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by Saparuddin Siregar-14

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Record Tracks of Islamic Accounting Thought according to Sofyan Safri Harahap and Iwan Triwuyono

Ismail¹⁾, Saparuddin Siregar²⁾, Azhari Akmal Tarigan³⁾

^{1,2,3} Faculty of Economics an Islamic Bussiness, UIN Sumatera Utara Medan

*Correspondence email: ismail08231994@gmail.com

Abstract

In life, muamalah activities are an interaction in maintaining the teachings contained in the Qur'an, Islam always teaches how to be responsible and how to do justice in muamalah, especially in recording and managing finances and assets. This study seeks to explore how the thoughts of two Indonesian accounting figures, Sofyan Safri Harahap and Iwan Triwuyono, in applying records that are in accordance with Islamic principles and teachings by referring to several articles published on Google Scholar. The results of this study reveal that there are some similarities in perceptions and thoughts in the philosophical basis of thinking about Islamic accounting, especially on the basis of the philosophy of monotheism then Islamic accounting plays an important role in being responsible and fostering an attitude of justice in recording, especially in Islamic financial institutions that are widely operating today.

Keywords: Sharia Accounting, Sofyan Safri Harahap, Iwan Triwuyono

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1. INTRODUCTION

Economic activities are activities that cannot be separated from life, the processes that occur such as exchange, buying and selling and recording transactions are certainly an activity that cannot be avoided. The transaction activity is a fulfillment of the necessities of life, so Islam as a universal religion has regulated all activities and all aspects of Islamic life (Azhari Akmal Trg, Ismail, 2021).

So far, we know accounting as conventional accounting applied by capitalists. This conventional accounting for centuries has mushroomed in countries around the world and has complemented the world economic system without us knowing it. Accounting in history that Luca Pacioli is a figure who invented double-entry bookkeeping . Accounting is not a new thing for the Islamic world. Accounting is a scientific heritage based on the Koran which was actualized by the Prophet Muhammad and the peak of the implementation of accounting books during the Caliph Umar Bin Khattab. This already implies that accounting has been known for a long time before the

emergence of Luca Pacioli. The arrival of Islamic financial institutions, to build and reform.

According to (Hasnidar, 2017) Islamic accounting where the formulation of shari'ah accounting must remember Islamic principles and therefore principles, concepts, accounting, and financial reporting must be consistent with shari'ah. Philosophical-theoretical sharia accounting, emphasizes the development of sharia accounting theory based on pure Islamic philosophical values. If this pure sharia accounting theory has been formed, then from this theoretical concept it is derived into practice that is accommodated in the form of sharia accounting standards. And on practical needs, it is directed at the practical needs of the business world based on deep sharia values.

According to Quraish Shibah in (Kanji & Pagalung, 2020) Islamic accounting has become a fairly interesting discourse since around the 1980s. This seems to be triggered more by the existence of various financial institutions that are trying to build themselves based on Islamic sharia. The discourse and

development of Islamic accounting started from the realization that accounting is a tool in business. Accounting when viewed from its historical aspect, is not a new branch of science, it has been born thousands of years ago. There are two levels of development of Islamic accounting. First, at a certain level, namely banking that is operated in accordance with sharia, and second, at a more general level, not limited to sharia financial institutions.

The results of the study (Olivia, 2016) state that the concept of Islamic accounting was much earlier than the concept of conventional accounting, and even Islam has created a series of beliefs that conventional accounting experts have not thought of. As happened also in various other scientific studies. Accounting is part of muamalah activities in Islamic studies. This means that it is left to the ability of the human mind to develop it.

Islamic accounting was developed not only in a "patchwork" way against conventional accounting, however, it was a philosophical development of the values of the Qur'an which was revealed to the theoretical and technical thinking of accounting. Therefore, substantively sharia accounting is humanist, emancipatory, transcendental and theological. The further development of accounting is not only considered as a universal science and technology that is value-free. However, accounting is a historical product that reflects the culture in which accounting is carried out. In other words, sharia accounting is a universal science and technology that grows and develops in accordance with changes that occur in its environment, whether social, economic, political, legislation, culture, perceptions and values (society) where sharia accounting is applied (Kanji & Pagalung, 2020).

