

The Effect of Internal Control, Information Technology and Audit on Good Amil Governance Practices:
Evidence from BAZNAS Kalimantan, Indonesia

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ABSTRACT

This study aims to investigate the effect of the implementation of internal control, the use of information technology and audit on good amil governance. The respondents are the chairman and amil (employees) of the National Board of Zakat of South Kalimantan. This research employs explanative approach using questionnaires as the data collection technique. A Structural Equation Modeling (SEM) with the SmartPLS 3 software is used to analyse the data. This study finds that the variables of internal control, information technology, and audit have significant and positive impact on good amil governance.

Keyword: internal control, information technology, audit, good amil governance.

INTRODUCTION

Zakat is one of the pillars of Islam that must be performed by all Muslims. One of the benefits of zakat is to help the receiver of zakat (mustahik) to live in a better life. Zakat is not only a matter for the zakat payer (muzakki), but also for the government as the ruler by recruiting the person who fulfills the requirements of amil, as ordered by QS At-Taubah: 60. It is explained in this verse that in order to allocate zakat

funds to the recipients of zakat (mustahik), 'amil is appointed.

The organization of zakat is so important given its success in history in overcoming the poverty (Muhammad & Abubakar, 2011). Therefore, the organization of zakat plays an important role in the continuity of zakat in managing the people's funds. Indonesia has significant potential regarding zakat given its 87.18% of the total population of Indonesia is Muslim (BPS, 2010). The potential of zakat that has been measured by previous works as follows:

Table 1. The Potential of Zakat

Researches	Results
Monzer Kahf (1989)	The potential of <i>zakat</i> in Indonesia was about 1-2 % PDB
PBB and UIN Syarif Hidayatullah (2004)	The potential of Indonesian Islamic Philanthropy Rp 19.3 Billion (0.8 % from PDB 2004)
PIRAC (Suryandari, 2015)	The potential of <i>zakat</i> in Indonesia was Rp 9.09 Billion
BAZNAS-IRTI IsDB/ Firdaus et. al (2012)	The Potential of Indonesian National Zakat was up to Rp. 217 billion (3.4 % from PDB 2010)
PEBS FEB UI (2015) in Kasri, 2018b	The potential of Indonesian zakat in 2010 reached IDR 106.6 Trillion (1.7% of 2010 GDP)

Researches	Results
PUSKAS BAZNAS	The potential for Indonesian zakat in 2017 is Rp.233, 8 trillion (1.72% of 2017 GDP)

Source: BAZNAS Center of Strategic Studies (2019).

Table 1 shows the summary of researches on the potential of zakat in Indonesia. It is projected up to 2.4 of GDP is found as the potential. The following is the number of zakat institution which consists of BAZNAS and LAZ (private zakat institutions).

The development of zakat organizations seems to be unequal with the interest of the community to pay zakat through an official organization (Daulay & Lubis, 2015). The recent practice of zakat has been found to be performed traditionally, which is distributed to the *mustahik* directly (Ascarya & Yumanita, 2018). In consequence, the non-optimal management of zakat so that the realization of the collection had not been maximal yet (Ascarya & Yumanita, 2018).

Table 2. Zakat Management Organizations Based on Level

No.	Level of OPZ	Description
1.	BAZNAS	1 OPZ
2.	BAZNAS in Province	34 OPZ were spreaded in 34 provinces
3.	BAZNAS in Regency/city	456 OPZ that had the chief's consideration
4.	National Private Zakat Institutions (LAZ)	81 OPZ consisted of 26 OPZ of National scale, 18 provincial scale and 37 regional/local scale

Source : The Documentation and Information of Manager of BAZNAS (2020).

Table 3. Funds Collection Based on Zakat Management Organization Level

No.	Level of OPZ	Collection Total Amount (Rp)	Distribution Total Amount (Rp)
1.	BAZNAS	296.234.308.349	270.716.950.765
2.	BAZNAS in Province	583.919.722.674	481.796.534.289
3.	BAZNAS in Regency/city	3.539.980.546.674	2.586.872.720.039
4.	National Private Zakat Institutions (LAZ)	2.078.865.243.749	1.828.961.140.910

Source : The Documentation and Information of Manager (PID) BAZNAS (2020).

