stages. These four stages must be carried out so that the financial management of Islamic boarding schools in Formal, Non-Formal Institutions, Central Regions, and Banom (autonomous regions) runs well and regularly according to the Nurul Jadid Islamic Boarding School Rules Compilation standards.

### **Budgeting**

Analysis of the development needs of Islamic boarding schools for a certain period is the main focus. Needs in one fiscal year, five years, or even twenty years to come. Planning is made by the Head of Islamic Boarding Schools, Secretaries, Bureaus, Banom (Autonomous Regions), Educational Institutions, and Regions. In preparing it, you should be able to sort out which ones are placed in the urgent need or can still be secondary in submitting a budget. Nanang Fatah explained that in determining the unit cost of education there are two approaches, namely the macro approach and the micro approach. The macro approach bases calculations on the total amount of education expenditure received from various funding sources and then divided by the number of students.

Morphet (1975) as quoted by Mulyasa explains the things that need to be considered in budgeting for education costs. First, the budget must be able to replace some ineffective regulations and procedures according to educational needs; Second, revise regulations and other relevant inputs, by developing an effective system plan; and Third, monitor and assess the output of financing continuously and continuously as material for planning the next year's budgeting phase (Suryana, 2020).

The education process requires a Draft Islamic Boarding School Revenue and Expenditure Budget (RAPBP). Islamic boarding schools have issued a compilation of Islamic boarding school regulations as guidelines for financial management. So Islamic boarding schools can prepare financial reports according to generally accepted accounting standards and can manage the finances of Islamic boarding schools and educational institutions properly. Islamic boarding schools pay attention to several principles that form the basis of financial governance. based on the principles of fairness, transparency, accountability, and efficiency. In addition, the principle of effectiveness also needs to be emphasized. The following is a discussion of the above principles.

Financial planning at the Nurul Jadid Islamic Boarding School is carried out in September every fiscal year, this activity is carried out by involving related parties such as the Head of the Islamic Boarding School, Head of Supervision and Control, Head of Formal and Non-Formal Education Institutions, Bureau of Islamic Boarding Schools, Bureau of Islamic Boarding Schools Finance, Regional Head and Regional Treasurer. In the process of budgeting, financial planning is submitted by the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions. The submission will be determined by the Head of the Islamic Boarding School through the Islamic boarding school plenary meeting.

The financial mechanism at the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions are carried out in steps; 1) The



Head of PEPHA Division collects data on the number of needs at the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions and Regions that have been sent through the Planning Sub-Section with the RAPBP provided by the pesantren secretariat. 2) The Head of the Islamic Boarding School determines the allocation of financial funds for the Bureau as outlined in the DIPA based on needs data for each Secretariat, Bureau, Banom (Autonomous Region), Educational Institution, and Region based on needs data. 3) After receiving the financial planning, the Head of the PEPHA Division re-verifies needs as a basis for determining financial allocations based on needs data at each Secretariat, Bureau, Banom (Autonomous Region), Educational Institution, and Region based on needs data;

*a. Transparency*

Transparency is openness. Transparency in management means there is openness in managing an activity. accountability is defined as a form of the obligation of a person or organizational unit in being accountable for management from the beginning to the end of the process to achieve the goals that have been set (Widiyanti,2017). In educational institutions, especially in the aspect of transparent Islamic boarding school financial management, it means that there is openness in the financial management of educational institutions, namely transparency in financial sources and amounts, details of use, and accountability, which must be clear. Financial transparency is very much needed to increase encouragement/support from parents, the community, and the government in implementing all education programs in schools. With this transparency, the government, parents, and the general public as donors will have more trust and are likely to continue to assist with related school funding. Besides that, transparency creates mutual trust between the government, the community, parents of students, and school members through the provision of information and guarantees ease in obtaining accurate and adequate information.

