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Accountability and Transparency of Mosque Financial Reporting Based on ISAK 35: A Case Study of Mosque in Surabaya

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Abstract: *This study aims to analyze the accountability and transparency of the financial management of Al-Falah Mosque in Surabaya based on ISAK 35 as the financial reporting standard for non-profit entities. The study employed a qualitative descriptive approach using primary data obtained through interviews with the mosque management and secondary data in the form of the Al-Falah Mosque's 2023 financial statements. Data were analyzed using the Miles and Huberman qualitative analysis model, which includes data reduction, data display, and conclusion drawing and verification. The findings indicate that Al-Falah Mosque has implemented most of the provisions of ISAK 35 through the preparation of a statement of financial position, statement of activities, statement of changes in net assets, and statement of cash flows. Accountability is demonstrated through the implementation of Standard Operating Procedures (SOPs), internal supervision, annual financial reporting, and evaluation based on reward and punishment mechanisms. Transparency is reflected in the open disclosure of information to the public, deliberative decision-making processes, and the accessibility of financial documents. The implementation of accountability and transparency principles has enhanced public trust in the mosque's financial management, encouraging greater community participation and support for its programs. Nevertheless, improvements are still needed in separating the statement of activities from the statement of changes in net assets and in complying with fund reporting requirements under ISAK 35. This study confirms that the implementation of ISAK 35 contributes to improving the quality of financial reporting, strengthening governance, and fostering public trust in religious institutions.*

Keywords: *Accountability, Transparency, Financial Reporting, ISAK 35, Al-Falah Mosque*

Abstrak: Penelitian ini bertujuan menganalisis akuntabilitas dan transparansi pengelolaan keuangan Masjid Al-Falah Surabaya berdasarkan ISAK 35 sebagai standar pelaporan keuangan entitas nirlaba. Penelitian menggunakan pendekatan deskriptif kualitatif dengan data primer berupa wawancara kepada pengurus masjid serta data sekunder berupa laporan keuangan Masjid Al-Falah tahun 2023. Analisis data dilakukan menggunakan model Miles dan Huberman yang meliputi reduksi data, penyajian data, serta penarikan dan verifikasi kesimpulan. Hasil penelitian menunjukkan bahwa Masjid Al-Falah telah menerapkan sebagian besar ketentuan ISAK 35 melalui penyusunan laporan posisi keuangan, laporan aktivitas, laporan perubahan aset neto, dan laporan arus kas. Akuntabilitas diwujudkan melalui penerapan standar operasional prosedur (SOP), pengawasan internal, penyusunan laporan tahunan, serta evaluasi berbasis mekanisme reward and punishment. Transparansi tercermin dari keterbukaan informasi kepada masyarakat, musyawarah dalam pengambilan keputusan, dan penyampaian dokumen keuangan. Penerapan prinsip akuntabilitas dan transparansi tersebut meningkatkan kepercayaan masyarakat terhadap pengelolaan dana masjid, mendorong partisipasi serta dukungan terhadap berbagai program yang diselenggarakan. Meskipun demikian, masih diperlukan penyempurnaan dalam pemisahan laporan aktivitas dan laporan perubahan aset neto serta pemenuhan ketentuan pelaporan dana sesuai ISAK 35. Penelitian ini menegaskan bahwa penerapan ISAK 35 berkontribusi dalam meningkatkan kualitas pelaporan keuangan, memperkuat tata kelola, dan membangun kepercayaan publik terhadap lembaga keagamaan.

Kata Kunci: Akuntabilitas, Transparasi, Pelaporan, ISAK 35, Masjid Al-Falah

INTRODUCTION

Organizations can be grouped into two types based on their objectives, namely profit-oriented organizations, which are intended to make a profit, and nonprofit organizations, known as nonprofit organizations. Examples of nonprofit organizations include mosques, which are included in the category of foundation legal entities. Based on Law No. 16 of 2001 article 1 paragraph 1, it is briefly explained that the foundation is a collection of assets separated in order to achieve a goal in the social, humanitarian and religious fields. To create a good organization, in this case the mosque management needs to be able to carry out cooperation in carrying out various activities, especially in preparing financial reports. In this case, the mosque treasurer has a crucial role in managing finances and submitting financial reports to funders and other. (Hidayatullah et al., 2019)