The emergence of Islamic Accounting itself is because Conventional Accounting has problems. Conventional Accounting Practices originating in the West have accountability only to humans. The principles applied are very different from Islamic Accounting, where the value of truth, and justice and accountability to Allah are highly prioritized. Sofyan Syafri Harahap wrote, from the beginning of its history to the twentieth century, financial statements were still said to be true. However, in the end, the financial statements are no longer said to be true, but the terms are used fairly, properly or fairly stated. This situation shows

that conventional accounting with its various instruments and characteristics feels unable to guarantee the "truth" of the accounting output (Paulo, 2019).

From some of the explanations above, the existence of sharia accounting itself is very important in carrying out sharia principles as outlined in the Koran and Sunnah and not only adopting conventional accounting concepts but forming a concept that is very in accordance with Islamic teachings. Islamic accounting must also be able to guarantee that the information compiled or presented must be correct and free from elements of fraud or injustice, free from partiality to certain interests. The information provided must be transparent, tested, and can be accounted for in the hereafter. Knowledge of Islam is absolutely necessary to see accounting in an Islamic perspective. So in the following, the author will try to explore two thoughts of Islamic Accounting figures in Indonesia, namely Sofyan Safri Harahap and Iwan Triwuyono referring to several journal articles published on Google Scholar.

2. RESEARCH METHODS

The method used in this research is descriptive qualitative. Revealing two thoughts of figures in Indonesia, namely Sofyan Safri Harapan and Iwan Triwuyono by telling how the concept of accounting thinking is in accordance with sharia principles. this type of research is a literature study, according to research conducted by (Soemitra et al., 2021) this literature research is carried out to find, analyze, make interpretations and generalizations from the facts of thought, ideas that have been written and set forth in articles, published theses, theses and dissertations and also the data sources in this study are secondary data sources. secondary, namely literature consisting of books, journals, research papers that have relevance and support from this research.

3. RESULTS AND DISCUSSION

3.1. Biography of Sofyan Safri Harahap

Born in 1992 in South Tapanuli on 23 November 1956 and died on 2 February 2012 the late Sofyan Safri Harahap closed his age at the age of 55 years. His wife is named nirmawati and has five children (Riyansyah, 2017). He is a former Commissioner of Bank Syariah Mandiri, Expert Team for Development of Bank Indonesia Syariah Banking. Chairman of the Sharia Board of PT. Tugu Pratama Indonesia, Editor

in Chief of The Indonesia Management and Accounting Research Journal with Lee Parker, Ahmed Riahi Belkaoui, Sue Llewellyn, and Malik Mirza. Also Editor in Chief Media Research in Accounting, Auditing and Information. Economic Research Media and Business and Management Research Media. Editor in Chief of Sharia Economics Magazine. Adhoc reviewer Accounting, Auditing and Accountability Journal, AAAJ an The Journal of Human Resources Development (Yusuf, 2010).

Among the academics who have argued a lot about the importance of Islamic values in the economy is Sofyan Syafri Harahap. Of the 21 books he has written, almost all include Islamic and accounting values. Some have to highlight the issue of accounting and Islam, namely Towards the Formulation of Islamic Accounting Theory, Islamic Accounting, Accounting, Management and Supervision in an Islamic Perspective and Religious Elements in the Supervision System.