The qualitative characteristics of financial governance reports have a positive effect on the transparency of financial reports. The existence of a good presentation of financial reports, which meets the characteristics of financial reports can increase the transparency of financial management. The better presentation of financial reports will certainly clarify financial reporting because all financial transactions are carried out by the regulations set out in the Nurul Jadid Islamic Boarding School Regulations Compilation and will be presented in a complete and honest, timely manner, comparable and using language that can be understood by users in financial reports (Yuliani, n.d.). In applying transparency to the financial governance of the Nurul Jadid Islamic Boarding School it can realize fulfillment and improve education.

*b. Accountability*

Accountability is a condition of a person who is judged by others because of the quality factor of his performance in completing tasks to achieve the goals for which he is responsible. Accountability in financial management means how the use of funds is by what was planned or is different. In other words, the level of suitability of the planned funds with the actual allocation. With this, the school

must spend funds with full responsibility. Accountability can be carried out transparently to parents, institutions, and the government. So that besides being able to foster trust in the community it also increases community participation. Transparency in financial management can also add insight and increase public trust in organizations (Novie, 2017). There are three main pillars required for the establishment of accountability, namely the existence of supporting transportation, the existence of work standards determined by educational institutions, and the existence of large participation between components and school members to create satisfying services that can be accounted for.

In determining the financial allocation to the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions, it is necessary to consider that in one fiscal year there is one taqwim period with provisions including; 1) Financial allocation for the January-December period of the current year is based on the total needs of the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions and Regions during one program year. 2) The financial allocation for one month is submitted after reporting which is approved by Wasdalbin. 3) The Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions must immediately submit a statement regarding the number of needs to the Islamic Boarding School Finance Bureau to be verified according to DIPA. 4) Allocation of funds for Dasmen Education Institutions, namely Nurul Jadid Junior School, Nurul Jadid MTs, Nurul Jadid MA, Nurul Jadid High School, and Nurul Jadid Vocational School the allocation of funds is; a) The total income fund is deducted by 10% by the pesantren. b) Development spending is not spent but goes into the Pesantren Treasury. c) Personnel spending is issued by Islamic Boarding Schools. c) Uniform funds and package books are not spent. d) After being issued for points a, b, c, and d, the remaining finances will be plotted for the operational costs of Dasmen institutions after deducting 20%.

### *c. Efficiency*

Efficiency is related to the quality of the results of an activity. In simple terms, efficiency is a comparison between the power and results of a planned activity. The power in question includes energy, thoughts, time, and costs incurred to maximize an existing activity. Activities can be said to be efficient if the use of time, energy, and the smallest possible costs can achieve the results set with a high level of efficiency and effectiveness enabling the services provided to the community to be satisfactory of course by maximizing the resources and responsibilities that are built. The financial activities referred to relate to efforts to obtain funding, use and allocate and control these funds effectively and efficiently (Syahrizal and Anita, 2021).

The thing that needs to be considered in this principle is how to make the best possible use of the budget to produce maximum improvement in welfare services for the benefit of the continuity of Islamic boarding school education. In general, the most prominent weakness of the budget so far is the limitation of Islamic boarding schools to develop performance-oriented budget planning technical instruments, not an incremental approach which has a very weak basis

for consideration. Therefore, in the preparation of the budget must pay attention to the level of efficiency of allocation and effectiveness of activities in achieving clear goals and objectives. In this regard, the determination of project and activity performance standards as well as their unit price will be a determining factor in increasing the efficiency and effectiveness of the pesantren budget.

#### *d. Effectiveness*

Effective is often interpreted as achieving the goals that have been set. It does not stop there, but the level of quality of results achieved to achieve these goals. Financial management is said to fulfill the principle of effectiveness if the activities carried out can manage finances to finance activities to achieve school goals and the quality of the results is by what has been formulated from the start to be achieved. In this case, Islamic boarding schools' finances aim to be an important means of improving the accent and service quality of Bureaus, Banom (Autonomous Regions), and Elementary, Middle, and Higher Education Institutions providing certainty for the quality of education services, guaranteeing certainty of graduating students at each level of education and type of education at the Nurul Jadid Islamic Boarding School.