Transparency and accountability are crucial aspects for public entities to optimize their role while maintaining their function as a control mechanism in an organization. Accountability tends to increase when there is support from an accounting system that is able to create accurate, reliable and timely information (Qadariyah, 2022). The preparation of the Mosque's financial reporting is important because it is a form of responsibility for the funds that the mosque management has received through the application of regulations to prepare financial reports for non-profit organizations according to the provisions of the IAI ISAK. This policy has undergone an update from PSAK No. 45 in 2009 and then it was revoked regarding the financial report guidelines on April 11, 2019. Next, there has been the issuance of a new regulation, namely ISAK 35 which is effective as of January 1, (Laila & Hanifah, 2024). The non-profit entity report as stated in ISAK 35 for the presentation process is effective for use in the financial year after January 1, 2020. The contents of this report are the statement of comprehensive income, cash flow statement, statement of changes in net assets, statement of financial position, and notes to the financial statements(Hidayatullah et al., 2019).

A common phenomenon found is that ISAK 35 has not been implemented by many organizations with a non-profit orientation in their financial statements. This is evident in the study revealed in previous research conducted (Silmi Mursidah et al., 2023) ISAK 35 has not been applied at the Great Mosque of Morawa District, Deli Serdang Regency in its financial statements and still uses a simple method, namely recording cash out and in, and every Friday conveying the amount to the mosque congregation.

The study carried out contains reconfirmation of the accountability of non-profit entities on the basis of ISAK 35, especially mosques, through transparency which is then discussed with stakeholders. The implementation of this study at Al-Falah Mosque Surabaya with Al-Falah Foundation as the manager. This is based on the magnitude of the influence it has as the city's great mosque, the size of fund management, strategic location, and a large number of worshipers. The acquisition of funds by the Al-Falah Surabaya Mosque every month is able to penetrate tens to even hundreds of millions of rupiah. Related to this position, the manager should be transparent and accountable to the community and donors as funders(Mila, 2024).

The study conducted will analyze transparency and accountability in financial management and the suitability of financial statements for the period 2023 on the basis of ISAK 35 which is the basis for preparing the financial statements of nonprofit entities that are currently applicable. It is hoped that the study carried out will be able to contribute knowledge in transparency, accountability, and implementation of ISAK 35 in nonprofit organizations. (Saputri et al., 2025)

Although numerous studies have examined the implementation of ISAK 35 in nonprofit organizations, most have primarily focused on the conformity of financial statement presentation with accounting standards, while giving limited attention to the integration of transparency and accountability as essential elements of organizational governance. In fact, the implementation of ISAK 35 is not merely concerned with the preparation of financial statements but also reflects the extent to which nonprofit organizations are able to demonstrate responsible and transparent financial management to their stakeholders (Buaton et al., 2026). Therefore, this study extends previous research by not only evaluating the conformity of the financial statements of Al-Falah Mosque Surabaya with ISAK 35 but also examining how the principles of transparency and accountability are implemented in the mosque's financial management practices. Based on this research gap, the study addresses the following research questions: How is transparency implemented in the financial management of Al-Falah Mosque Surabaya? How is accountability implemented in the financial management of Al-Falah Mosque Surabaya? To what extent do the 2023 financial statements of Al-Falah Mosque Surabaya comply with the requilurements of ISAK 35?

METHODS

The study conducted utilizes a qualitative descriptive approach, which is intended to provide a description of phenomena and conditions that arise naturally. This approach was chosen because it allows in-depth analysis of the process of presenting and managing financial statements at Al-Falah Mosque Surabaya. Data were collected through interviews with mosque administrators, such as the treasurer and secretarial department, as well as through document studies on available financial reports. Secondary data acquisition through relevant literature and guidelines, such as ISAK 35 and previous research (Alfiani & Nasrulloh, 2022). The data analysis technique was carried out using a descriptive model, which consists of steps to reduce and present data and conclusions. Researchers compared the financial statements of Al-Falah Mosque and the standards in ISAK 35, to evaluate the conformity of financial reporting with these guidelines. In addition, in-depth interviews were used to identify aspects of accountability and transparency in mosque financial management. The results of this analysis were compiled into recommendations aimed at improving the accountability and transparency of the Al-Falah Mosque's financial statements. The study was conducted at Al-Falah Mosque Surabaya, which is managed by the Al-Falah Foundation. The research participants were selected using a purposive sampling technique, whereby informants were chosen based on their knowledge, experience, and direct involvement in the mosque's financial management. The study involved two key informants, namely the mosque treasurer and the mosque secretary, both of whom are responsible for financial management and the preparation of financial reports. Their roles and responsibilities provided comprehensive insights into the implementation of transparency, accountability, and compliance with ISAK 35 in the mosque's financial management practices. To ensure the trustworthiness of the findings, this study employed several validation techniques. Source triangulation was conducted by comparing information obtained from different informants, while method triangulation was performed by comparing interview findings with documentary evidence, including financial statements and supporting administrative records. In addition, member checking was undertaken by returning interview summaries to the participants to confirm the accuracy of the researchers' interpretations. An audit trail documenting the research process, coding procedures, analytical decisions, and interpretation process was also maintained to enhance the credibility, dependability, and confirmability of the research findings(Husnullail & Dkk, 2024).

