

TRANSPARENCY AND ACCOUNTABILITY IN THE MANAGEMENT OF HAJJ FUNDS BY BPKH: A LITERATURE REVIEW

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Abstract

This study aims to examine the implementation of the principles of transparency and accountability in the management of Hajj funds by the Hajj Financial Management Agency (BPKH) based on a literature review. Hajj fund management in Indonesia is regulated in Law No. 34/2014 which requires BPKH to manage Hajj finances in an open, accountable, and accountable manner to the public, especially prospective pilgrims as fund owners. This study uses descriptive-analytic method with data obtained from various literature sources, financial reports, and related regulations. The results of the study show that BPKH has implemented various transparency mechanisms, such as periodic financial reporting, external audits by the Supreme Audit Agency (BPK), as well as the utilisation of information technology through virtual account services and the Integrated Hajj Financial System (Siskehat) that allows pilgrims to monitor the balance and value of their fund benefits directly. The level of disclosure of Hajj financial management information by BPKH is considered high and in line with good governance standards, although there are still challenges in delivering information on the value of benefits proportionally and in real time to all prospective pilgrims. Overall, the management of Hajj funds by BPKH has fulfilled the principles of transparency and accountability as mandated by the regulation, marked by an Unqualified Opinion (WTP) from BPK and an increase in the value of Hajj fund benefits every year. However, strengthening socialisation, supervision, and the development of more varied Islamic investment instruments are still needed so that public trust in the management of Hajj funds can continue to increase and the benefits are more optimal for pilgrims and the benefit of Muslims in Indonesia.

Keywords: Transparency, Accountability, Hajj Fund Management, BPKH, Literature Review

Introduction

Hajj is one of the pillars of Islam that must be performed by Muslims who are physically and financially capable. Indonesia as the country with the largest Muslim population in the world annually sends hundreds of thousands of pilgrims to the holy land. The high public interest in performing the Hajj pilgrimage has caused a buildup of departure queues for decades, so that the initial deposit funds for pilgrims are very large and continue to grow every year (Rahmatina A. Kasri, 2024).

The management of the huge Hajj fund was initially under the Ministry of Religious Affairs in accordance with Law No. 17/1999. However, along with the increasing amount of funds and the need for more professional, transparent, and

accountable governance, the government felt the need to establish a special institution authorised to manage Hajj funds separately from the Ministry of Religious Affairs. This was realised with the birth of Law No. 34 of 2014 concerning Hajj Financial Management (Siti Nur Azizah, 2021) .

Based on the law, the Hajj Financial Management Agency (BPKH) was established as an independent institution directly responsible to the President through the Minister of Religious Affairs. BPKH has the main task of receiving, developing, managing expenditures, and being accountable for Hajj finances collected from prospective pilgrims. In addition, BPKH is also authorised to manage the investment of Hajj funds with the principles of sharia, prudence, safety, and benefit (I. Setiawan, 2022).

The main purpose of establishing BPKH is to improve the quality of the Hajj pilgrimage, streamline the use of the Hajj Implementation Fee (BPIH), and provide maximum benefits for the benefit of Muslims in Indonesia. With the existence of BPKH, it is expected that the management of Hajj funds can be carried out in a more modern, transparent, and accountable manner, so as to increase public confidence in the governance of national Hajj funds (Y. Kurniawan, 2024) .

The transfer of Hajj fund management from the Ministry of Religious Affairs to BPKH has a number of important implications. One of them is the clarity of the status of Hajj funds that have been in the hands of the government, as well as a clear separation between the functions of the regulator (Ministry of Religious Affairs) and the operator/fund manager (BPKH). This is expected to optimise the utilisation of Hajj funds, both to support the implementation of a higher quality Hajj pilgrimage and for investments that provide optimal benefit value for the congregation and the ummah (Muhammad Syafii Antonio, 2021) . In carrying out its duties, BPKH manages Hajj funds through various Islamic investment instruments, such as securities, Islamic banking products, gold, and direct investment. The results of fund development or the value of the benefits are then used to increase the subsidy for the cost of Hajj travel, improve services, and support programmes for the benefit of Muslims in Indonesia (Rahmatina A. Kasri, 2024) .

