



## **RISK MANAGEMENT IN OFFICIAL FUND DISBURSEMENT PROCEDURES AT THE HAJJ FINANCIAL MANAGEMENT AGENCY**

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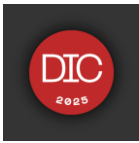
### **Abstract**

*Risk management in the official fund disbursement procedure at the Hajj Financial Management Agency (BPKH) is an important aspect to ensure transparency, accountability, and efficiency in Hajj financial management. This study aims to identify the risks that arise in the process of disbursing official funds at BPKH and develop mitigation strategies that can be applied.*

*The research method used is descriptive qualitative with data collection techniques through literature studies, interviews, and analysis of BPKH financial policy documents. The results showed that the main risks in the disbursement of official funds include administrative risks, compliance with regulations, and the potential for fraud and misuse of funds.*

*As a mitigation effort, BPKH implements a technology-based monitoring system, strengthens internal audits, and increases transparency at every stage of fund disbursement. This study recommends strengthening risk management policies, increasing human resource capacity, and optimizing sharia-based digital financial systems to reduce potential irregularities. Effective implementation of risk management strategies is expected to improve BPKH's financial governance to be more professional, accountable, and in accordance with the principles of good governance*

*Keywords: Risk Management, Hajj Financial Management Agency, Transparency.*



### Abstrak

Pengelolaan risiko dalam prosedur pencairan dana dinas di Badan Pengelola Keuangan Haji (BPKH) merupakan aspek penting guna memastikan transparansi, akuntabilitas, dan efisiensi dalam manajemen keuangan haji. Penelitian ini bertujuan untuk mengidentifikasi risiko yang muncul dalam proses pencairan dana dinas di BPKH serta menyusun strategi mitigasi yang dapat diterapkan.

Metode penelitian yang digunakan adalah deskriptif kualitatif dengan teknik pengumpulan data melalui studi literatur, wawancara, dan analisis dokumen kebijakan keuangan BPKH. Hasil penelitian menunjukkan bahwa risiko utama dalam pencairan dana dinas meliputi risiko administratif, kepatuhan terhadap regulasi, serta potensi fraud dan penyalahgunaan dana.

Sebagai upaya mitigasi, BPKH menerapkan sistem pengawasan berbasis teknologi, memperkuat audit internal, serta meningkatkan transparansi di setiap tahapan pencairan dana. Penelitian ini merekomendasikan penguatan kebijakan manajemen risiko, peningkatan kapasitas sumber daya manusia, serta optimalisasi sistem keuangan digital berbasis syariah guna mengurangi potensi penyimpangan. Implementasi strategi manajemen risiko yang efektif diharapkan dapat meningkatkan tata kelola keuangan BPKH agar lebih profesional, akuntabel, dan sesuai dengan prinsip good governance.

*Kata kunci: Manajemen Risiko, Badan Pengelola Keuangan Haji, Transparansi.*



## **A. INTRODUCTION**

Cost accounting is a branch of accounting that produces cost information has the process of recording, classifying, summarizing and presenting the costs of making and selling service products in certain ways and interpreting them (Ghazali, et al, 2020).

BPKH is a Public Legal Entity established in accordance with the mandate of law number 34 of 2014 concerning Hajj Financial Management. BPKH is tasked with managing finances that include revenue, development, expenditure, and accountability of Hajj finances that aim to improve the quality of the Hajj pilgrimage, rationality, and efficiency in the use of BPIH.

Risk management is a series of methodologies and procedures used to identify, measure, monitoring and control risks arising from BPKH's business activities. Each field (business and operations) is a risk owner who acts as the front line of spearhead in managing and controlling risks. Risk owners in each field are members of the Governing Body and Field Leaders (Deputies and Division Heads).

The risk management process begins with a process to from awareness at every level of the BPKH organization, by providing an understanding that every activity carried out in the field must contain a risks, or in other words there is no activity without risk. Risks management in the process of disbursing BPKH agency funds plays a very important role in ensuring that these funds are not misused or fall into the wrong hands. Therefore, it is important for BPKH to identify, analyze, and manage various risks that may occur in the fund disbursement procedure.

