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Islamic Education Financial Management: Accountability and Transparency Perspectives

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Abstract

This study aims to examine financial management practices through the analytical lenses of accountability and transparency within Islamic educational institutions. However, madrasahs often encounter structural operational challenges, including external bureaucratic delays, prolonged state audit timelines, and persistent reliance on manual bookkeeping systems. This qualitative study employed an empirical case study approach to investigate institutional financial workflows in depth. Primary data were gathered using structured interviews, direct field observations, and comprehensive documentary analysis involving key madrasah stakeholders. The collected qualitative data were systematically processed using thematic analysis, interactive data reduction, and triangulation methods to ensure analytical rigor. The findings reveal that financial governance is structured around participatory planning, merging Madrasah Self-Evaluation (EDM) with multi-stakeholder annual meetings. Accountability is further reinforced through strict structural segregation of duties, distinct fund isolation for BOS, SPP, and committee revenues, and alignment with Ministry of Finance guidelines. Supervision is maintained via a dual-track framework combining routine internal cross-checks with formal external audits by state auditing bodies (BPK and BPKP). Transparency operates under a calibrated model, utilizing dual-mode record-keeping with role-based access to safeguard data integrity while ensuring regulatory compliance. Future research should conduct multi-site quantitative or mixed-methods studies to evaluate the empirical impact of fully integrated digital financial management platforms across diverse madrasah contexts.

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Introduction

Financial management in educational institutions plays a vital role in ensuring that public and institutional resources directly support high-quality, equitable learning outcomes for society (Demange et al., 2020a; Koomson & Afoakwah, 2023). Effective financial administration is fundamental for maintaining public trust, as proper resource allocation directly dictates an institution's capacity to deliver sustainable educational programs (Kalkan et al., 2020; Von Hippel, 2008). Grounded in Good Governance principles—specifically transparency, accountability, and stakeholder participation—sound financial practices prevent fiscal misallocation and foster societal confidence in public education systems (Knies et al., 2024; Lafrarchi, 2020). Empirical evidence demonstrates that educational organizations prioritizing transparent resource distribution consistently achieve higher operational efficiency and better pedagogical infrastructure. Consequently, optimizing financial governance in public educational institutions is critically important for broad social welfare. Establishing robust, transparent financial frameworks directly safeguards public funds, strengthens community involvement, and guarantees that educational expenditures fulfil their primary goal of elevating academic quality. Therefore, analysing financial administration remains essential to creating resilient, accountable, and socially responsible educational systems.

Although the clear theoretical importance of good governance, public educational institutions globally and nationally face persistent administrative bottlenecks in execution. A major societal problem is the recurring mismatch between planned educational budgets and actual expenditure patterns, leading to severe resource inefficiencies (Kooli & Abadli, 2022; Stone et al., 2024). Furthermore, many public primary institutions remain heavily constrained by rigid, multi-layered external bureaucratic channels, particularly from central ministries, which severely delay fund disbursements. These systemic delays disrupt academic planning, hinder timely infrastructure maintenance, and strain local school operations. Concurrently, the widespread reliance on legacy manual bookkeeping practices—where digital tools are relegated merely to secondary backup systems—exacerbates operational vulnerabilities. Manual financial recording limits real-time data accessibility, increases administrative errors, and obstructs comprehensive internal and external auditing processes(Koomson & Afoakwah, 2023; Zhang et al., 2020). When public schools struggle with delayed funding cycles and outdated accounting mechanisms, the broader society suffers through compromised educational quality, reduced operational transparency, and eroded public trust in institutional management.