Islamic Boarding School financial reports are the starting point for disclosing the effectiveness and efficiency of the Islamic Boarding School Income and Expenditure Draft (RAPBP), the starting point in overseeing Islamic Boarding School finances with the emergence of accountability in the form of financial reports, the Deputy Head of Islamic Boarding School, Head of Bureau and Head of Supervision and Control, now have a standard and comprehensive basis in the task of financial audits and financial report audits. The Islamic Boarding School Head will also receive detailed input on the financial aspects of the Islamic Boarding School.

### **Implementation**

In terms of financial implementation, the Nurul Jadid Islamic Boarding School is guided by the programs approved at the results of the meeting to determine financial planning. Predetermined funding sources. Then implemented and carried out monitoring activities by the Deputy Head of the Islamic Boarding School, Head of the Bureau, and Head of Supervision and Control. Implementation of the Islamic Boarding School Budget (APBP) such as efficient principles, simple lifestyles, and so on. Funding implementation is broadly grouped into the following two activities. There are two elements of factors that affect the performance of government organizations, namely elements outside the control of the government (demography, environment, and others) and elements that can be controlled by the government (allocation of funds, determining the number of personnel and others) (Hasthoro and Sunardi, 2016).

A financial implementation is a form of activity carried out based on a plan that has been prepared and made beforehand and does not rule out changes or revisions to adjustments if necessary. Financial implementation includes activities that are based on plans that have been made and the possibility of adjustments if necessary ((Syahrizal and Anita, 2021,) Islamic boarding schools'



financial sources come from the following sources:

Financial Sources	Description
<b>BPS (Student Education Costs)</b>	School Education Fees (BPS) are mandatory payments for students covering schools, madrasas, and Islamic boarding schools. The provisions, among others; 1) BPS must be paid according to a monthly, quarterly, and six-monthly pattern. 2) BPS payment times are made from the 1st to the 30th (beginning of the month) according to the payment pattern. 3) The total value of BPS is determined by the Islamic Boarding School Head at the beginning of each year following the pesantren work calendar (taqwim). 4) BPS payments through a bank designated by the Islamic boarding school with a virtual account system. 5) BPS payments are made by Wali Santri. 6) Technical instructions for BPS payments are regulated by the Islamic Boarding School Finance Bureau.
<b>Sources Other</b>	1) Islamic boarding school business results, 2) Collaboration with third parties, 3) New Santri Admission Registration, 4) Government assistance, 5) Sponsorship and sympathizers that are lawful and not binding.
<b>Aid/grants/ Blockgrant</b>	1) Aid/grants/blockgrant are programmed from the government and/or private parties in the form of programs or facilities. 2) Work units that receive aid/grant/blockgrant in Islamic boarding schools must report to the head of the Islamic boarding school and/or caregivers. 3) Assistance/grant/blockgrant in the form of means of implementation is carried out by the Public Works Section and financial reporting is carried out by the Aid/grant/blockgrant Recipient Agency and the Islamic Boarding School Finance Bureau. 4) Assistance/grant/blockgrant in the form of programs implemented by work units receiving aid/grant/blockgrant and the Islamic Boarding School Finance Bureau.

Expenditures of funds that have been obtained from various sources need to be used effectively and efficiently. This means that the acquisition of funds in expenditure must be based on the needs that have been adapted to the planning of education funding in educational institutions.