The data in Table 3 is supported further by Canggi, Fikriyah, & Yasin (2017). They explained that the potential and realization of *zakat* in Indonesia from 2011 to 2015 experienced an improvement in line with the number of populations that already had obligation in paying *zakat*, and also in line with income per capita.

However, based on the information in Table 3, each zakat potential in Indonesia is not supported with the realization of zakat collection. If it is seen from the actual data of collection of national ZIS by OPZ in 2016, it reached Rp 5 trillion. It means the realization was quite far from the potential.

Indeed, many factors were not optimal yet for zakat collection in Indonesia. According to the study of PEBS UI (2011), there at least three factors causes of non-optimal zakat collection. *First*, insignificant level of awareness of muzaki to pay zakat, and low public trust on zakat management organization. *Second*, zakat that is recently collected is primarily from a certain types of zakat. *Third*, the incentive that was still low for zakat payer to pay zakat. According to Huda, Anggraini, Mardoni, & Rini, (2014), the main issue of zakat management is the insignificant role of Ministry of religious affairs. The focus of Ministry on zakat seems to focus on *hajj* fund management.

Furthermore, according to Alam (2018), not all of zakat institutions record good planning functions and patterns of integration and coordination among zakat collection organizations. He explained the non-optimal zakat management, infaq, and other religious social funds (DSKL) due to lack of synergy. Chotif, Yuswadi, & Wahyudi (2018) further explained the implementation of five principles of good *amil* governance in zakat institutions is still not optimal due to the followings.

- a. Lack of quality and quantity of human resources.
- b. Lack of public support, especially Muslims in rural areas.

Problem Statement

The aspects of transparency, accountability, compliance, justice, *maslahah*, and *syariah* are deemed necessary for implementation in zakat institution. To optimize the management of zakat is affected by the quality of the management of the zakat organization. The implementation of the

principles of good governance is practically important to ensure that ZIS funds from the community have been distributed optimally. By implementing Good Governance, it could assess the quality of governance (Permana & Baehaqi, 2018).

In order to mitigate the problem, good *amil* governance was established. To practice good *amil* governance, it is necessary to implement internal control, where the internal control helps the organization to achieve its goals efficiently. To improve public trust, *amil* must focus on improving the quality of financial statement by improving the effectiveness of internal control systems and *Amil*'s competence, so that the realization of *amil* can be maximized (Naz'aina, 2015). Based on the research of Amalia (2017), it suggested several recommendations:

- a. The Government must develop *syariah* governance standards for zakat institutions in Indonesia;
- b. The need to design guidelines for financial statement standards, *syariah* monitoring system, and *syariah* financial system audit;
- c. The maintenance of the competence of human resources in managing Zakat;
- d. The government is expected to maintain its role in developing, controlling, and monitoring zakat management in Indonesia.

According to Marliyati (2017), the weaknesses in compliance with internal control are the separation of accounting functions, authority holding, job rotation, the availability of separated special accounting divisions, and internal monitoring. Therefore, internal control plays a crucial thing to achieve good governance.

This research samples BAZNAS in South Kalimantan. There are 13

BAZNAS offices in the districts of this province. BAZNAS of South Kalimantan had received Provincial BAZNAS with the Best Annual Reports, Provincial Governments Supporting Zakat Awakening in 2019, and Provincial BAZNAS with the Best ZIS Distribution and Provincial BAZNAS with the Best Reports of 2018. Moreover, taking into account the zakat collected by BAZNAS in South Kalimantan has shown an improved performance every year.

Based on the urgency of the research and the framework above, this research thus investigates and analyzes the effect of the implementation of internal control, the implementation of information technology and the implementation of audits on the implementation of good amil governance in BAZNAS South Kalimantan, Indonesia.