At the operational level within Islamic primary schools, such as State Islamic Elementary School 1 of South Tangerang City, these systemic financial management challenges are vividly apparent. Preliminary field interviews reveal a persistent disparity between the strategic budget planning outlined in the School Activity and Budget Plan (RKAS) and its actual financial execution. The institution routinely faces external bureaucratic hurdles originating from multi-tiered procedures under the Ministry of Religious Affairs and the Ministry of Finance, causing substantial delays in releasing essential funds like School Operational Assistance (BOS). In daily operations, financial reporting relies predominantly on physical manual ledgers, with digital spreadsheets serving only as passive data backups rather than an integrated management software system. This dual-handling approach creates administrative redundancies, slows down financial reporting, and reduces overall transaction visibility (Putri et al., 2025). These empirical conditions highlight an operational mismatch: while the school endeavour to adhere to Good Governance standards, its daily practices remain hampered by bureaucratic dependencies and analog accounting workflows.

Prior academic literature on educational financial management has predominantly concentrated on public secular schools and higher education institutions, leaving primary Islamic education relatively under-researched. Studies such as those conducted by (Bates, 1987; Kalkan et al., 2020) extensively document budget execution mismatches in general public schools, emphasizing how administrative oversights undermine strategic planning. Similarly, research by (Demange et al., 2020b; Morris, 2024) highlights the transformative potential of financial digitalization, yet their analytical focus remains almost exclusively on well-funded universities and large secondary schools with advanced technological infrastructures. Consequently, existing scholarship reveals a significant research gap: it consistently overlooks the unique institutional dynamics of Islamic primary schools. These primary religious institutions operate under distinct dual-bureaucratic mandates, balancing secular educational standards with religious administrative frameworks. Current literature fails to adequately examine how Good Governance principles are operationalized within this specific administrative ecosystem, nor does it address how resource-constrained primary madrasahs manage the transition from traditional accounting to digital platforms.

Furthermore, existing studies regarding bureaucratic fund disbursement, such as those by (Kanan et al., 2023), establish that external procedural delays impede school operations, yet it rarely offers actionable, context-specific solutions for religious public institutions. To bridge these critical gaps, this research introduces a novel conceptual framework that integrates Good Governance principles—planning, organizing, executing, and auditing—with digital financial transformation specifically tailored for Islamic primary education. The state of the art of this study lies in its holistic approach, examining how digitalizing manual bookkeeping can directly mitigate bureaucratic bottlenecks and enhance financial accountability within the unique institutional setting of a public madrasah. Resolving this issue is urgently necessary because unaddressed financial inefficiencies directly compromise the equitable distribution of educational resources. By moving beyond generic financial models, this study provides a targeted examination of how digital integration and streamlined governance can modernize financial practices in primary Islamic schools, establishing a benchmark for administrative efficiency in comparable educational environments.

To address these gaps, this study investigates how Good Governance principles can be effectively operationalized alongside digital financial management to resolve budget execution discrepancies and bureaucratic delays in Islamic primary education. We argue that transitioning from manual bookkeeping to an integrated digital accounting framework significantly enhances financial transparency, minimizes budget variance, and mitigates the operational frictions caused by external bureaucratic dependencies. By embedding digital tools into daily accounting workflows, Islamic primary schools can achieve real-time financial tracking, streamline audit readiness, and ensure strict compliance with planned budget allocations. This research contributes both theoretically and practically to the field of educational leadership and Islamic education management. Conceptually, it expands Good Governance theory into the understudied context of primary madrasah administration. Practically, it offers actionable guidelines for school administrators, the Ministry of Religious Affairs, and policymakers to modernize financial workflows, optimize fund utilization, and ultimately elevate educational quality across religious public schools.

Methods

This study employed a qualitative case study design to analyse financial management practices deeply within their natural institutional setting. A qualitative case study approach was selected because it enables an in-depth, holistic examination of complex administrative processes, governance dynamics, and contextual social factors that quantitative data cannot fully capture (Siti Nurhasanah et al., 2022). The research was conducted at State Islamic Elementary School 1 of South Tangerang City, chosen purposefully due to its status as a prominent public Islamic primary school facing complex dual-bureaucratic funding mechanisms and ongoing transitions toward digital bookkeeping. Informants were selected using purposive sampling based on their direct involvement and specialized roles in school budgeting decisions (Siti Nurhasanah, 2024). The key participants included the school principal, lead treasurer, administrative staff, and school committee members. Data collection involved three primary techniques: semi-structured in-depth interviews focusing on budgeting workflows, field observations monitoring accounting practices, and documentary analysis examining financial records, including the School Activity and Budget Plan (RKAS), expenditure logs, and disbursement receipts.