RESULTS AND EVALUATION

Transparency

Transparency can be broken down into four indicator criteria(Baehaqi & Karimah, 2022), namely. Providing access to all very clear information regarding planning activities, procedures in implementation, and accountability. At the beginning of each year, each Al-Falah Mosque management prepares a work program from each division, along with the required budget. Every activity carried out is made a procedure for its implementation, and at the final stage a report on activity accountability and financial accountability is made which is announced every week at the Al-Falah Mosque. Finance at the Al-Falah Mosque is well organized, so that all activities in the planning can be realized properly.

There is a deliberation involving the community. Planning activities and budgeting for mosque funds involves open deliberation with the community. Community participation is very important in the formation of the activity budget. (Safitri et al., 2022)This is because the community is the source of funds for mosque finances. Activity realization reports must be submitted to the community as a representation of the Mosque Prosperity Council. Interviews with several informants showed that there are different understandings in translating needs in planning documents. Some communities prioritize physical and infrastructure needs. However, some informants expressed another view, that physical and infrastructure are sufficient, and should focus on the prosperity of the mosque, by organizing religious activities, improving the welfare of the marbot. The different perspectives were resolved through deliberation.

Openness of the management process. Budget allocation information is announced on the bulletin board, and broadcast every Friday before the Friday prayer service. Referring to several informants, the openness of the management process has been carried out digitally, so that the public has very easy access, namely by looking at the AL-Falah Mosque website or manually and directly on the spot(Rifka Alkhilyatul Ma'rifat, I Made Suraharta, 2024b). The findings are consistent with the concept of transparency proposed by Mardiasmo, which emphasizes that public and non-profit organizations should provide open, honest, and accessible information as a form of accountability for the management of public resources. The publication of financial reports through both digital platforms and direct announcements to congregants reflects the implementation of transparency principles, thereby strengthening public trust in the mosque's financial management(Suharsono et al., 2025).

Disclosure of information about mosque fund management documents. The results of interviews with informants, that the Mosque Prosperity Council has been open in providing documents on the realization of the use of the mosque budget. This is done by making activity accountability reports. However, community culture considers that financial reporting every Friday is sufficient to show transparency. (Subagya, 2023)

Accountability of Al-Falah Surabaya Mosque

Accountability analysis can be seen based on five indicators. Based on the accountability indicators at the Al-Falah Surabaya Mosque, an analysis was raised, SOP (Standard Operating Procedure). Based on the results of the interview, the SOP at the Al-Falah Mosque in Surabaya City has been implemented according to their respective fields. This SOP has supporting documents. As stated by Mr. Suprijanto as the Secretary of the Al-Falah Mosque:

"So for the level of foundations or institutions all SOPs already exist and are in writing, because at the Al-Falah Foundation they are classified into three fields, for each of which has its own characteristics and SOPs according to the structure that has been made."

Referring to the resulting interview, it can be concluded that the SOP used at the Al-Falah Mosque is in accordance with the accountability indicator because the SOP has been shown in written form at the foundation or institutional level at the Al-Falah Mosque. The existence of written Standard Operating Procedures (SOPs) demonstrates that Al-Falah Mosque has established clear guidelines for financial management practices. These SOPs provide a standardized framework for each administrator to perform their respective duties, thereby reducing administrative errors and minimizing the risk of misuse of authority. Furthermore, the clear division of responsibilities among the treasurer, secretary, and internal auditor strengthens the internal control system and supports accountable financial management. Another factor contributing to the successful implementation of ISAK 35 is that the mosque operates under the Al-Falah Foundation, which has an established organizational governance system and adequate managerial capacity. Combining the Statement of Activities with the Statement of Changes in Net Assets results in the absence of separate information regarding changes in net assets with and without donor restrictions, as required by ISAK 35. This condition may reduce the quality of financial information because users cannot clearly identify the sources of changes in net assets. Consequently, the comparability of financial statements with those of other non-profit organizations becomes limited, potentially affecting decision-making by donors, regulators, and other stakeholders.