## **B. IMPLEMENTATION AND METHODS**

### **1. Internship Time and Location**

Internship activities in the Corporate Risk Management Division are carried out for 5 months starting from August 5, 2024 – December 31, 2024. The purpose of implementing intership activities is to encourage students to master various sciences to prepare for entering the world of work. Doing MBKM in the BPKH Corporate Risk Management sub-field, students who take part in this internship have the opportunity to learn how to overcome the risks that accour in the company, but not only learning that in the MRK field can also provide a real picture of the financial practices the have been studied in the campus environment.

### **2. Methods**

This research used a qualitative descriptive method with a direct observation approach in the practice of disbursing official funds at BPKH. Data collection is done through:

1. Literature study related to disbursement policies in the public sector.
2. Interview with relevant parties at BPKH.
3. Analyze the financial policy documents applied by BPKH.

The internship activities include:

1. Adjust the official travel budget with the Annual Budget Work Plan.
2. Calculate the tax on the daily allowance that will be given to official travel participants.
3. Collecting data that will be put together into 1 daily money disbursement document.

### **C. RESULTS AND DISCUSSION**

Planning is done using a budget. Cost control begins with determining the costs that should be incurred through the budget, then comparing the costs that should be incurred through the budget, then comparing the costs that actually occur (actual costs) with the costs that have been determined previously (budget). The budget is used as a cost standard. If there is a difference in the amount of costs, then management needs to analyze the difference in costs. The analysis of the cost difference includes the type of cost deviation, the amount of cost deviation, the location of the deviation, the cause of the deviation, and the party that should be responsible for the deviation (Hari, 2023).

Cost accounting has a function, namely as a determinant of the cost of production or services (cost of goods sold) as well as planning and controlling costs (forecasting and controlling). The function as a determinant of the cost of production or services is the main part of cost accounting, which records, classifies, monitors, and summarizes all cost components related to the production process, from this historical data is used as a reference for management in determining the cost of production. Meanwhile, the second function, namely as planning and cost control on the basis of historical data from financial reports on all cost activities, can be used as a reference in making budget planning (budgeting) and then monitoring cost deviations from the predetermined budget so as to increase the company's cost efficiency (Putra, 2021).

In COSO Enterprise Risk Management – Integrated Framework (2004) Risk Management is defined as a process, influenced by the entity's board of directors, management and other personnel, applied in strategic settings and throughout the enterprise, designed to identify potential events that could affect the entity, manage risks within its risk appetite and provide assurance of achieving the entity's objectives.

With good risk management, companies can protect value and create value for the company. Protecting the value of the company in this case means that risk management serves to maintain the sustainability of the company's business, through efficient use of resources, asset protection, reduction of operational costs and so on. While adding value means that risk management can improve a company's business performance, such as through increasing profit margins, improving company reputation, increasing customer satisfaction levels, and maximizing investment returns and so on (Yap, 2017).

Financial risk management is a process of identifying, evaluating, and managing risks associated with the financial activities of an organization or institution. In the context of BPKH, this risk management aims to ensure that the disbursement of official funds is carried out transparently, in accordance with applicable regulations, and free from potential abuse.

Some relevant theories to understand risk management in the disbursement of official funds include (Mardiasmo, 2018) :



1. Public financial management theory, which emphasizes the importance of transparency and accountability in the management of public funds, including Hajj funds.
2. Risk management theory, which identifies approaches to assessing and managing risks that may affect the disbursement process.
3. Good governance theory, which prioritizes good governance in the management of public organization to prevent potential fraud and misuse of funds.

The procedure for disbursing official funds according to theory is a series of stages that must be passed in the context of financial management of government agencies. According to Mardiasmo (2018), the disbursement of official funds must be carried out transparently and accountably to ensure that the use of the budget is in accordance with applicable regulations. The official fund disbursement procedure includes several main stages, namely:

1. Application Submission  
The official fund disbursement process begins with the submission of an application by employees or work units that require funds for certain activities. This application must be supported by administrative documents, such as Service Travel Order (SPPD), Budget Plan (RAB), and other supporting documents.
2. Documents Verification  
After the request is submitted, the finance department or treasurer will conduct verification to ensure that the request for funds is in line with

the allocated budget. According to Haliim and Kusufi (2012), this stage also includes checking the availability of funds and compliance with agency spending policies.