Data analysis was conducted interactively following the framework by Miles, Huberman, and Saldana, comprising data condensation, data display, and conclusion drawing or verification (Cohen et al., 2007; Marx, 2023). Data condensation involved systematically selecting, categorizing, simplifying, and transforming raw interview transcripts, observational field notes, and institutional documents to isolate core themes related to financial transparency, accountability, and bureaucratic friction. Condensed data were subsequently arranged into structured thematic data displays, such as matrices and narrative networks, to illuminate underlying operational patterns and execution gaps. Finally, initial conclusions were continuously verified and cross-checked against emerging empirical patterns to build robust findings. To ensure data trustworthiness and credibility, the study implemented rigorous triangulation methods, combining source triangulation by comparing accounts across different administrative key informants and methodological triangulation by cross-referencing interview responses with physical financial documentation and observational notes. Additionally, member checking was performed with key informants to confirm the accuracy of transcribed responses, while prolonged engagement enhanced the overall transferability, dependability, and confirmability of the research outcomes.

Finding and Discussion

Finding

Systemic Governance and Strategic Accountability in Madrasah Financial Cycles

In the context of research, Systemic Governance and Strategic Accountability is an integrated institutional mechanism that regulates every phase of the madrasah financial cycle through structured participation, strict segregation of duties, and systematic planning. At the field level, this operational concept translates into an administrative framework where budgeting decisions are not made unilaterally, but rather through systematic consensus-building grounded in validated institutional needs. The process formally merges bottom-up evaluation mechanisms with top-down regulatory standards, establishing clear operational parameters for all stakeholders involved. Financial accountability is operationalized by embedding the Madrasah Self-Evaluation (EDM) into annual work meetings, ensuring that every allocated rupiah corresponds directly to identified educational development needs. Furthermore, systemic governance in this madrasah demands rigorous organizational boundaries between approval, execution, and oversight roles. By establishing standardized procedures that mirror national public financial regulations, the madrasah converts abstract principles of Islamic managerial accountability into concrete daily administrative practices across all operational levels.

During primary data collection, the Headmaster of the Islamic Elementary School emphasized the participatory nature of their financial planning phase by stating,

> *"We initiate our budgeting process through annual work meetings involving the committee, teachers, and staff, utilizing the EDM results to ensure every allocated fund directly supports prioritized learning needs."*

This statement highlights how the institution operationalizes strategic accountability by transitioning from arbitrary budgeting to evidence-based allocation. The researcher interprets this interview data as clear evidence of democratic governance that minimizes individual bias in capital allocation. By relying on the EDM tool, management establishes an objective foundation for prioritizing academic, infrastructural, and extracurricular requirements. In an Islamic financial management perspective, this inclusive approach fulfils the principle of *shura*, ensuring that public educational funds are distributed equitably and transparently. The integration of stakeholders during early planning stages prevents conflicts of interest and fosters collective responsibility for institutional development, creating a strong moral and administrative foundation for managing institutional resources effectively.

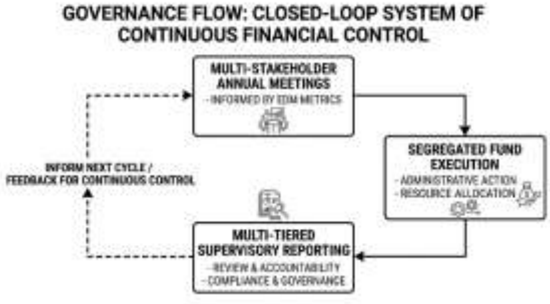
Providing further insight into structural execution, the Madrasah Treasurer explained the operational mechanisms designed to protect financial integrity, noting,

> *"To maintain accounting integrity and prevent double accounting, we strictly separate the management tracks, recording systems, and reporting mechanisms for BOS, SPP, and committee funds according to standard operating procedures."*