Internal Supervision

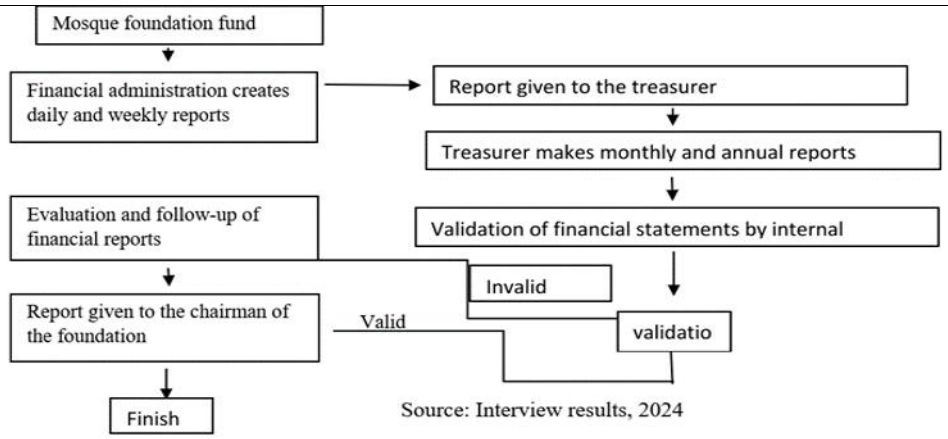
The Surabaya City Al-Falah Mosque has implemented supervision as an identification of financial statements using an internal auditor from the al-falah mosque. Presented by Mr. Kankan Iskandar as Treasurer of the Al-Falah Mosque:

"The supervisory system check on the financial statements is carried out by our internal auditor, Mr. Pandu Wiratama. Therefore, if there are irregularities in the financial statements, the auditor will confirm to the treasurer and then the treasurer will confirm to the financial administration. Not forgetting that each approval regarding the preparation of financial statements will definitely ask for your hand or approval from the chairman, vice chairman, and treasurer."

Referring to the interview with the Treasurer, the result obtained is that the management of the financial statements of the Al-Falah Surabaya Mosque uses an existing supervisory system. The internal auditor of the Al-Falah Surabaya Mosque is the executor of this supervision. The second accountability indicator is that the Al-Falah Mosque has fulfilled the indicator in question.

Accountability Mechanism

Al-Falah Surabaya Mosque implements the accountability mechanism as shown in the flowchart, namely.



Source: Interview results, 2024

Annual Report

Al-Falah Surabaya Mosque has made an annual report. This is in line with the interview produced with the treasurer of the Al-Falah Mosque:

> *"Yes, we have done the preparation of the annual report which is obtained from the daily and weekly reports prepared by the financial administration, which will then be given to us for the preparation of monthly reports until it becomes an annual report which will then be examined by our internal auditors."*

This indicator is in line with the fourth accountability indicator, namely "there is an annual report on the Al-Falah Mosque."

Evaluation Mechanism For Punishment And Reward.

Al-Falah Surabaya Mosque has applied rewards and punishments to the management of financial reports. This is in line with the explanation of the secretary at the Al-Falah Mosque:

> *"Actually, it is in accordance with the activities, so if it is like staffing, the work performance will automatically increase or decrease the honorarium. If the committee we see from after the LPJ, so from the planning the quality of the building how, increase or remain. These observations will be rewarded later."*

Based on the interviews that were obtained, the Al-Falah Surabaya Mosque has applied punishment and reward according to the accountability indicator, so it can be said to be in line with this fifth indicator. Referring to the resulting interview, it can be concluded that the Al-Falah Surabaya Mosque can be called accountable. Because it is in accordance with the four indicators of accountability, namely having SOPs, having a supervisory system, having an accountability mechanism, annual financial reports, and reward and punishment evaluation mechanisms.