In order for the management of Hajj funds to run in accordance with sharia principles and good governance, BPKH must apply the principles of transparency and accountability in every management process. Transparency is realised through regular financial reporting to the public and the government, while accountability is ensured through internal and external supervision, including audits by the Supreme Audit Agency (BPK). In addition, BPKH is also supervised by a Supervisory Board appointed directly by the President (Mochamad Irfan Yusuf, 2022) .

Nonetheless, challenges in the management of Hajj funds remain. One of them is to ensure that the entire investment process and the use of funds really provide optimal benefits, do not deviate from sharia principles, and can be accounted for openly to the public and pilgrims. In addition, BPKH must also be able to build effective

communication with the public to avoid misunderstandings related to the management of Hajj funds (A. Syafii ., 2024)

The importance of transparency and accountability in the management of Hajj funds is increasingly relevant in the midst of high public expectations for the governance of public funds. Information disclosure and clear accountability will strengthen public trust in BPKH as the manager of Hajj funds (R. Wulandari, 2021) . Thus, research on transparency and accountability in the management of Hajj funds by BPKH is very important to examine the extent to which these principles have been implemented and what challenges are faced.

This research will examine in depth the practice of transparency and accountability in the management of Hajj funds by BPKH based on literature review.

Research Methods

The research method used in this study is library research with a descriptive-analytic approach, where data is obtained from various literature sources such as laws and regulations, BPKH annual reports, scientific journals, and other related documents that discuss transparency and accountability in the management of Hajj funds by BPKH; the collected data is then analysed using content analysis techniques to identify patterns, levels of information disclosure, and implementation of good governance principles in accordance with the provisions in Law No. 34 of 2014 and related regulations (Hamzah, 2020) .

Results and Discussion

Implementation of the Principles of Transparency and Accountability in the Management of Hajj Funds by BPKH

The implementation of the principles of transparency and accountability in the management of Hajj funds by the Hajj Financial Management Agency (BPKH) is a fundamental aspect in maintaining public trust and ensuring that people's funds are managed in a trustworthy manner. Since BPKH began operating in 2018, the agency has continued to strive to realise information disclosure and accountability through various standardised and closely monitored mechanisms (Arief Mufraini ., 2023)

Transparency is realised through regular and open dissemination of information to the public. BPKH actively socialises the management of Hajj funds, both through mass media, public forums, and direct dissemination activities to the public and prospective pilgrims. This step is important to reduce distrust and negative speculation, such as the issue of using Hajj funds for non-Hajj infrastructure that often arises in the community. In addition to socialisation, BPKH also applies sharia financial reporting standards that are strictly regulated in accordance with statutory regulations (Fitria Dewi, 2021) . BPKH's financial reports consist of balance sheets, operational reports, cash flow statements, statements of changes in net assets, and budget realisation reports that

are published periodically to the public, the President, and the Parliament. This reporting not only fulfils the transparency aspect, but also becomes the basis of institutional accountability. To ensure accountability, BPKH's financial statements are independently audited by the Supreme Audit Agency (BPK). Audit results over the past few years show that BPKH has consistently obtained an Unqualified Opinion (WTP), which indicates that fund management is carried out professionally, prudently, and accountably. This unqualified opinion is also a key indicator to the public that Hajj funds are managed with high standards of governance (A. Prasetyo ., 2021)

BPKH also utilises information technology to improve transparency and accountability, such as through virtual account services and the Integrated Hajj Financial System (Siskehat). Through this system, prospective pilgrims can monitor their initial balance, benefit value, and fund development directly and transparently. This digital innovation strengthens public access to Hajj fund management information (A. Hidayat, 2022).

In terms of supervision, BPKH implements a layered supervision system, both internally by the Supervisory Board and externally by state institutions such as BPK, KPK, and PPATK. Collaboration with the KPK and PPATK, for example, aims to strengthen the prevention of corruption and money laundering in the management of Hajj funds. This supervision ensures that every policy and action of BPKH remains within the legal corridors and principles of good governance (F. Azizah, 2022).