Graduated with Ph.D from the University of Adelaide, 1999, MSc in Accounting from the University of Illinois at Chicago, USA, has attended a short course in Accounting Theory and Information Systems at the University of Kentucky, Lexington, USA. Managing Partner of the Accounting Firm Sofyan Syafri and Partner, previously served as the leader of branch 1 audit Team Leader of several Accounting Firms. Has worked at Bank Muamalat Indonesia, Bank Duta, PT. Paya Pinang Plantation in Medan, President Director, Pinang Lestari, President Commissioner of PT BPR Bina Dana Makmur. Has taught at USU, UISU, HKBP Nommensen, UMA, IAIN Aljamiah Medan, YPK Accounting Academic, UMSU, and STIM Medan. Received Supersemar Scholarship, ADB, World Bank and Trisakti University (Sofyan Safri Harahap, 1992).

3.2. Biografi of Iwan Triuwuyono

Iwan Triuwono was born in Bangkalan, Madura on June 30, 1961. Madura is an island located across the northeast of the island of Java with the indigenous population of Madura, the majority being Muslim. He is the second of nine children of Muhammad Irsyad and Maisura. His father is known for having various skills, as an English teacher, songwriter artist, humanist, scriptwriter, and director of performing arts. Many Madurese songs have been composed, even in 1988, his father managed to write an interpretation of Yasin's letter in Madurese (Ramdhani & Kamil, 2019). Having the blood of his father who

has great interest in Islamic knowledge also played a role in the formation of Islamic reasoning in Iwan Triuwono. Actually, since I was still studying S1,

Iwan Triuwono is already interested in inserting Islamic values into accounting science (Sayunus, 2011). However, he got the opportunity when writing a dissertation at the University of Wollongong, Australia in 1995. His dissertation was entitled "Shari'ate Organization and Accounting: The Reflections of Self's Faith and Knowledge" and was recorded in 2000 under the title Sharia Organization and Accounting (Iwan Triuwono, 2016). This work became the seed for the birth of sharia accounting theory (SET) which was later outlined in his next work in 2006 with the title Sharia Accounting: Perspective, Methodology, and Theory. Based on his works, Iwan

Triuwono is determined to choose the path of education to spread his ideas²⁹. Supported by several opportunities to hold important positions in various universities and organizations in the field of economics and accounting, among others: Director of Postgraduate University of Muhammadiyah Malang (1997-2002), Dean of the Faculty of Economics, Trunojoyo University, Madura (2005-2009), Head of Study Program (KPS) S-2 and S-3 KPS at JAFEB UB, Central Management of IAI-KAPd as Coordinator of Education, ISEI Central Management and Head of IAI Malang Commissariat. In addition, his works have been distributed in various national and international seminars. As summarized by Suyunus (2011) there were 24 scientific publications during 1991-2006. The details: 4 articles published in the Indonesian Accounting & Auditing Journal, 2 articles published in Ulumul Qur'an, 2 articles published in the International Journal of Accounting and Business Society, 2 articles published in the Indonesian Accounting Research Journal, and 2 articles published in Gadjah Mada International Journal of Business, and the rest are published in other media (Sokarina, 2020).

3.3. Sofyan Safri Harahap Islamic Accounting Thoughts

Prof. Sofyan Syafri Harahap was born in South Tapanuli on November 23, 1956 and died on February 2, 2012. He closed his eyes at the age of 55. The late Sofyan Syafri had a wife named Mrs. Nirmawaty and has 5 (five) children.

Among the academics who have argued a lot about the importance of Islamic values in the economy is Sofyan Syafri Harahap. Of the 21 books he has written, almost all include Islamic and accounting

values. Some have to highlight the issue of accounting and Islam, namely Towards the Formulation of Islamic Accounting Theory, Islamic Accounting, Accounting, Management and Supervision in an Islamic Perspective and Religious Elements in the Supervision System (Sofyan Syafri Harahap, 2007).

The importance of recording in Islam is the beginning of the statement of justice that Islam has emphasized in the Qur'an Surah al-Baqarah 282 requires each of us to record all transaction activities, keep books, and not commit fraud. Capitalists claim that accounting was born by Lucas Pacioli but it is clear that through its history Islam first revealed the verse of the Koran that we alluded to earlier. However, capitalist accounting or what we know as conventional accounting has many weaknesses.