The financial statements in the Takmir Masjid Al-Falah include a statement of activities, a statement of financial position, and a cash flow statement(Opti & Farina, 2020). The format of this financial report can be seen below:

Statement of Financial Position

The statement of financial position displayed by the Al-Falah Mosque Foundation is:

Tabel 1. Statement of Financial Position As of December 31, 2023 and 2022

	Notes	2023 (Rp)	2022 (Rp)

Assets			
Current Assets			
Cash and cash equivalents	2b,3	9.344.480.393	7.444.808.677
Receivables	2c,4	351.390.207	611.043.561
Prepaid expenses	2d	222.616.672	103.854.938
Total Current Assets		**9.918.487.272**	**8.159.707.176**
Non Current Assets			
Fixed assets-Net	2e,5	2.913.178.588	3.125.653.460
Managed assets-Net	2f,6	8.146.350.040	8.344.616.580
Total Non Current Assets		**11.059.528.629**	**11.470.270.039**
Total Assets		**20.978.015.900**	**19.629.977.216**
Liabilities And Net Assets			
Current Liabilities			
Accrued expenses	7	79.140.221	**145.**137.881
Other payables	8	149.238.921	200.683.460
Total Curent Liabilites		**228.379.142**	**345.821.341**
Long Term Liabilites			
Employee benefit obligations	2j,9	2.234.359.765	2.173.999.349
Total Long Term Liabilites		**2.234.359.765**	**2.173.999.349**
Net Assets			
Zakat fund	10	874.240.312	888.437.729
Temporary restricted infaq fund		5.275.099.111	1.039.728.285
Unrestrited infaq fund		11.521.369.001	14.654.111.373
Amil fund		729.049.865	275.831.576
Halal income and amil fund		115.518.706	198.047.567
Total Net Assets		**18.515.276.996**	**17.110.156.526**
Total Liabilities And Net Asset		**20.978.015.900**	**19.629.977.216**

The statement of financial position is a report that informs about assets, liabilities and net assets (Shoimah et al., 2021). The information in it that is used with information and disclosures for other financial statements can facilitate organizational members, donors, creditors and other parties in assessing the organization's ability to provide services or services with sustainable financial flexibility, ability to meet obligations, liquidity, and external funding needs. In the financial statements of the Al-Falah Surabaya Mosque Foundation, the balance of current assets from the balance sheet is adjusted. The Surabaya Al-Falah Mosque Foundation's statement of financial position has complied with ISAK 35, which displays assets, net assets and liabilities. Based on the Mosque Foundation's financial statements that have been presented as of December 31, 2023 and 2022 between the total assets and total liabilities, the net assets have been balanced, namely Rp. 20,978,015,900 in 2023 and Rp. 19,629,9977,216 in 2022.

Activity Report

The Activity Report presented by Al-Falah Surabaya Mosque is as follows:

Table 2. Scale evaluation and descriptive statistics As of December 31, 2023 and 2022

	Notes	2023	2022

		(RP)	(RP)
Zakat Fund	2k,10		3.58
Receipts		12.111.012.665	11.916.112.116
Zakat from muzaki		152.234.183	90.324.670
Zakat fidyah		**12.263.246.878**	**12.006.436.756**
Total receipts			
Distributions			
Fisabilillah		4.228.046.589	1.664.680.859
Fakir miskin		6.446.810.471	8.812.177.335
Amil		1.532.145.735	1.501.529.696
Gharim		54.434.500	93.645.500
Mualaf		15.537.000	25.600.000
Ibnu sabil		470.000	-
Total Distributions		**12.277.444.295**	12.097.633.390
Increase (decrease) in fund balance		**(14.197.417)**	(91.196.603)
Beginning fund balance	11	**-**	628.235.427
Business unit consolidation		888.437.729	351.398.905
Ending zakat fund balance		**874.240.312**	**888.437.729**
Temporarily Restriceted Ifaq Fund	2k,10		
Temporarily restriceted receipts		24.903.948.248	18.942.506.175
Temporarily restriceted disbursements		20.722.577.423	19.318.999.628
Increase (decrease) in fund balance		**4.181.370.524**	**(376.493.452)**
Receipts from fund balance			
Bussines combination	11	**-**	406.543.866
Beginning Balance Of Profit Sharing		1.093.728.285	1.063.677.869
And Non-Halal Fund			
Ending Balance Of Profit Sharing		**5.275.099.111**	**1.093.728.285**
And Non-Halah Fund			
Understricted Infaq Fund	2k,10		
Understricted receipts			
Understricted disbursements		18.174.910.325	22.875.160.367
Increase (derease) in fund balance		21.307.652.667	22.698.332.875
Receipts from fund balance		**(3.132.742.372)**	**176.827.492**
Bussines combination	11		
Beginning Balance Of Unrestricted			3.697.112.047
Infaq		14.654.111.373	10.780.171.835
Ending Balance Of Unrestricted			
Infaq		**11.521.369.001**	**14.654.111.373**