LITERATURE REVIEW

Zakat organizations must be managed operationally in accordance with Islamic syariah, trusteeship, the benefit of integrated legal certainty and accountability. Doing so is to improve the effectiveness and efficiency of services in managing Zakat towards good corporate governance (corporate governance). A strategy to build a strong foundation in terms of improving Human Resources, innovation in product development, harmonization of regulations on the use of information technology, may be further implemented to improve institutional accountability (Lubis & Latifah, 2019).

Millennials who used digital platforms that facilitated the payment of Zakat by targeting millennials who were aware of the obligation to pay Zakat. It is expected that the realization of the

collection and trust of the payers improved so that the potential for Zakat could be optimized (Akbar & Handriani, 2018). According to Rusydiana & Firmansyah (2017), there are five basic principles on the principle of Zakat Core Principle (ZCP). They are;

- a. regulations,
- b. monitoring of the collection
- c. management of disbursement,
- d. risk management and audit
- e. transparency.

The first priority was to arrange audits and transparency. The results of the national survey of UIN Syarif Hidayatullah Jakarta stated that 97% of the people demanded zakat organizations to work in an accountable and transparent manner. Moreover 90% of them requested an easy access to manage funds, 90% of them requested the publication of mass media financial statements (Rahman, 2015).

BAZNAS Regulation Number 2 of 2016 explained public accountant audit in zakat administration. In compiling the OPZ financial statements referring to PSAK109, if the zakat collection organizations had not implemented PSAK109, then they could not be audited. PSAK109 is an accounting of *Zakat* and *Infak* or *sedekah* issued by the Syariah Accounting Standards Board of the Indonesian Accountant Association (DSAS IAI) on April 6, 2010. It forms a standard governing the recognition, measurement, presentation, and disclosure of zakat and infaq or sedekah transactions. This audit process is one of the steps to make information more transparent. In turn, *muzakkis* increase their trust and thus paying zakat through zakat organizations.

Effective Zakat Management

Effective *zakat* management does not only rely on the intention, but also needs to use the principles of good governance as the basis. Good *zakat* governance depends on the principles of Good Organization Governance (GOG). Good *zakat* governance institution is one of the reasons for the success of *zakat* management. Regulations, as well as work plans and strategic plans, will make Amil get better understanding on the tasks and the main goals of *zakat*. Good *zakat* governance institution will also build public trust to pay *zakat* through *zakat* institutions. (Sari, Anggraini, & Zaenardi, 2020)

According to Fitrah, Triyuwono, & Adib, (2017), the success of *zakat* management lies on the professional amil. It shows that several criteria of amil's human resources are required so that professional implementation of *zakat* can be carried out. Professional indicator in the context of *zakat* management is the understanding on *zakat* law. *Zakat* Core Principles (ZCP) is a document that contains 18 principles regulating 6 (six) main aspects or dimensions of *zakat* management. According to Beik et al (2016), these six dimensions are legal basis, *zakat* supervision, *zakat* governance, intermediation function, risk management and syariah compliance.

Zakat Core Principles (ZCP) section eight describes *zakat* governance that is important for *zakat* supervisory authorities to establish governance framework for *zakat* institution. Section eight is Good Amil Governance that is an important aspect for *zakat* supervisory authorities to ensure good *zakat* governance behavior through code of ethics, fit and proper test, and composition of *zakat* board.

According to Chotif, Yuswadi, & Wahyudi (2018), the implementation of five principles of good amil governance is non-optimal implementation of good amil governance that is supported by few factors of unprofessional amil governance in its management, the lack of quality and quantity of human resources in each amil institution, the lack of public support especially Muslim in the village. According to Ascarya & Yumanita (2018), the main problem in public cluster is the habit of people who pay *zakat* directly, while they are unsure that OPZ can reach mustahik. The level of literacy or public understanding on *zakat* has become an important issue in the implementation of *zakat* management where public's understanding level regarding basic knowledge of *zakat* nationally is categorized as average but public understanding regarding the aspect of *zakat* management in official *zakat* management institution is still low (Siaran Pers Pemetaan Tingkat Literasi *Zakat* Dan Wakaf Nasional: Pendekatan Indeks Literasi *Zakat* Dan Wakaf : 2020)