This interview disclosure demonstrates an advanced awareness of structural risk management within public educational administration. The researcher interprets these empirical findings as a deliberate operational safeguard designed to enforce strict accountability across multi-stream funding environments. Managing BOS, SPP, and committee revenues through distinct accounting channels prevents systemic financial ambiguity and stops illegal fund commingling. From an analytical standpoint, this rigid separation of accounting tracks reflects the Islamic financial principle of *amanah*, wherein distinct resources designated for specific educational purposes must remain uncompromised. By establishing distinct operational boundaries for each revenue source, the madrasah management eliminates structural vulnerabilities, minimizes audit risks, and guarantees that every financial transaction can be traced directly to its authorized source.

The governance flow begins with multi-stakeholder annual meetings informed by EDM metrics, moves through segregated fund execution, and culminates in multi-tiered supervisory reporting. Visually and conceptually, this administrative sequence illustrates a closed-loop system of continuous financial control:

Figure 1. The Governance Flow of Islamic Elementary School



The interpretation of this visual flow as a clear demonstration of how strategic accountability is maintained systematically from inception to evaluation. The initial phase ensures that budgeting remains grounded in empirical self-assessment rather than speculative spending. The middle phase enforces strict structural division of labor—where the headmaster approves, the treasurer records, and the committee monitors—preventing authority overlap and double accounting. The final phase completes the feedback loop through routine monitoring, ensuring compliance before restarting the cycle. This structured sequence proves that governance is not a series of isolated administrative events, but an interconnected, self-correcting system designed to preserve institutional integrity at every stage of resource management.

Direct observations conducted within the administrative offices confirmed the rigorous practical execution of these governance frameworks. The researcher observed administrative personnel meticulously maintaining physically separate filing systems, color-coded ledgers, and distinct digital databases for BOS, SPP, and committee funds, fully aligned with national Standard Operating Procedures. Financial managers strictly adhered to clear protocol boundaries, with approval signatures, purchase requisitions, and verification seals moving sequentially through designated administrative channels without skipping hierarchical levels. The researcher interprets these observational findings as empirical proof that written SOPs are actively practiced rather than treated as mere legal documentation. The visible discipline in document handling, physical segregation of accounting files, and strict adherence to approval chains demonstrate a deeply ingrained organizational culture of systemic compliance. This operational reality verifies that the madrasah successfully translates higher-level Ministry of Finance regulations into functional, daily clerical routines, effectively mitigating the risk of administrative negligence, unauthorized spending, or procedural errors across all institutional departments.

Based on the description above, the empirical data collected demonstrates a fully integrated model of financial governance rooted in systematic planning, participatory decision-making, and structural separation of management responsibilities. The research data confirms that the madrasah successfully eliminates financial overlap and unauthorized expenditure by maintaining distinct administrative channels for its three primary revenue streams: BOS, SPP, and committee funds. Furthermore, the systematic utilization of the EDM ensures that resource allocation remains strictly aligned with validated educational priorities rather than discretionary choices. Synthesizing these empirical findings reveals a distinct structural pattern: the madrasah operates under a high-compliance governance model where Islamic ethical principles of transparency are systematically embedded into standardized administrative procedures. The underlying pattern demonstrates that financial sustainability in Islamic educational institutions relies on balancing democratic stakeholder involvement during the planning stage with rigid, uncompromising operational compliance during execution and reporting stages.

Pragmatic Execution, Multi-Tiered Supervision, and Calibrated Transparency

In the setting of the research field, Pragmatic Execution, Multi-Tiered Supervision, and Calibrated Transparency is defined as an adaptive yet controlled financial management mechanism that balances operational flexibility with rigorous institutional compliance. At the field level, this operational concept manifests through real-time budget execution strictly benchmarked against prevailing market prices to eliminate fiscal waste while maintaining programmatic agility. The madrasah operationalizes dynamic resource management by conducting periodic evaluations, which allow authorized administrators to reallocate funds from non-urgent activities to immediate, high-priority educational needs. Simultaneously, supervision is operationalized through a multi-tiered control architecture combining daily internal cross-checks by school leaders with independent external audits by state auditing bodies. Transparency is calibrated deliberately through a dual-mode record-keeping system—utilizing both physical ledgers and digital software—where comprehensive financial records are fully accessible to internal oversight entities while maintaining controlled, role-based restriction for external public entities. This operational framework guarantees that budget implementation remains responsive to dynamic learning needs without compromising fiduciary accountability or legal compliance.