ISAK 35 uses the term Comprehensive Income Statement to replace the term Activity Report, but both have the same meaning, namely conveying opinions and expenses. The comprehensive income statement provides a description of the decrease and increase in economic benefits whose sources are opinions or revenues or and expenses or expenses including without restrictions or with restrictions. The activity report on the Al-Falah Surabaya Mosque Foundation can be seen that the report is in line with ISAK 35, which is already showing expenses and income, it's just that the report on changes in net assets is not presented alone but is combined with the activity report.

Net assets related to tangible net assets of economic resources where there is a time limit for a purpose and period set by the donor or government. This restriction can take the form of restrictions on net assets or time by the Foundation(Rifka Alkhilyatul Ma'rifat, I Made Suraharta, 2024a). Unrelated net assets are tangible net assets of economic resources that are not restricted for use for a period and purpose. Generally includes income from donations, sales of goods, services, and investment returns or dividends less expenses to obtain that income. The foundation can use all of these net assets in order to achieve business objectives as stated in the foundation's budget. The foundation can use all of these net assets in order to achieve business objectives as stated in the foundation's budget.

Table 3. ***Scale evaluation and descriptive statistics As of December 31, 2023 and 2022***

	Notes	2023 (RP)	2022 (RP)
Amil Fund	2k,10		
Receipts Of Amil Shere			
Amil receipt from temporarily infaq fund		4.905.413.220	3.790.247.235
Amil receipt unrestricted infaq fund		3.634.982.065	5.229.787.204
Amil receipt from zakat fund		1.532.145.735	1.501.529.696
Other amil receipt		223.242.500	107.000.000
Total Receipt		**10.295.783.519**	**10.628.564.135**
Amil Expenditures			
Salaries and allowances		7.131.480.508	6.704.323.127
Administrative and general expenses		2.250.114.954	2.173.868.589
Depreciation of fixed assets		367.458.228	645.539.520
Other amil expenses		93.511.540	187.364.889
Total Amil Expenditures		**9.842.565.230**	**9.711.096.126**
Increase in fund balance		453.218.289	917.468.009
Reducation in fund balance			
Bussines combination	11	-	(1.107.372.420)
Beginning Balance Of Amil Fund		275.831.576	465.735.978
Ending Balance Amil Fund		**729.049.865**	**275.831.576**
Profit Sharing And Non-Halal Fund Receipt			
Disbursement	2h,10	42.533.104	55.937.654
Increase (derease) in fund balance		125.061.964	24.196.521
Receipt from fund balace		(82.528.860)	31.741.123
Bussines combination	11	-	12.613.504
Beginning Balance Of Profit Sharing And Non-Halal Fund		**198.047.567**	**153.692.940**
Ending Balance Of Profit Sharing Non-Halal Fund		**155.518.706**	**198.047.567**

Table 4.*Scale evaluation and descriptive statistics As of December 31, 2023 and 2022*

	Opening	Additions	Reducations	Accumulated	Ending

	balance (Rp)	(Rp)	(Rp)	Depreciation (Rp)	Balance (RP)
Year 2022					
Infaq Funds					
Current Assets					
Managed receivables	112.175.000	228.275.000	232.404.000	-	**108.046.000**
Non-current assets	5.592.664.633			-	**5.592.664.63**
Fixed assets	2.063.748.867	-	-	(436.458.089)	**3**
Land	1.253.600.000	-	-	(898.448.833)	**1.627.290.77**
Buildings	-	769.510.000	-	(361.270.000)	**8**
Vehicles		0	-		**1.124.661.16**
Equipment		361.270.000			**7**
		0			-
Year2023					
Infaq Funds	108.046.000			-	
Current assets					
Managed Receivables	5.592.664.633	242.610.000		-	**133.040.000**
Non-current assets	2.063.748.867	0		(539.645.532)	
Fixed Assets	2.023.110.000			(1.054.989.834)	**5.592.664.63**
Land	361.270.000			(370.853.7950	**3**
Buildings		-			**1.524.103.33**
Vehicles		-			**6**
Equipment		71.045.700			**968.120.167**
					61.461.605