It is proven that *Zakat* Literacy Index Score in the region of Kalimantan on average the level of public knowledge in the region of Kalimantan on *zakat* management in official *zakat* institution is still low. The result of survey shows that 53% of the people in the region of Kalimantan prefers to pay their *zakat* directly to mustahik and through Masjid/Mushola. (Saoqi, Rarasosta, Farchatunnisa, Choirin, & Zaenal, 2020). The result of measuring the level of understanding of people in South Kalimantan, *Zakat* Literacy Index Score gets score of 66.10 that is categorized as moderate level in the category of literacy, but it is still slightly below national average.

However, the understanding regarding the object of zakat, regulation of zakat, and zakat distribution programs get score less than 60 that is categorized as low. (Pusat Kajian Stragegis Badan Amil Zakat Nasional, 2020).

The results of zakat behavior in South Kalimantan indicates that there are still many respondents (50%) that pay zakat to the institutions other than official institution both to mustahik and to mosque. The result from this study supports the result of the research that is conducted by Ascarya & Yumanita, 2018 that explained that the main problem of management and governance because general viewpoint that zakat fund is only managed informally because zakat activity is categorized as social activity so that it does not need to be managed professionally, credibly, and and transparently so that it causes the lack of collection of zakat in official zakat institution. Therefore, the solution that is explained by Ascarya & Yumanita, (2018), because this problem is the main problem of Internal OPZ should be transformed from social-informal organization mindset into professional, credible, accountable and transparent organization, although it handles not-for-profit Islamic social profit.

To ensure that BAZNAS could perform well to achieve its objectives, good governance is needed. In Irman Firmansyah and Abrista Devi's research entitled "The Implementation Strategies of Good Corporate Governance for Zakat in Indonesia", it explains four main principles. They are transparency (reporting transparency, distribution of Zakat and knowledge in deciding), accountability (effectiveness of internal control, performance assessment, and amil compliance competence), responsibilities (work compliance, SOP

and Islamic), and justice prioritizing common interests and equal treatment for all stakeholders).

The research that was conducted by Amalia (2017), provided some recommendations that were first, the government should develop syariah governance standard for zakat institution in Indonesia; Second, the design of the guidelines of standardized of financial statement is needed, syariah supervision system, and syariah system of financial audit; Third, the competence of human resources in managing zakat needs to be maintained; Fourth, the government is expected to maintain his role in developing, handling, and supervising zakat management in Indonesia.

Indeks Zakat Nasional (IZN) is a measuring tool in the form of multiple indices that has aim to evaluate the performance of zakat institution. The value IZN Indonesia in 2019 was 0,62 or has been categorized as good. (Sari, Anggraini, & Zaenardi, 2020). In general, the increase of the value of IZN became one of indications that the performance of zakat management nationally has developed to be better (Pusat Kajian Strategis - Badan Amil Zakat Nasional , 2020)

In the book of *Indeks Zakat Nasional 2019* in the Region II of Kalimantan, it was explained the value of IZN in South Kalimantan was 0.76 and categorized as good on organized zakat management. Zakat management that was mentioned above including the evaluation of the support from Government or Regional Head for the progress of zakat under his leadership, in addition to the institutional assessment on each OPZ. The value of IZN that is obtained by BAZNAS of Sout Kalimantan showed that the performance of zakat institution in this

region has been good. Nevertheless, there were still few things that could be carried out to fix the imperfection so that it could encourage zakat institution to be more optimal in carrying out zakat activities.

It is in line with the research result of Manguns, (2010) about the importance of the implementation of *good governance* on non-profit organization. One of organizational pillars that must be implemented in term of creating good zakat governance and improving the performance of zakat collector organization was by designing and implementing internal control. Internal control, especially for zakat collector organization was a media that facilitated the interest of muzaki, and amil. The research of Rullan, (2014) indicated that there was a potential that muzaki was unsure with zakat collector organization. One of the steps to improve muzaki's trust in Indonesia was through zakat amil institution, by implementing the system of internal control.