3. Lead Approval and Authorization  
After going through the verification process, the documents will be submitted to the authorized official to obtain approval for disbursement. The head of the agency or head of finance will re-evaluate before authorizing the disbursement of funds to comply with the provisions of the applicable laws and regulations (Mardiasmo, 2018).
4. Fund Disbursement  
Once approved, funds will be disbursed through a predetermined payment mechanism, either in the form of a transfer to the recipient's account or through the expenditure treasurer. According to Mahmudi (2016), the disbursement of funds must be based on transparent state financial principles and in accordance with government accounting standards.
5. Reporting and Accountability  
The final stage is reporting and accountability for the use of funds. Each recipient of funds is required to prepare a report containing proof of expenditure, such as receipts, invoices, and activity reports. Halim and Kusufi (2012) emphasize that this report is part of financial accountability to avoid potential budget misuse.



### **Service Fund Disbursement Procedure at BPKH.**

The disbursement of official funds at BPKH is carried out through strict and tiered procedures. The procedure involves several stages that must be fulfilled, including:

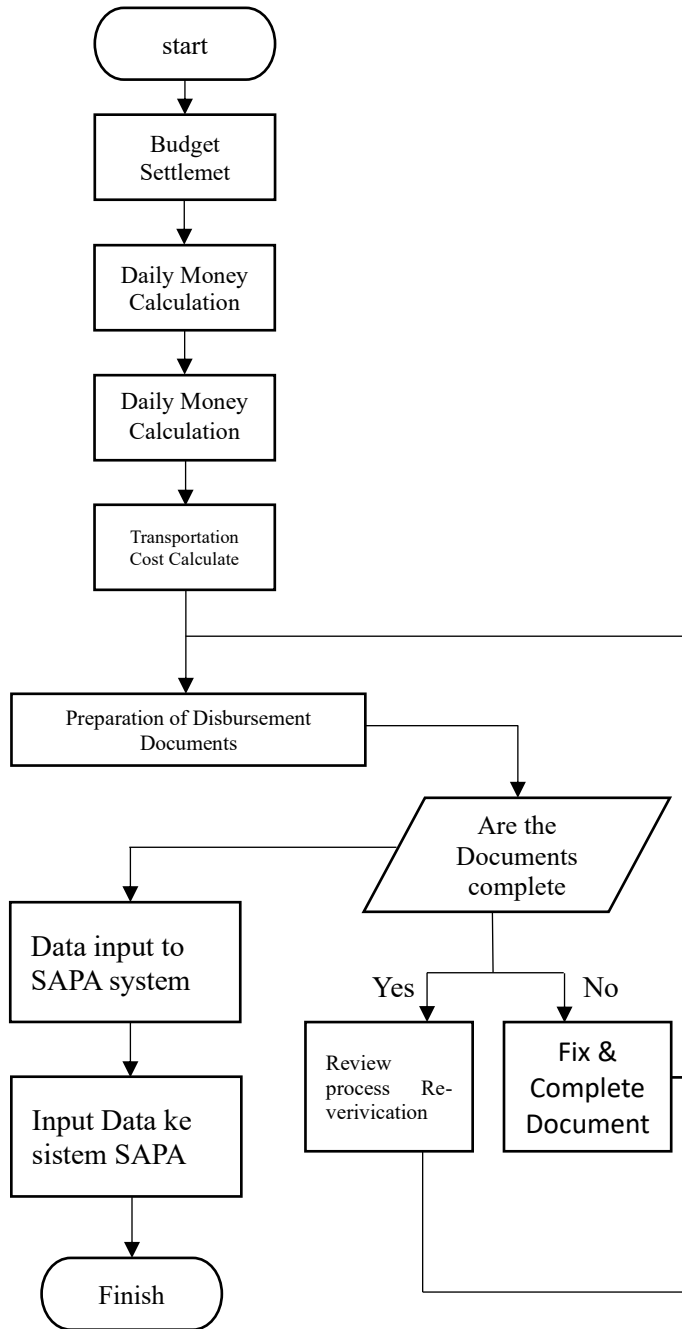
1. This process begins with adjusting the budget prepared in the Annual Budget Work Plan (RKAT) to ensure that disbursements are in line with planned allocations. These adjustments are done with high accuracy to avoid mismatches between the budget and planned expenditures.
2. The calculation of daily allowance is based on the position class listed in the Letter of Assignment (ST), which involves all Governing Body Members to intens staff. Each daily allowance calculation is multiplied by the number of days of official travel activities, and is taxed in accordance with applicable regulations (5% for those with NPWP and 6% for those without NPWP).
3. Transportation costs for travel to the hotel were also calculated provided that for out-of-town activities such as Semarang, transportation costs were calculated on a lump sum basis without requiring proof of transportation. All cost components are calculated in detail and summed up to ensure that the allocated budget matches the needs stated in the activity.
4. The disbursement documents include various important components such as invitations, letters of assignment, attendance lists, minutes, photographic