In (Batubara, 2019) harahap suggests that Islamic accounting must exist using a comparative method between the concepts of Islamic law that are relevant to accounting and the characteristics of contemporary accounting (in a comprehensive nuance) itself. So he concluded that Islamic values exist in accounting, and accounting exists in the structure of Islamic law, muamalat and history. According to him, both refer to the truth even though the level of quality and dimensions as well as the weight of the responsibility can be different. And also the emphasis on the aspect of responsibility and the aspect of decision making is different. Islam protects all stakeholders while capitalist accounting fulfills the interests of capital owners and secular capitalist ideology.

Research results from (Riyansyah, 2017) found Sofyan Syafri Harahap's thoughts on sharia accounting that the basic thing put forward was that conventional accounting had problems and weaknesses, it also proved the content of the Koran and Islamic scientists who first disclosed accounting compared to other sources. Lucas Pacioli.

Referring to (Sofyan Syafri Harahap, 2017) states that sharia accounting must refer to Islamic religious principles and applicable rules in accordance with the Koran and Sunnah. There are several steps offered in formulating the theory of sharia accounting principles, namely first, understanding capitalist accounting theory. Second, understand some of the opinions of experts regarding Islamic accounting. Third, mastering the concepts, sharia and philosophy as well as principles, principles of Islamic life. Fourth, reconstruct capitalist accounting theory into Islamic accounting theory. Fifth, testing the concept of

Islamic accounting by means of discussions, seminars, conferences, symposiums and hearings and finally testing the theory of Islamic accounting through Empirical Research.

Not only thinking about principles, he also stated that Islamic accounting exists and is very different from capitalist accounting. Islamic accounting is a system or means that must support the implementation of sharia, which supports efforts to increase piety to Allah SWT. In (Ahmad, 2021) Sofyan also explains that conventional accounting creates inequalities or impoverishes society because it only cares about the owners of capital. Whereas in Islam, sharia is intended for the welfare of the people in general. From there we want to illustrate that profit is not the only goal of a company but prosperity. There are more important things than profit or return on investment but also return on social entrepreneurship or the function of the company for the community. Sharia is a spring that provides coolness, which provides a way for humans to interact with nature and with the Creator. Sharia is God's rule given to humans as God's caliph in managing this nature so that we live in harmony in this world and be safe in the hereafter. Accounting in any form must be based on the Islamic philosophy of obeying and worshiping Allah SWT. not like capitalist accounting which only thinks about the interests and greed of the capitalist in hoarding wealth and considers it eternal and can solve all problems.

3.4. Iwan Triwuyono Islamic Accounting Thoughts

The birth of the Islamic accounting paradigm in concrete terms cannot be separated from the development of Islamic economic discourse that has occurred in recent years. M. Nejatullah Siddiqi, Umer Chapra, M. Mannan, Ahmad Khan, are familiar names who contributed their thoughts in the world of Islamic economics, especially in the contemporary era.

It is possible that some of the figures above greatly influenced Iwan Triwuyono's thinking as an Islamic accounting thinker at this time. According to Triyuwono in (Hasnidar, 2017) there are several weaknesses found in modern accounting, such as the nature of "egoism" which not only reflects in the form of private costs / benefits but is also seen in the orientation of accounting to report profits to the most interested parties, namely shareholders, which makes the information reek of "egoistic" nature. Management can exploit other people and nature. Management is reluctant to provide adequate

salaries for its employees, because with egoistic thoughts a high salary will increase the burden of wages and salaries. This high burden will reduce profits. Those are some examples of the weakness of modern accounting.

Iwan Triyuwono has a foundation of faith in the concept of monotheism. His theory explains further the concept of monotheism in the trilogy: *faith, knowledge and action*. The knowledge aspect describes faith in a humanist, emancipatory, transcendental, and teleological framework that aims to complete human tasks as khalifatullah fil ardh which is the goal of sharia accounting with full perseverance and love for accounting work because it is based on mahabbah to Allah SWT (Hadi, 2018).