There are 2 types of activity reports displayed by the Al-Falah Surabaya Mosque. Where it should refer to ISAK No. 35 this report needs to be distinguished, for the report presented by the Al-Falah Mosque Foundation itself has fulfilled ISAK No.35. The Statement of Activities shows that unrestricted donation funds decreased due to higher program expenditures during the reporting period. Conversely, restricted donation funds increased significantly, indicating stronger donor support for designated programs. These findings suggest that while operational expenditures have increased, public confidence in the mosque's targeted social and religious programs remains high.

Cash Flow Statement

The Cash Flow Statement displayed by the Al-Falah Surabaya Mosque is:

Table 5. ***Scale evaluation and descriptive statistics As of December 31, 2023 and 2022***

	2023 (Rp)	2022 (Rp)
Cash Flows from Operating		3.58
Receipts		3.23
Cash receipt from zakat	12.263.246.878	12.006.436.786
Cash receipt from infaq	43.078.858.573	41.367.666.542

Cash receipt from other amil income	223.242.500	100.200.000
Cash receipt from non-halal profit sharing	42.533.104	55.937.645
Cash receipt from payabels	1.423.417.208	1.671.643.735
Cash receipt from qordul hasan employee program	311.422.000	346.876.975
Cash receipt from other receivables	841.150.448	597.548.041
Cash receipt from managed receivables	204.765.000	202.154.000
Cash receipt from foundation marger	-	2.267.451.347
Total Operating Activites Receipt	58.388.635.711	58.615.915.072
Expenditures	7.744.990.441	8.734.822.429
Disbursement for da'wah	4.106.425.521	4.916.820.023
Disbursement for for education	5.282.588.843	3.148.903.114
Disbursement for mosque	3.654.144.390	3.336.614.150
Disbursement for orphans	12.711.653.638	13.048.125.790
Disbursement for humanitarian aid	10.745.298.560	11.009.916.457
Disbursement for zakat	125.061.964	24.196.521
Non-halal disbursement	6.989.535.391	6.401.375.860
Salary & benefits payments	2.250.144.954	2.149.860.692
Admistrative & general expense payments	93.511.540	187.364.886
Other expense payments	1.502.606.769	2.065.234.772
Repayment of other liabilities	268.000.000	66.000.000
Prepaid expenses payments	340.074.000	311.962.975
Fund disbursement for qordul hasan employee program	268.959.000	211.775.000
Fund disbursement for managed receivables	56.082.934.939	55.622.972.673
Total Operating Activity Expenditures	2.305.700.772	2.992.942.399
Net Cash Provided by Operating Activites		
Investing Activities		
Purchase of fixed assets	334.983.356	232.924.997
Purchase of managed assets	71.045.700	-
Net cash used in investing activities	406.029.056	232.924.997
Net Increase In Cash And Equivalents	**1.899.671.716**	**2.760.017.402**
Cash And Cash Equivalents At Beginning Of Year	**7.444.808.677**	**4.684.791.275**
Cash And Cash Equivalents At End Year	**9.344.480.393**	**7.444.808.677**

Cash flow statement means a report that displays information regarding cash receipts and disbursements within a certain period. There are two methods in the form of direct and indirect methods for preparing cash flow statements. Al-Falah Surabaya Mosque Foundation presents a cash flow statement using the direct method, namely the grouping of cash flows in funding, operating activities, and investment. The existing cash flow statement is in accordance with ISAK 35, which has grouped cash flows in operating, investing and financing activities.

In addition to complying with ISAK 35, the financial management practices of Al-Falah Mosque demonstrate adherence to the governance principles established by the Al-Falah Foundation. This is reflected in a clearly defined organizational structure, segregation of duties among administrators, periodic internal audits, annual financial reporting, and regular evaluation meetings. These practices align with the principles of good governance, including transparency,

accountability, responsibility, independence, and fairness. Nevertheless, improvements are still required, particularly in separating the Statement of Activities from the Statement of Changes in Net Assets, to ensure full compliance with ISAK 35 and further enhance the quality of financial reporting and stakeholder accountability.