Many factors affected the implementation of good amil governance, including the implementation of internal control (Fadila, Maemunah, Hernawati, & Kuntorini, 2018). To improve public trust, Amil must focus on improving the quality of financial record by improving the effectiveness of internal control systems and Amil's competence, so that the realization of amil could be maximized (Naz'aina, 2015). Meanwhile, according to Surastiani and Handayani, the use of information technology improves the ability to manage finances and share financial information with public services (Surastiani & Handayani, 2015).

In Megawati (2018), the three audit themes, such as internal audit,

external audit, and Islamic audit, are explained. The results of the study described the importance of internal auditors in the management of zakat. In the case of BAZNAS Pekanbaru, the existence of an internal auditor was still temporary. The existence of internal auditors was a good step in the process of external auditing of zakat management institutions to face several challenges while waiting for technical regulations on Islamic audits from the ministry of religion. The implementation of Islamic audit as an internal control in zakat management institutions was sufficient; if the zakat management agency components were met, such as transparency, trustworthiness, professionalism, and implementing accountability in its operational system.

That is, it means that the institution has to implement internal control through Islamic audit activities. Some researchers had conducted good amil governance topics. But there were some differences in this study. The first difference could be seen from this research model, where this research used more independent variables and more varies than the previous researches, including internal control, information technology, and auditing. The second difference was the research regarding good amil governance was still rare to be conducted in zakat institutions, especially in South Kalimantan, Indonesia.

RESEARCH METHOD

This research was classified as exploratory research because it explained the causal correlation among the variables (Cooper & S. Schindler, 2006). This study used quantitative and qualitative methods. Quantitative data

was analyzed using SEM 30. On the other side, the result of SEM 30 was described qualitatively. In this research, the target population was the BAZNAS of South Kalimantan, consisting of one provincial BAZNAS and thirteen BAZNAS Districts or Cities. The sampling technique was Proportional Stratified Random Sample. The object of this research was BAZNAS, which has published financial statements since 2016.

Furthermore, the determined respondents were the chief, deputy, and executive. The data needed in this study were primary and secondary. To obtain primary data, the methods used in research to obtain these data were interviews and questionnaires. The determined respondents were the chief and amil who had worked since 2016. The data analysis methods used in this study were descriptive analysis method. Structural Equation Modeling (SEM) with SmartPLS software was used. Data processing was carried out after the validity and reliability of the questionnaire.

RESULTS AND DISCUSSION

Test Results of Research Instrument

A variable was categorized as reliable if it had a Cronbach Alpha value > 0.70 (Nunnally, 1994). The results of the reliability test that had been done showed that the questionnaire of the four variables studied had a value of more than 0.70, it meant that the research instrument used to measure the variables of this study could be categorized as reliable so that the questionnaire could be used for further analysis.

Table 3. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha based on Standardized Items	N of Items
0,926	0,929	19

Source: Author's Data Results (2020).

The validity test was done by comparing the value of r arithmetic with r table for the degree of freedom (df) $n = n - 2$, n was the number of samples. In this research, the number of samples was 30. The value of $df = 30 - 2 = 28$ with $df = 68$ and $\alpha = 0.05$ it was obtained that r -table = 0.3610; it meant that if the r count obtained $> r$ -table (0.3610) it could be concluded that all questionnaire questions were valid.

Description of Respondents' Characteristics

A total of 33 questionnaires were collected, and 3 questionnaires were not included because the respondents were still in the status of the volunteer. The total respondents who were eligible and included in the sample criteria for analysis were 30. Characteristics of respondents by gender, male respondents were 25 people or 83%, while women were 5 people or 17%. Characteristics of respondents based on age were divided into four groups: 20-30 years, 30-40 years, 40-50 years, and over 50 years. The distribution of the questionnaire obtained that the age group of 20-30 years was 27%, the age group of 30-40 was 10%, the age group of 40-50 was 7%, and the age group over 50 years was 57%.