Table 1. The Mechanism of Supervision

Dimension	Mechanism	Objective
Internal Supervision	Routine checks by the headmaster, treasurer, and Commitment-Making Officer (PPK).	Ensures real-time tracking and adherence to the pre-approved RKAS.
External Audit	Formal audits by official state audit bodies (BPK and BPKP).	Validates legal compliance, fiscal integrity, and statutory accountability.
Information Governance	Dual-mode reporting (manual and digital records) with restricted access.	Secures institutional data while maintaining internal transparency for authorized stakeholders.

To capture the empirical realities of budget implementation, supervisory mechanisms, and financial disclosures, key qualitative data extracted from primary interviews are summarized in the structured analytical matrix below:

Table 2. The Data of Interview

Interview	Indicator	Informant
"Our budget plans are strictly benchmarked against current market prices to avoid waste, and we hold periodic evaluation meetings to reallocate funds from non-urgent items to pressing student programs."	Market-Grounded Allocation & Dynamic Resource Reallocation	Headmaster
"Internal checks are conducted routinely by the headmaster and commitment-making officer, while	Multi-Tiered Internal &	Madrasah Treasurer

external audits are carried out by BPK and BPKP to ensure legal compliance."	External Audit Structure	
"Financial reports are prepared manually and digitally; access is restricted to authorized entities to protect administrative data integrity while ensuring accountability."	Calibrated Transparency & Access-Restricted Information	Head of Administrative Support (Tata Usaha)

The data presents a sophisticated dual-capability model of Islamic educational financial management: operational pragmatic flexibility combined with uncompromising regulatory control. The Headmaster's disclosure regarding market price benchmarking highlights an institutional commitment to fiscal prudence, preventing arbitrary cost inflations that often plague public procurement processes. Furthermore, the operational flexibility to dynamically reallocate funds toward pressing academic needs demonstrates that the madrasah treats the budget plan as a living managerial instrument rather than a rigid bureaucratic constraint. In an Islamic ethics framework, this pragmatic execution reflects the principle of public interest, prioritizing direct benefit to students over rigid administrative adherence to obsolete spending plans. The strategic flexibility is intentionally counterbalanced by strict supervisory mechanisms described by the Treasurer. By subjecting financial execution to routine internal checks alongside external scrutiny from state auditors (BPK and BPKP), the institution ensures that operational agility does not degrade into administrative laxity or unauthorized spending.

A interpretation of the data reveals how calibrated transparency functions as an intentional risk-management mechanism within public madrasah administration. As articulated by the Head of Administrative Support, the practice of maintaining dual-mode financial documentation—integrating traditional physical ledgers with modern digital databases—establishes a resilient data infrastructure. This dual system prevents data loss while providing verifiable paper trails for external auditors. However, the deliberate restriction of financial report access to authorized stakeholders represents a policy of "calibrated transparency" rather than total open-access disclosure. The researcher interprets this controlled disclosure model as a strategic safeguard designed to protect institutional data privacy, minimize external misinterpretation, and prevent administrative interference, while simultaneously satisfying legitimate regulatory oversight. Within Islamic governance models, transparency is not absolute exposure; rather, it is the faithful disclosure of accountabilities to designated authorities and legitimate stakeholders. This calculated approach ensures that information rights are honoured without compromising operational security.

