

Financial Management Practices of Mosques in Malaysia

Mohamed Azam Mohamed Adil (Corresponding author)

Zuraidah Mohd-Sanusi

Noor Azaliah Jaafar

Mohammad Mahyuddin Khalid

Asmah Abd Aziz

Accounting Research Institute & Centre of Islamic Thought & Understanding (CITU)

bAccounting Research Institute & Faculty of Accountancy

Universiti Teknologi MARA

Tel: +6017-2808700 Email: mazamdil@salam.uitm.edu.my

Abstract

This study explores on the importance of financial management practices for different types of mosques in Malaysia. Questionnaires were administered to chairman and treasurer of 192 selected mosques available in Malaysia including Sabah and Sarawak. This study suggests that a proper and accurate recording of financial transactions, enhancing the accountability of chairman and treasurer is required in order to improve the productivity and performance effectiveness. The inclusion of these variables provides important implications for expanding our understanding of financial management practices in nonprofit organizations and creating new research opportunities. The result suggests that Malaysian mosques can enhance internal control system and performance to achieve mission and goals of these crucial institutions of societal development.

Keywords : Mosques; Accountability; Internal Control System; Financial Management Practices

References

Abdul Rasid, S. Z. & Abdul Rahman, A. R. (2009). Management Accounting and Risk Management Practices in Financial Institutions. *Jurnal Teknologi*, 51(E): 89–110.

Ahmad, J, Ahmad, S, Majid, M. A & Wahid, H. (2009). Dana Dan Harta Masjid Di Malaysia: Ke Arah Pengurusan Strategik. *Prosiding Bengkel Penyelidikan Gunaan dalam Ekonomi Islam. Kumpulan Kajian Ekonomi dan Kewangan Islam, Universiti Kebangsaan Malaysia.*

Al-Dawarni, A. R. (2007). Falsafah dan fungsi masjid dalam Islam, Masjid Sultan Ismail, Universiti Teknologi Malaysia, Skudai, Johor.

Alim, A. P. & Abdullah, S. R. (2010). Audit Pengurusan Masjid: Kajian di Daerah Pasir Puteh, Kelantan. *Universiti Teknologi Malaysia Institutional Repository*: 1-7.

Amudo, A. & Inanga, E. L. (2009). Evaluation of Internal Control Systems: A Case Study from Uganda. *International Research Journal of Finance and Economics*, 27: 124-144.

Aranya, N. (1990). Budget Instrumentality, Participation and Organizational Effectiveness. *Journal of Management Accounting Research*, 2 (1): 67-77.

Berardi, L. & Rea, M. A. (2010). E-learning for accountability in nonprofit organizations A networked collaborative learning experience for managers of Blood Donors'. *Procedia Social and Behavioral Sciences*, 2: 2126–2130.

Brownell, P. (1981). Participation in Budgeting, Locus of Control and Organizational Effectiveness. *The Accounting Review*, 1 (4): 844-860.

Brownell, P. (1982). The Role of Accounting Data in Performance Evaluation, Budgetary Participation, and Organizational Effectiveness. *Journal of Accounting Research*, 20 (1): 122-127.

Changchit, C, Holsapple, C. W. & Madden, D. L. (2001). Supporting managers' internal control evaluations: an expert system and experimental results. *Decision Support Systems*, 30 : 437–449.

Hamid, S. F. S. A, Sanusi, Z. M. and Zaini, N. (2006). Management Accounting System and Managerial Performance in Local Authorities. BIMP – EAGA International Conference.

Hj. Siren, N. & Yusoff, Y. M. Membangun Institusi Masjid. http://www.masjidsiber.net/file.php/1/artikel/RB_Membangun_Institusi_Masjid.pdf. Retrieved on 15th October 2011.

Hussain, S. (2009). Why Your Mosque Should Institute Financial Policies and Procedures. Nonprofit Legal Blog. Retrieved from <http://nonprofitlegalblog.com/wp-trackback.php?p=16>. Retrieved on 23rd January 2012.

Ismail, M. F (2003). Peranan Masjid. Kuala Lumpur : Darul Nu'man.

Jokipii, A. (2010). Determinants and consequences of internal control in firms: a contingency theory based analysis. *Journal Management Governance*, 14: 115–144.

London, M. (2003). Job Feedback: Giving, Seeking, and Using Feedback for Performance Improvement. 2nd ed., Lawrence Erlbaum Associates, Mahwah, NJ.

Milani, K. (1975). The Relationship of Participation in Budget-Setting to Industrial Supervisor Performance and Attitudes: A Field Study. *The Accounting Review*, April, 50 (2): 274-284.

Rahman, L. A. & Ahmad, M. (1996). Pengantar Sains Pengurusan Masjid. Melaka: Majlis Agama Islam Melaka dan Kolej Islam Melaka.

Rutkowski, K. A. and Steelman, L. A. (2005). Testing a Path Model for Antecedents of Accountability. *Journal of Management Development*, 24 (5): 473-486.

Shaoul, J, Stafford, A. and Stapleton, P. (2012). Accountability and Corporate Governance of Public Private Partnerships. *Critical Perspectives on Accounting*, 23 (3): 1-17.

Sulaiman, M, Siraj, S. A. & Mohamed Ibrahim, S. H. (2008). Internal Control Systems in West Malaysia's State Mosques. *The American Journal of Islamic Social Sciences Association of Muslim Social Scientists and the International Islamic University Malaysia*, 25:1.

Velayutham, S. & Perera, M. H. B. (2004). The Influence of Emotions and Culture on Accountability and Governance. *Corporate Governance*, 4 (1): 52-64.

Wahab, A. A. (2008). Financial Management of Mosques in Kota Setar District: Issues and Challenges. College of Business Universiti Utara Malaysia.