evidence of activities, and proof of transportation. Document checking is carried out carefully to ensure that all required documents are complete and in accordance with applicable regulations before being submitted to the disbursement staff for further examination.

5. The review process aims to verify that there are no missing or inappropriate documents. After all documents are considered complete, the data is entered into the SAPA system for further fund disbursement processes, with the hope that the management of the costs of this activity can be carried out transparently and accountably.

Overall, the application of cost accounting procedure in this internship activity shows the importance of caution and thoroughness in every step to ensure that the entire process runs in accordance with established regulations, and no budget deviations occur that can affect smooth operations.

**Flowchart of official fund disbursement procedures at BPKH**



Ensure that the budget has been prepared in accordance with the Annual Plan and Budget (RKAT) Avoid mismatches between budget and expenditure to avoid deficit.

In the official fund disbursement procedure at BPKH, some of the key risks identified include:

1. Administrative Risk Errors in filling out documents or data can cause delays in the disbursement of funds.
2. Compliance Risk Non-compliance between fund disbursement procedures and applicable regulations may lead to legal consequences.
3. Fraud risk is the potential misuse of funds due to document manipulation or abuse of authority.
4. Procedural Risk The mismatch between established policies and practices in the field can hamper disbursement.

To manage the various risks, BPKH implements a number of mitigation strategies aimed at improving efficiency, transparency, and accountability in fund disbursement procedure.

1. Improved Supervision and Internal Audit Periodic audits are carried out to ensure that every disbursement transaction is carried out according to regulations and no irregularities occur.
2. Digital Financial System Implementation The implementation of a digital-based system enables automatic recording of transactions, minimizing the risk of manual errors.
3. Training and Capacity Building Regular training is provided to officers who handle disbursements to ensure their understanding of procedures and risk management.

With the implementation of these strategies, BPKH seeks to ensure that the service fund disbursement procedure runs efficiently, transparently, and in accordance with the principles of good financial governance.

## **D. CLOSING**

### **1. Summary**

The disbursement of official funds at BPKH faces various risks that can affect the effectiveness and transparency of the financial process, Administrative, Fraud, Compliance, and procedural risks are the main challenges in fund management. Therefore, the implementation of mitigation strategies such as strict supervision, the use of digital financial systems, and training for employees is needed to ensure that fund disbursements are carried out in an accountable and transparent manner.

### **2. Advice**

Although the disbursement process has been well executed, some improvements can be made to increase efficiency and reduce potential errors:

1. **Improved Administrative Accuracy**  
Ensure that every employee involved in the disbursement process understands the applicable procedures. Periodic training on document filling and financial recording systems can help reduce administrative errors that could potentially hamper disbursements.
2. **Strengthening Internal Supervision and Control**  
Conduct regular checks on all fund disbursement documents. Strict internal audits will help detect and

prevent any misappropriation of funds, while ensuring that the budget is spent in accordance with applicable regulations.

3. **Utilization of Digital Financial System**  
Use an integrated digital-based recording system so that every transaction can be monitored in real-time. This system will help improve efficiency, reduce the risk of human error, and speed up the disbursement process.
4. **Transparency in Financial Reporting**  
Each recipient of funds is required to prepare a clear and detailed accountability report. The report must be equipped with valid proof of expenditure so that the verification process is easier and can be accounted for.
5. **Improved Data Security**  
Ensure that all data relate to fund disbursement is properly stored and protected from the risk of leakage. The use of data encryption and limiting access only to authorized parties can reduce the possibility of misuse of financial information.
6. **Evaluation and Continuous Improvement**  
Conduct regular evaluations of fund disbursement procedures to identify obstacles that often occur. With this evaluation, existing policies can be adjusted to be more effective in supporting the smooth disbursement of official funds.



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