Based on the level of education, most of the respondents had a bachelor's degree by 67% followed by master's degree by 17%. The high school graduates or the equivalent is 13% and diploma graduates is 3%. The

characteristics of respondents based on dominating positions were the chiefs by 60%, and 40% were amil.

Data analysis results

In SEM models, the analysis could be divided into two stages: the

measurement model and the structural analysis model. The purpose of conducting a measurement model was to determine how strong the manifest variables described by each exogenous and endogenous latent variable.

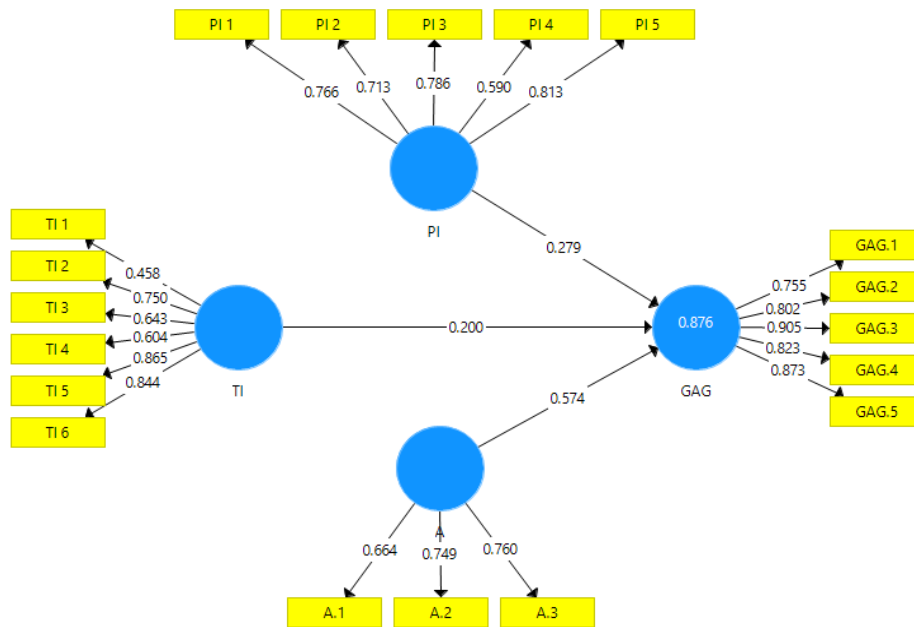


Figure 1. Output Results of Outer Loading Measurement Models

Source: Author’s Data Result (2020)

The test of outer loading aimed to find out the correlation between score item or indicator with construct scores. The indicator was considered reliable if it had a correlation value above 0.70. However, according to the scale development research stage, loading 0.50 to 0.60 was still acceptable. The outer loading value of the variables of internal control, information technology, and audit showed the outer model value or the correlation with all the variables already met convergent validity. Where the value of the outer loading of internal control with indicators had a correlation value above 0.5, it means that all indicators of internal control variables, information

technology, and audits used to determine the effect on good amil governance could be accepted.

Table 4. Discriminant validity

Variables	Average Variance Extraced (AVE)	Criteria of fornell-Larcker
PI	0.545	0.738
TI	0.502	0.708
A	0.529	0.726
GAG	0.694	0.833

Source: Author’s data results (2020)

From the table above, it could be concluded that the root of the AVE construct GAG was $0.833\sqrt{0.694}$ it was

higher than the correlation among the other constructs. Whereas the PI construct was $0.738\sqrt{0.545}$ it was higher than the Audit construct of $0.726\sqrt{0.529}$ and the IT construct was $0.708\sqrt{0.502}$. So, all of the constructs in the estimated model met the discriminant validity criteria.

Table 5. Composite Reliability

	Cronbach's Alpha	Composite Reliability
PI	0.789	0.855
TI	0.787	0.853
A	0.549	0.769
GAG	0.888	0.919

Source: Author's data results (2020)

Based on the composite reliability value table, it showed the value was above 0.5 so that this variable could be categorized as quite reliable. Furthermore, from table 5, it could be seen that all latent variables in this

study had composite reliability value was above 0.5, and Cronbach's Alpha was above 0.5. It could be defined that the variables used were reliable. This showed that the indicators used in the study had good consistency to measure the latent variables.