Technically, the implementation of pesantren budget spending is adjusted to the source. Regarding the activities that will be carried out by the Secretariat, Bureau, Autonomous Region, Educational Institution, and Region, the manager will first submit it to the Head of PEPHA and then send it through the Planning Sub-Section with the RAPBP provided by the pesantren Secretariat. The head of the Islamic Boarding School determines the allocation of financial funds for bureaus as outlined in the DIPA based on need data for each Secretariat, Bureau, Autonomous Region, Educational Institution, and Region based on need data. After receiving the financial planning, the Head of the PEPHA Unit re-verifies needs as a basis for determining financial allocations. ). Meanwhile, the use of funds is more optimized in financing formal Islamic boarding school activities such as honorariums for teachers and allowances, spending on operational activities of Secretaries, Autonomous Regions, Educational institutions and Regions, spending on operational activities in the form of research, seminars,

workshops and community service by then attaching evidence of use such as receipts and making Accountability Reports (LPJ) (Bureau of Islamic Boarding Schools of Finance and Regional Treasurers, Interview, 2022). The budget received by the Secretariat, Bureaus, Autonomous Regions, Educational Institutions, and Regions can be used to finance the components of personnel expenditure activities in the form of salaries and allowances, capital expenditures in the form of equipment, tools, land, buildings, machinery, and vehicles, activity expenditures secretariat operations, bureaus, autonomous regions, educational institutions and regions, spending on program activities in the form of seminars, workshops, seminars, workshops, research and community service, other expenditures in the form of increasing operational costs and improving the quality of Islamic boarding schools, for spending more than Rp. 50,000,0000 (fifty million rupiahs) is determined based on a program feasibility study by the pesantren with the approval of the Head of the Islamic Boarding School, for Secretariats, Bureaus, Autonomous Regions, Educational Institutions, and Regions that have received assistance or grant funds, then the financial expenditure must be included in the RAPB and the limit maximum use of finance for employee expenditure by the standard use of finance;

In the distribution, use, and collection of the pesantren financial budget, there are several stages and the use of the budget. The pesantren finance can be channeled based on the stages including; a) Financial distribution is carried out every month based on the calendar year, starting on January 1 and ending on December 31. b) Financial distribution is carried out by the Islamic Boarding School Finance Bureau. c) The financial distribution does not exceed the income of the Dasmen institution. d) Distribution of operational funds is carried out after employee expenditure is fulfilled. e) Financial distribution is carried out based on the financial planning that has been determined by the Head of the Islamic Boarding School. f) Financial distribution is carried out after the Secretariat, Bureau, Autonomous Region, Educational Institution and Region provide financial reports for the previous month. Islamic boarding school finance is used in a) Secretariat, Bureau, Autonomous Region, Educational Institution and Region uses funds in a professional, transparent and accountable manner in accordance with the stipulated SPK of Islamic boarding school and RAPBP, b) Programs of Secretariat, Bureau, Autonomous Region, Educational Institution and Regions that have received approval from the Head of Islamic Boarding Schools and must be accounted for in the form of seminars and financial reports every year in December, c) Secretariats, Bureaus, Autonomous Regions, Educational Institutions and Regions that refuse finances must be decided through the approval of the Head of Islamic Boarding Schools and still ensure continuity students' education services, d) Secretariats, Bureaus, Autonomous Regions, Educational Institutions and Regions are prohibited from charging parents/guardians of students and the entire Secretariat, e) Bureaus, Autonomous Regions, Educational Institutions and Regions that receive finances must follow established guidelines by the Head of the Islamic Boarding School and Juknis Bureau of Finance Islamic boarding school dream. Meanwhile, there are several stages in the requirements for taking out finance, including a) In

submitting financial disbursements, the Secretariat, Bureau, Board of Commissioners, Educational Institutions, and Regions must submit an Activity Plan within one year. If in the following month there are financial changes within a period of one year, changes need to be made, b) Budget changes are made in June and July in the current fiscal year, c) Published PPK Decree concerning Determination of Financial Receipts which is legalized by the Budget User Authority, d) On behalf of KPA, PPK makes a Cooperation Agreement knowing the Head of Bureau, Banom, Educational Institution and Region as the financial recipient in the first stage of the submission which contains the rights and obligations between the two parties and if in the second stage there is a change in the contents of the cooperation agreement then it is necessary an addendum is carried out between the two parties, e) the Islamic Boarding School Finance Bureau makes disbursement based on the APBP which has been signed by the Head of the Islamic Boarding School and prepares a financial report for the previous submission, f) The next stage of disbursement, KPA attaches the financial report of the previous submission, g) The secretary tests the application document for financial disbursement yes g submitted by KPA. In this case, if the test is not by financial regulations, the Secretariat will submit information to the KPA to complete and improve the application documents.