And observations conducted strongly corroborate the interview narratives regarding dynamic execution, multi-layered auditing, and restricted digital access. The researcher observed administrative officers actively utilizing market price reference catalog to verify procurement invoices prior to disbursing operational funds. During financial review sessions, administrators demonstrated real-time budget adjustments, formally shifting unused line-item funds to support immediate extracurricular activities via signed reallocation vouchers. In the records room, physical ledgers for BOS, SPP, and committee funds were stored securely in fireproof cabinets, while digital financial systems required multi-factor administrative credentials for entry. External audit logs from BPK and BPKP were systematically archived alongside routine internal inspection sign-offs. These observational findings confirm that operational flexibility is tightly bounded by formal verification procedures. The practical reality proves that calibrated transparency is actively maintained: financial records are meticulously organized for internal review and formal state auditing, yet protected against unauthorized public access through robust physical and digital security controls.

The research data demonstrates that financial management succeeds through an integrated balance of operational adaptability, strict multi-tiered auditing, and controlled information access. The empirical evidence confirms that the madrasah maintains fiscal efficiency by grounding its budget execution in realistic market pricing and utilizing dynamic fund reallocation to prioritize urgent educational needs. Furthermore, structural integrity is sustained through dual internal oversight and external auditing by BPK and BPKP, complemented by a secure dual-mode (manual and digital) record-keeping framework. Synthesizing these findings highlights a distinct operational pattern: the institution operates under a "pragmatically bounded compliance model." In this structural pattern, operational flexibility is granted to field administrators to optimize educational outcomes, but this flexibility is strictly bounded by multi-tiered auditing and calibrated transparency. This pattern proves that sustainable financial governance in Islamic public schools relies on balancing real-time administrative flexibility with uncompromising, multi-layered regulatory oversight.

Discussion

The empirical findings of this study demonstrate that Systemic Governance and Strategic Accountability in Madrasah Financial Cycles operate through a highly structured, participatory framework that merges bottom-up evaluation with top-down regulatory standards. The integration of the Madrasah Self-Evaluation (EDM) into annual work meetings directly aligns with the foundational principles of School-Based Management (SBM), which emphasize stakeholder participation in financial decision-making (Winoto, 2022). Furthermore, the systematic process of prioritizing educational initiatives through routine needs assessments reinforces the theoretical stance regarding the necessity of periodic evaluations for optimal resource allocation (Bunnefeld et al., 2011). The institution's reliance on three distinct revenue streams—School Operational Assistance (BOS), regular tuition fees (SPP), and committee funds—validates the assertions concerning the strategic value of funding diversification to mitigate dependence on a single source (Morris, 2024). However, while traditional educational governance models treat participation primarily as an administrative consensus tool, this study reveals a unique synthesis: participatory planning is bound to strict structural segregation of duties, converting abstract Islamic ethical values of *shura* (consultation) into concrete administrative mechanisms.

From the perspective of organizational structure and administrative compliance, the madrasah's implementation of strict operational boundaries and standardized procedures reinforces established financial management theories while addressing real-world bureaucratic complexity. The physical and accounting isolation of BOS and committee funds to prevent double accounting directly fulfils the model of functional segregation and risk mitigation in educational accounting (Darling-Hammond, 2020; Paufler & Sloat, 2020). Furthermore, aligning daily operational protocols with Ministry of Finance guidelines reflects the accountability frameworks detailed by (Ferede et al., 2024), establishing a verifiable basis for institutional integrity. Nevertheless, a subtle divergence emerges regarding bureaucratic efficiency; whereas theoretical frameworks often assume seamless SOP execution once formal rules are enacted, the empirical evidence highlights operational friction caused by rigid external compliance frameworks. This procedural complexity mirrors the broader institutional observations, which documented how extensive multi-layered regulations can decelerate administrative processes in state-affiliated schools (Kim et al., 2025). Consequently, the study demonstrates that madrasah governance must continuously balance strict regulatory adherence with internal administrative streamlining to maintain operational momentum without compromising fiduciary integrity or statutory compliance across all departments.