The test on structural models was carried out by taking into account R-square, which was a goodness fit model test. The effect model of PI, TI, A on GAG had R-Square value of 0.876, which could be interpreted that the construct variables of GAG that could be explained by the construct variable of PI, TI, A were 87.6% and 12.4% explained by other variables in addition to the variables being studied. Furthermore, the structural model analysis was also carried out to analyze and discuss the effect of latent-exogenous variables on latent-endogenous variables as follows:

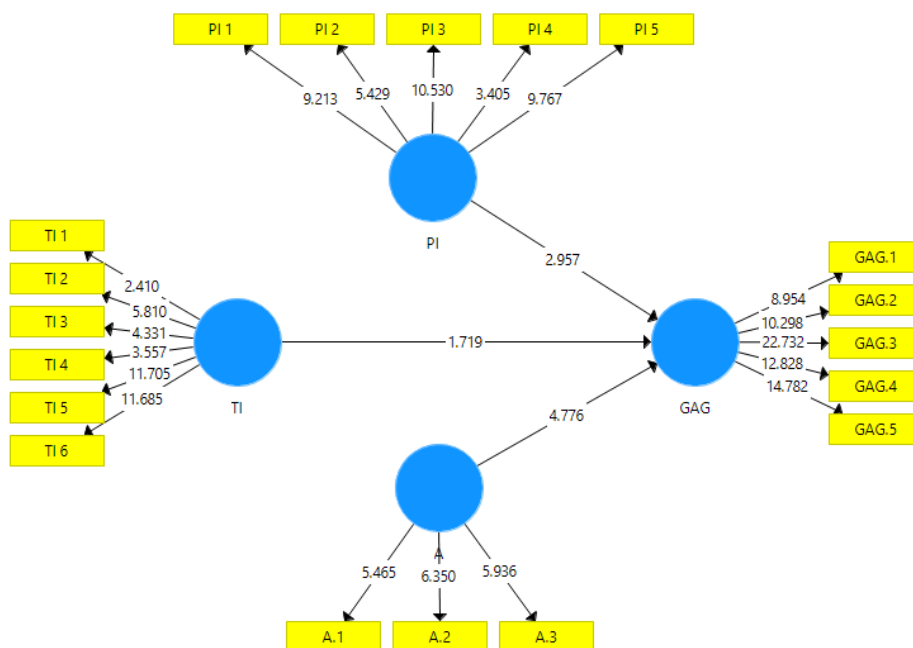


Figure 2. Bootstrapping Results

Source: Author's Data Result (2020)

Analysis of the effect of internal control on good amil governance

Table 6 explains that internal control had a significant and positive effect on good amil governance with P-Value of 0.003. The internal control of the coefficient was positive at 0.279. It means that the better the internal control, the better the implementation of good amil governance. Furthermore, the t-statistic was 2,957 because it had a value bigger than > 1,645. It shows that internal control had a significant effect on the implementation of good amil governance. The internal control

implementation variable directly contributed to the effect of good amil governance so that the hypothesis was accepted.

The statistical test results were in accordance with the researcher's hypothesis that the implementation of internal control was getting better. The implementation of good amil governance tended to improve. The test outputs that had been carried out proved a significant and positive effect on the implementation of internal control on good amil governance.

Table 6. Results of Structural Model Analysis

	Coeff	t-statistics	P-Value	Effect	Hypothesis results
<i>PI → GAG</i>	0.279	2.957	0.003	Positive Significant	Accepted
<i>TI → GAG</i>	0.200	1.719	0.086	Positive Significant	Accepted
<i>A → GAG</i>	0.574	4.776	0.000	Positive Significant	Accepted

Source: Author's Data Results (2020).

This research result was supported by the research result of Erni Suryandari F (2015). This research result was also supported by the result of Sri Fadilah, et al who found that the implementation of internal control gave the biggest contribution to good governance compared to the implementation of organizational culture, the implementation of total quality management.