The implementation of the precautionary principle is also part of BPKH's accountability. Hajj funds are invested only in instruments that are safe, liquid, and in accordance with sharia principles, such as sharia securities, sharia deposits, and placements in sharia banks. BPKH avoids investing in high-risk instruments to maintain the security of principal funds and ensure optimal benefit value for pilgrims. In carrying out its duties, BPKH also consistently applies the principles of Good Corporate Governance (GCG), including a code of ethics, gratification control, whistleblowing, and an anti-bribery management system. The ISO 9001:2015 and ISO 37001:2016 certifications achieved by BPKH are proof of its commitment to quality management and corruption prevention (Nurul Ramadhani, 2020).

BPKH accountability is also reflected in operational efficiency. The ratio of operational expenses to the value of benefits obtained is always kept below 5%, indicating efficiency in the use of funds and optimisation of benefits for pilgrims. In addition, BPKH's liquidity is always maintained above twice the cost of organising the Hajj pilgrimage, as mandated by the law, to ensure the readiness of funds every Hajj season (Rahmatina A. Kasri, 2024).

BPKH routinely involves the House of Representatives in monitoring and evaluating the management of Hajj funds. The role of the legislature is very important in ensuring that every policy and decision of BPKH still prioritises the interests of pilgrims and runs according to the principles of transparency and accountability.

Dissemination activities with the DPR are also a means to strengthen public understanding and prevent potential irregularities. In addition to formal supervision, BPKH also builds two-way communication with the public through question and answer forums and public education (Ika Rahmawati, 2024).

This activity received a positive response and increased public awareness of the importance of transparent and accountable management of Hajj funds. Thus, public trust in BPKH is increasing. In terms of benefit realisation, BPKH managed to exceed the target value of Hajj fund investment benefits in 2024, with realisation reaching 101.02% of the set target. This success not only shows good investment performance, but also a commitment to optimise benefits for pilgrims and the implementation of Hajj. (S. Putri, 2024).

Although various transparency and accountability measures have been implemented, challenges remain, especially in terms of equitable socialisation and public understanding of the details of fund management, such as the difference between the Hajj Travel Cost (BPIH) and the value of benefits. Therefore, BPKH continues to increase the intensity of socialisation and public education (D. Suryani, 2023).

Overall, the implementation of the principles of transparency and accountability by BPKH in managing Hajj funds has been in accordance with the mandate of the law and modern governance standards. Through open reporting, independent audits, layered supervision, digital innovation, and public involvement, BPKH strives to maintain the trust of the people and improve the quality of the Hajj pilgrimage in Indonesia.

Challenges and Solutions in Increasing Public Trust in the Management of Hajj Funds by BPKH

Public trust is the main foundation in the management of Hajj funds by the Hajj Financial Management Agency (BPKH). However, building and maintaining this trust is not easy because BPKH is faced with various complex challenges along with the large amount of funds managed and high public expectations. These challenges must be systematically identified and addressed in order for the management of Hajj funds to remain credible, transparent, and accountable (Harry Alexander, 2022).

One of the main challenges is the lack of public understanding regarding the details of Hajj fund management, especially since BPKH took over management from the Ministry of Religious Affairs in 2018. Many people do not understand the components of the Hajj cost, such as the difference between the Hajj Travel Cost (BPIH) and the value of the benefits provided each year. This lack of clarity often triggers negative speculation and distrust. Another challenge is the emergence of sensitive issues in the community, such as allegations of the use of Hajj funds for infrastructure development that is not directly related to the interests of Hajj. Such issues are easily

developed on social media and can worsen public perception if not immediately straightened out with transparent data and explanations (R. Pramudito, 2023).

In addition, the significant increase in the cost of Hajj in recent years has also been a source of anxiety for prospective pilgrims. This surge in costs raises questions about the effectiveness and efficiency of fund management, as well as the extent to which the value of the benefits of investing Hajj funds is actually felt by the congregation. If not balanced with good communication, this unrest can reduce the level of public trust in BPKH (B. Fadillah ., 2023)

Another challenge comes from the governance of Hajj fund investments. BPKH must ensure that all investments are made in accordance with sharia principles, are safe, and provide optimal returns. The limitations of sharia investment instruments in the country often limit BPKH's room for manoeuvre in developing funds to the fullest, so that the value of benefits obtained does not always meet public expectations. The amount of assets and liabilities managed by BPKH also requires extra caution. The huge amount of funds entrusted by the congregation must be managed efficiently so as not to cause liquidity risk or investment losses, and be able to fulfil obligations to the congregation on time. This adds pressure on BPKH to maintain prudent and professional governance (D. Sari, 2023).