In the results of the study (Alfia et al., 2018) As the main aspect of forming the value base of the theoretical framework of accounting, two important elements are attached to the goal. The two elements are elements of existence (existence) of accounting and (consequences) of epistemology. The existential existence of accounting is a reflection of the reality in which the objectives of accounting are embodied. While the epistemological element is an introduction that embodies the purpose of its existential (form). Criticizing these two elements means questioning the aspect of the goal

Then iwan stated in (Rahmaniar & Dahoir, 2017) Existing accounting implementation in financial institutions also has a very important role because as accounting objectives provide accurate and useful financial information through the services provided by accounting. The progress of an institution can be seen from the company's accounting process. If the accounting is structured properly and correctly, it can be ascertained that the activities of a financial institution can run effectively and efficiently, because of the control so that the objectives of a financial institution can be achieved. However, if the accounting within the institution does not run well, its business activities will be hampered, not running effectively and efficiently because the information produced is inaccurate, of course, the goals of financial institutions will be difficult to achieve. Therefore, a financial institution requires accounting for the smooth running of its business activities.

The author cites the results of this study through a thesis entitled *Iwan Triyuwono's Thoughts on Islamic Economic Institutional Accounting* that Iwan

Triyuwono's thoughts with his theory of shariah enterprise theory which include ownership theory, wealth theory and binary opposition synergy are very relevant to formulating theories that previously existed in theory. modern accounting. However, in practice it has not been able to be fully implemented in Islamic economic institutions. Due to industrial needs, if the sharia accounting concept that he put forward can be realized properly, then an organizational reality will be created with a network of divine power (Adelia, 2016).

According to Triyuwono in (Permatasari & Uswati Dewi, 2011) accounting is actually not completely free from value, actually accounting is a formation and reflection of the ideology and morals of society, thus accounting is also able to influence the civilization of a society. This can be seen in the knowledge that arises from accounting research. Several observations show that investors tend to avoid risk. Investors prefer companies whose performance is stable, which is reflected in non-fluctuating profits.

4. CONCLUSION

Sharia accounting is a science that practices human activities followed by accountability in the field of financial and asset management, it requires an attitude of justice and balance in its management as well as with the basic principles followed through the teachings of the Qur'an and Sunnah. There are some similarities in the thinking of Islamic accounting Iwan Triwuyono and Sofyan Safri Harahap where several aspects of Tawhid are the main keys in Sofyan Safri Harahap's and Iwan Triwuyono's thoughts through the teachings of the Koran and its principles, Sharia accounting can work by applying a strong justice system, the theory explains more about the concept monotheism in the trilogy: *faith, knowledge and action*. Then regarding accounting problems according to Sofyan Safri Harahap, the problems and weaknesses of conventional accounting lie in the teaching system that does not refer to the principles of the Koran, while Iwan states that the weakness of modern accounting is egoism which does not think about how accountability and justice apply. Not only that, Iwan also stated that the implementation of accounting in financial institutions also has a very important role because, as the goal, accounting provides accurate and useful financial information through the services provided by

accounting. Likewise, Sofyan Safri, please explain that regardless of the circumstances, Islamic accounting has an important role because all of its principles are based on Islamic philosophy, namely obeying the teachings of Allah, not like capitalist accounting, which prioritizes its own wealth by hoarding wealth and assuming that everything is eternal.

From the explanation above, the thoughts that are very and already heading to perfection according to the current author regarding sharia accounting are the two figures above who discuss a lot about sharia accounting, the author tries to find several articles published in several existing journals and there are still many thoughts that the author has not conveyed. In this case the thoughts of the two figures. There is nothing perfect in religious life and muamalah in this case only Allah alone is perfect, the teachings of the Islamic religion given through the Qur'an and Sunnah are very complete and appropriate to guide our lives.

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