Analysis of the effect of information technology on good amil governance

Table 6 explains that information technology had a significant and positive effect on good amil governance with P-Value of 0.086. The coefficient of information technology was positive at 0.200, which meant that the better the information technology, the better the implementation of GAG. Furthermore, the t-statistic value was 1,719 because it

had a bigger value than > 1,645. It shows that information technology had a significant effect on the implementation of good amil governance. The information technology implementation variable directly contributed to the effect of good amil governance so that the hypothesis was accepted.

The statistical test result was in accordance with the researcher's hypothesis that the better implementation of information technology, the better the implementation of good amil governance. The test outputs that had been carried out proved a significant effect on the implementation of information technology on good amil governance.

This research was supported by the research result from Lestari, Pratiwi,

& Ulfah, (2015) entitled "Identification of organizational factors in the development of "E-Governance" in zakat management organizations." This research was conducted at zakat management organization in Banyumas Regency with the interview and focus group discussion (FGD). The research resulted in one of the strategies that could be implemented to zakat management organizations to achieve organizational goals: developing e-governance that used information and communication technology (ICTs) to improve the management of zakat managers.

Furthermore, this research was supported by the result of research conducted by Lubis & Latifah (2019), which stated that the implementation of information technology to improve institutional governance nationally was expected to be more effective and efficient and decrease the gap between revenue and distribution.

Analysis of the effect of audits on good amil governance

Table 6 explains that the audit had a significant and positive effect on good amil governance with a P-Value of 0,000. The coefficient of the audit was positive at 0.574, which meant the better the audit, the better the implementation of GAG. Furthermore, the t-statistic value of 4.776 had a bigger value than > 1.645 , indicating that audit had a significant effect on implementing good amil governance. The audit implementation variable directly contributed to the effect of good amil governance so that the hypothesis was accepted.

The statistical test result was in accordance with the researcher's hypothesis that the better the audit implementation, the better the

implementation of good amil governance. This finding was supported by Megawati (2018). She performed research titled "The implementation of audits in zakat institutions in the case studies of BAZNAS Riau and Pekanbaru." The result stated that the zakat manager emphasized the importance of internal, external, and syariah audit from the Ministry of Religion. This research stated that the audit contributed to better governance for zakat management institutions so that the Muslims' trust improved.

Furthermore, according to Ardi & Rahayu (2018), the implementation of syariah audit shows a positive and strong correlation of sharia audit practices in improving public trust. In this case, it was muzaki to perform zakat in the official institutions to be distributed to *mustahiq*.

CONCLUSION

The results show that the variables of internal control, information technology, and auditing affect good amil governance. The implementation of internal control has a significant and positive effect on good amil governance in BAZNAS. The better internal control, the better the implementation of good amil governance. Moreover, the use of information technology has a significant and positive effect on good governance in BAZNAS. The better the use of information technology, the better the implementation of good amil governance.

Furthermore, the audit has a significant and positive effect on good amil governance in BAZNAS. The better the audit, the better the implementation of good amil governance. Therefore, to improve the implementation of good governance in

the BAZNAS institution in South Kalimantan, it is necessary to improve internal control, update information technology, and improve audits. Based on the results of this research, the researcher provides some suggestions;

- a. Local BAZNAS should coordinate with the head office of BAZNAS and the local Government in increasing the collection and service of *mustahik*, and BAZNAS should conduct socialization with the companies in its area.
- b. Local BAZNAS to improve the empowerment of *mustahiq* in productive and innovative businesses and to provide guidance and monitoring to *mustahiq* who gets benefits.
- c. Local BAZNAS is recommended to improve information technology such as social media, websites, and muzaki consultation services to improve muzaki's trust.
- d. Local BAZNAS is suggested to evaluate SIMBA-based zakat management.

This research has several limitations. First, the variables that are being examined are only internal control, information technology, auditing, and good amil governance. Second, the object of this research is only conducted BAZNAS South Kalimantan. The finding does not adequately describe the situations and conditions of the management of BAZNAS in other areas.

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