### **Evaluation (Auditing)**

Evaluation and accountability for what has been achieved must be carried out by the objectives set for the parties concerned. Accountability is proof and determination of conformity with what is carried out, while what is carried out is by the task. This process includes several things, including; a) Report on the number of funds received, used, and remaining funds. b) A statement that the activity has been completed and evidence of expenditure has been stored. c) Photos, video, and documentation of activities as archives. d) Have deposited the remaining funds into the Islamic Boarding School Cash account if there are remaining funds by attaching proof of deposit.

In terms of finance, the duties of the Head of Bureau, Head of Banom, Head of Institution, Head of Educational Institution, and Head of Region are as follows; a) Verify the number of funds received with the existing needs. If the amount received is more than or less than it should be, then immediately notify the Islamic Boarding School Finance Bureau. b) Using finance responsibly and transparently. c) Make a financial accountability report signed by the Head of the Bureau, Head of Banom, Educational Institution, and Head of Region. d) Keep proof of original expenditure properly and neatly filed.

The head of the Islamic boarding school as the leader of the institution must know the expenses and income received by the pesantren in a certain period. The implementation of financial management must be monitored to place the budget on the right target. There are several types of Auditing as follows: a. Audit of Financial Statements Audit of financial statements aims to determine whether the overall financial statements, which are measurable information to be verified, have been presented by certain criteria. The financial statements include; 1) Report on the amount received, used, and remaining funds. 2) Statement that activities have been completed and evidence of expenditure has

been stored. 3) Photos of activities. 4) Have deposited the remaining funds into the Islamic Boarding School Cash account if there are financial balances by attaching proof of deposit. b. Operational Audit, Operational audit is a review of any part of an organization's operating procedures and methods to assess its efficiency and effectiveness. Generally, after the operational audit, the auditor will provide several suggestions to management to improve the course of Islamic boarding school financial governance operations. c. Compliance Audit, Compliance audit aims to consider whether the audit (client) has followed certain procedures or rules set by a party with higher authority. A compliance Audit is a test of standard operating procedures, certain rules set by the authorities, methods applied by the organization, and conformity between conditions and existing (related) laws and regulations.

## **Supervision**

Supervision has an urgency for the process of developing educational institutions. Financial supervision is part of monitoring in the field of financial governance whose goal is clearly to improve the quality of financial governance. Supervision as one of the main functions in educational administration requires the involvement of various parties. In addition to the Head of Supervision and Control of Islamic Boarding Schools in a broader scope, the Head of Islamic Boarding School is also a supervisor. Controlling is an effort to evaluate and correct what has been done by subordinates so that they can be directed to the right path according to the goals (Qodriyah et al., 2021).

Supervision can cover all audit management activities starting from providing planning directions (Planning), using experts in audit activities, training (Training), organizing, giving instructions or directions (Actuating), reviewing the work that has been done (Controlling), as well as efforts in the quality assurance so that the audit assignment is by audit standards which can include quality control and quality assurance (Quality Control and Quality Assurance), (Clara Alverina and Made Yudi Darmita, 2020).

From the above arguments, it can be concluded that the essence of financial supervision is the activity of monitoring, coaching, and supervising financial governance and all elements in it, administering and carrying out all activities, so that they can run effectively and efficiently achieve the goals of Islamic boarding schools education services and fulfill national education standards.

Financial supervision has an impact: As an activity to improve the quality of education, as a factor in the occurrence of changes in elements related to education, and as a leading and guiding activity. Especially leading and guiding financial staff so that they can carry out financial management tasks by the procedures set by the compilation of Nurul Jadid Islamic Boarding School regulations.