Regarding the second major finding, Pragmatic Execution, Multi-Tiered Supervision, and Calibrated Transparency, the empirical evidence highlights an adaptive financial execution model anchored in rigorous market benchmarking and flexible resource reallocation. Grounding the School Activity and Budget Plan (RKAS) in prevailing market prices directly supports the fiscal efficiency models established by (Wang et al., 2023), effectively curbing budgetary inflation and procurement waste. Moreover, the madrasah's capacity to dynamically shift funds from non-urgent line items to high-priority student programs during mid-year evaluations confirms the framework which highlights adaptive budgeting as a prerequisite for institutional resilience. This pragmatism operationalizes the Islamic jurisprudence principle of public interest by prioritizing immediate student welfare over rigid adherence to outdated financial projections. However, unlike traditional public sector models where flexibility frequently leads to administrative laxity, the madrasah counterbalances operational agility with dual-track auditing. Routine internal cross-checks by the headmaster, treasurer, and commitment-making officer work in tandem with external audits by state bodies (BPK and BPKP), establishing a robust dual-layer control architecture that enforces systemic compliance.

Analysing the supervisory dynamics and information disclosure strategies reveals a nuanced model of calibrated transparency that expands upon existing educational governance literature. The madrasah's practice of maintaining dual-mode record-keeping—combining physical ledgers with encrypted digital databases—aligns with (Kooli & Abadli, 2022) regarding the necessity of transparent, auditable reporting systems in contemporary educational settings. However, the empirical data nuances conventional definitions of open transparency: access to comprehensive financial statements is deliberately restricted to authorized internal entities and official state auditors rather than fully exposed to the general public. This calibrated disclosure model protects sensitive institutional data, prevents public misinterpretation, and guards against unauthorized administrative interference while fully satisfying statutory oversight requirements. This empirical pattern nuances the external audit delays; although external state audits by BPK and BPKP are time-intensive and occasionally create monitoring lulls for urgent projects, the madrasah mitigates this friction by leveraging immediate internal oversight controls. Thus, transparency in this setting functions not as total public exposure, but as a calibrated, role-based distribution of fiduciary accountability to legitimate authorities.

The implications of these research findings provide a comprehensive roadmap for advancing Islamic educational management and institutional financial policy. Theoretically, this study contributes to the literature by conceptualizing the "pragmatically bounded compliance model," demonstrating that Islamic ethical principles (*shura*, *amanah*, and *maslahah*) can be systematically integrated into standardized, state-mandated public accounting structures without losing regulatory rigor. Practically, the findings indicate that madrasah administrators must adopt evidence-based tools like the EDM alongside real-time market benchmarking to optimize budget execution and prevent fiscal waste. Educational policymakers are advised to streamline external audit timelines and simplify multi-layered SOPs, reducing procedural bottlenecks highlighted by UNESCO (2024). Furthermore, school managers should implement role-based digital accounting platforms that maintain strict segregation of funds while enabling rapid, calibrated reporting for both internal supervisors and state auditors. Ultimately, this empirical synthesis proves that sustainable financial management in Islamic public schools depends on balancing participatory, flexible decision-making during planning and execution with uncompromising, multi-tiered structural accountability during supervision and reporting.

Conclusion

The overarching conclusion of this study highlights that financial management successfully operationalizes Islamic principles of accountability and transparency through a participatory, multi-tiered governance framework, yet faces operational bottlenecks in external bureaucratic approvals, delayed state audits (BPK/BPKP), and partial manual bookkeeping. Scientific contribution lies in establishing the "pragmatically bounded compliance model," demonstrating how Islamic ethics like *shura* and *maslahah* seamlessly synthesize with formal public accounting regulations and School-Based Management (SBM) without sacrificing fiscal control. However, this study's primary limitation stems from its single-site qualitative focus, restricting broad generalizability across diverse madrasah typologies. Future research should pursue multi-site comparative studies across private and state madrasahs, alongside quantitative evaluations of fully integrated digital financial applications (e.g., e-RKAS), to accelerate administrative turnaround, optimize real-time internal auditing, and further modernize financial transparency standards in contemporary Islamic educational institutions.

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