The next challenge is to maintain the sustainability of the Hajj fund amid inflation and exchange rate fluctuations. The increase in hajj operational costs every year is not always matched by an increase in the initial deposit of pilgrims, so BPKH must find a solution so that the funds remain sufficient to finance all hajj needs without overburdening pilgrims. Internally, strengthening human resources and supervisory systems is also a challenge. BPKH must ensure that all employees have high integrity, adequate competence, and an effective internal control system to avoid potential irregularities or fraud. To answer these challenges, BPKH has implemented various strategic solutions (Fitria Dewi, 2021).

First, BPKH actively socialises and educates the public about the management of Hajj funds through various communication channels, including direct, mass media, and digital. A detailed explanation of the components of Hajj costs, the use of funds, and investment returns is routinely conveyed so that the public can obtain clear and accurate information (M. Yusuf, 2022).

Second, BPKH strengthens transparency by providing financial reports that are open and easily accessible to the public. These financial statements are independently audited by the Supreme Audit Agency (BPK) every year, and BPKH has consistently obtained an unqualified opinion (WTP) as evidence of good governance. In addition, BPKH also develops digital applications such as the Integrated Hajj Financial System to make it easier for pilgrims to monitor their funds in real time (M. N. Kholid ., 2022)

Third, BPKH strengthens synergies with various stakeholders, such as the Ministry of Religious Affairs, Islamic banking, the Corruption Eradication Commission

(KPK), and the Financial Transaction Reports and Analysis Centre (PPATK). This collaboration aims to optimise supervision, prevent corruption, and maintain the integrity of Hajj fund management (S. Lestari, 2021).

Fourth, BPKH continues to improve efficiency and effectiveness in fund management through continuous evaluation of operational and investment systems. BPKH is also committed to improving the quality of human resources to be able to face increasingly complex governance challenges (Siti Nur Azizah, 2021).

Fifth, BPKH regularly holds public hearings and discussion forums with stakeholders to accommodate input and constructive criticism from the public. This activity provides a forum for the public to express their aspirations and obtain clarification directly from BPKH, thus enabling effective two-way communication. Furthermore, BPKH also develops benefit programmes that have a real impact on the people, such as economic empowerment and the provision of supporting facilities for the Hajj pilgrimage. This programme is expected to increase the benefits of Hajj funds not only for pilgrims, but also the wider community (T. Maulana, 2021). Finally, BPKH maintains a commitment to continuously improve governance, strengthen supervision, and increase information disclosure. With these steps, it is expected that public trust in the management of Hajj funds by BPKH can be maintained and increased over time.

Conclusion

Transparency and accountability in the management of Hajj funds by BPKH has become a key mandate in Law No. 34/2014, which affirms that Hajj financial management must be carried out in an open and accountable manner to provide clarity to prospective pilgrims as fund owners. BPKH has implemented various systems, such as virtual account services and the Integrated Hajj Financial System (Siskehat), which allow pilgrims to monitor the balance and value of their fund benefits directly, as well as providing regular financial reporting to the public, government, and Parliament as a form of institutional accountability.

The implementation of the principles of transparency and accountability is also supported by external audits, internal controls, and adjustments to applicable accounting standards and regulations. The level of disclosure of Hajj financial management information by BPKH is considered high and in line with good governance standards, although there are still challenges in terms of delivering information on the value of benefits proportionally and in real time to all prospective pilgrims. In addition, BPKH is also fully responsible for losses that may arise due to negligence in management, in accordance with applicable laws and regulations.

Overall, BPKH's efforts to build a transparent and accountable Hajj fund management system have been carried out in accordance with the regulatory mandate and prudential principles, although it still needs strengthening in the aspects of socialisation, supervision, and development of more varied Islamic investment

instruments. Thus, the management of Hajj funds by BPKH is expected to continue to increase public trust and provide optimal benefits for pilgrims and the benefit of Muslims in Indonesia.

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