In financial monitoring and supervision activities, it is monitoring, coaching, and problem-solving regarding financial implementation, this activity is carried out by the Deputy Head of the Islamic Boarding School, Head of the Bureau, and Head of Supervision and Control. (Compilation Document of Nurul Jadid Islamic Boarding School Regulations, Volume I, 2022)The main

components monitored include; a) Financial allocation to the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions. b) Distribution and use of Secretariat, Bureau, Banom (Autonomous Region) finances, Educational Institutions, and Regions. c) Financial administration of the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions. d) Reporting on the use of finances of the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions.

In financial monitoring, the Deputy Head of Islamic Boarding School has duties, among others; a) Monitoring is aimed at monitoring absorption and distribution. b) Monitoring is carried out to supervise performance. c) Respondents are KPA and administrators within the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions. d) Plan and create a monitoring schedule.

In financial monitoring, the Head of PEPHA has duties, among others; a) Monitor the use of the budget within the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions. b) Monitor the administration and reporting of the Secretariat, Bureau, Banom (Autonomous Region), Educational Institutions, and Regions. c) Plan and create a monitoring schedule.

Information is obtained directly to find out and explain the field conditions through the document Compilation of Nurul Jadid Islamic Boarding School Regulations, Volume I, 2022 interview with the Head of Infrastructure of SMK Nurul Jadid on November 11, 2022, that: "For us who have minimal student capacity from all institutions under the auspices of the Nurul Jadid Islamic Boarding School, this has had a positive impact on us. Where in the past Islamic boarding schools implemented decentralization policies on formal, non-formal, and regional educational institutions, the strength of the institution was measured by its financial income. After the pesantren implements the centralization policy, there is no longer a strong institution in the financial aspect, all are equal". An interview with the central regional treasurer of the central region on June 23, 2022 that: "Since the pesantren policy changed from decentralization to centralization it has had a huge impact on our area, especially in the continuity of learning where the infrastructure which is one of the pillars of education is constrained by financial realization. For the sake of continuing learning, we often use personal money to patch things up. After the budget is realized, the money will be replaced".

In financial matters in pesantren educational institutions, some are centralized in pesantren and some are given authority to each institution or cottage under its auspices. Both of these systems have positive and negative values depending on how the pesantren provides policies that can benefit the pesantren.

## CONCLUSION

The implementation of centralization policies in central regions, formal and non-formal institutions, and decentralization policies in autonomous regions have an impact on the sustainability of educational institutions, especially in



financial governance. Changes in decentralization to centralization in financial governance towards the central region, formal and non-formal institutions that originally implemented decentralization, even though it was felt to bring changes in a positive direction, negative views still emerged towards the implementation of centralization and decentralization under the auspices of one pesantren. Centralization and decentralization policies implemented in several regions and Islamic boarding school educational institutions are the implications arising from paradigm inconsistencies in the application of regional autonomy and regional expansion to the relationship between central regions, institutions, and autonomous regions in Islamic boarding schools.

Islamic boarding school financial management has four important stages, namely, stage 1) planning (budgeting); a. Head of PEPHA collects data on the number of needs. b. The head of the Islamic Boarding School determines the allocation of financial funds. c. The Head of PEPHA re-verifies needs. 2) Implementation (accounting); a. Financial distribution, b. Usage, c. Taking. 3) Evaluation (auditing); a. Report on the number of funds received, used, and remaining funds, b. A statement that the activity has been completed and evidence of expenditure has been stored. c. Photos, video, and documentation of activities as archives, d. Have deposited the remaining funds into the Islamic Boarding School Cash account if there are financial balances by attaching proof of deposit. 4) Supervision; a. Financial allocation, b. Distribution and use of finance, c. Financial administration, d. Financial usage reporting. These four stages must be carried out so that the financial management of Islamic boarding schools in Formal, Non-Formal Institutions, Central Regions, and Banom (autonomous regions) runs well and regularly according to the Nurul Jadid Islamic Boarding School Rules Compilation standards.

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