Referring to the discussion and results of the article, this analysis can be summarized as follows: Al-Falah Mosque has demonstrated a good level of transparency by providing clear information on activities and budgets through organized procedures, community meetings, and weekly and annual reports. The use of digital technology, such as websites, also supports information disclosure. However, some communities still consider weekly reports to be sufficient, so further education on the importance of full transparency is needed. In terms of accountability, Al-Falah Mosque has fulfilled five main indicators, namely the existence of SOPs that support financial management, internal supervision through auditors, systematic accountability mechanisms, structured annual reports, and reward and punishment-based evaluations(Sinaga et al., 2025). The mosque has also prepared financial statements in accordance with ISAK 35, including the statement of activities, statement of financial position, and statement of cash flows, although there is still room to improve the separation between the statement of activities and changes in net assets. The excellence demonstrated by Masjid Al-Falah, such as the application of ISAK 35 that supports transparency and accountability, can serve as an example for other non-profit organizations. However, challenges remain, including the need for public education regarding transparency and better compliance with Law No. 28 of 2004 concerning Foundations. As a recommendation, Al-Falah Mosque can increase efforts to educate the public and improve financial reports to be more in line with ISAK 35 standards. This shows that the application of good accounting standards is not limited to improving the quality of financial reporting but also building public trust in the financial management of nonprofit organizations.(Hawa, 2020)

The findings of this study are consistent with Fauziyyah and Afifah (2024), who reported that mosque financial management had generally achieved accountability and transparency despite some deficiencies in compliance with ISAK 35. Both studies found that financial reporting practices have improved, although certain components still require refinement. However, Al-Falah Mosque demonstrates a higher level of compliance by preparing a Statement of Financial Position, Statement of Activities, Statement of Changes in Net Assets, and Statement of Cash Flows, whereas the previous study reported more limited implementation(Fauziyyah & Afifah, 2024).

This study also supports the findings of Hidayatullah et al. (2019), who concluded that implementing accounting standards for non-profit entities enhances the quality of financial reporting. Unlike the previous study, Al-Falah Mosque has established an internal audit function and a more structured internal control system, which contribute to more effective implementation of ISAK 35.

CONCLUSION

This study aimed to analyze the implementation of accountability, transparency, and ISAK 35 in the financial management of Al-Falah Mosque, Surabaya. The findings indicate that Al-Falah Mosque has successfully implemented the principles of accountability and transparency in its financial management practices. This is evidenced by the existence of documented Standard Operating Procedures (SOPs), an internal control system involving internal auditors, a structured accountability mechanism, annual financial reporting, and an evaluation system incorporating

reward and punishment for management personnel. From the perspective of transparency, the mosque provides stakeholders with access to financial information through weekly and annual financial reports, digital media, and consultative meetings that involve the congregation in planning and evaluating organizational activities.

Regarding the implementation of ISAK 35, the findings demonstrate that Al-Falah Mosque has prepared most of the required components of financial statements in accordance with the applicable accounting standard, including the Statement of Financial Position, Statement of Activities, Statement of Cash Flows, and Statement of Changes in Net Assets. However, certain aspects still require improvement, particularly the separate presentation of the Statement of Activities and the Statement of Changes in Net Assets to achieve full compliance with ISAK 35. Such improvements are expected to enhance the quality, comparability, and usefulness of financial information for donors, regulators, and other stakeholders. From a theoretical perspective, this study reinforces accountability theory, which emphasizes that non-profit organizations have an obligation to account for the management of entrusted resources through reliable financial reporting and effective internal control systems. The findings also support transparency theory, which highlights the importance of information disclosure in fostering public trust and organizational legitimacy. Therefore, the implementation of ISAK 35 serves not only as a financial reporting standard but also as an essential instrument for strengthening good governance practices within religious non-profit organizations.

Practically, this study provides valuable insights into best practices for implementing accountability, transparency, and ISAK 35 in mosque financial management, which may serve as a reference for other mosques and non-profit organizations. The findings further suggest important policy implications. Mosque administrators should continuously improve the competence of human resources in accounting and financial reporting, refine the presentation of financial statements in accordance with ISAK 35, and strengthen internal control mechanisms to enhance financial accountability and transparency. Furthermore, regulators and organizations responsible for mosque development are encouraged to provide continuous guidance, technical assistance, and training on the implementation of ISAK 35 to promote standardized and high-quality financial reporting across religious non-profit institutions.

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