



Analysis Of The Effectiveness Of The Internal Control System For Cash Receipts And Disbursements At The Modern Entrepreneur Darul Musthofa Islamic Boarding School 2021-2022

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ABSTRACT

This research aims to investigate the effectiveness of the internal control system for cash receipts and disbursements at entrepreneurial modern boarding school darul musthofa. The research employs a qualitative descriptive approach with the research subject is the Entrepreneurial Modern Boarding School Darul Musthofa. Data collection techniques including interviews, observations, and documentation. The findings indicate that the Modern Entrepreneurial Boarding School Darul Musthofa has successfully implemented an effective internal control system for cash inflow and outflow in line with accounting principles. The organizational structure, which segregates duties and responsibilities in cash handling, enhances accountability. Concrete steps such as digitization of records, regular monitoring, and authorization by the treasurer and head of the boarding school ensure accuracy, transparency, and efficiency in financial record-keeping. Structural separation, authorization, detailed recording, and risk monitoring through online financial transactions reflect the boarding school's commitment to modern financial management. The alignment of the internal control system with financial principles demonstrates sound practices. The treasurer's crucial role in ensuring the accuracy of financial records and the implementation of online financial transactions highlights the boarding school's innovative approach. Overall, the Modern Entrepreneurial Boarding School Darul Musthofa serves as a best practice example in financial management.

INTRODUCTION

In current developments, demands for accountability and transparency in financial management are increasing, especially in educational institutions. One effort that can be made to ensure financial health and operational integrity is through implementing an effective internal control system. Susanto (2013:95) explains that the definition of internal control according to COSO is a process influenced by the board of directors, management and employees which is designed to provide a guarantee that the organization's objectives will be achieved through operational efficiency and effectiveness, presentation of reliable financial reports, compliance with applicable laws and regulations. Darul Musthofa Modern Entrepreneur Islamic Boarding School is an Islamic educational institution that focuses on developing the character of Islamic boarding school students and female students. As an educational and social entity, this Islamic boarding school has a big responsibility in managing cash receipts and disbursements to support daily operations, developing learning programs, etc. In the context of cash management at the Darul Musthofa Modern Entrepreneur Islamic Boarding School, effective control of cash receipts and disbursements has a crucial role. Running Islamic boarding school operations requires good financial management to prevent potential misuse and misappropriation of funds. As a very liquid means of payment, cash requires careful management to avoid the risk of misuse as explained by Amelia (2020), Nababan & Muktiadji (2022), Ceteri et al. (2019).

The cash receipt and disbursement system is a key element in determining the smooth operation of the company. Having well-defined procedures is the first step to prevent crimes such as embezzlement, robbery and cash misappropriation (Sewa et al., 2021). The cash receipts system, as an integral component in the accounting system, provides crucial information to users regarding the implementation of these activities, the documents required, and the authorities providing authorization (Putra & Windiarti, 2021). The creation of this system is directed at providing fast and accurate accounting information to management (Warjiyono et al., 2021). In this case, internal control is a very important aspect, enabling the separation of functions and effective monitoring of cash receipts and disbursements (Sadewi & Adiputra, 2022).

The general objectives of internal control, as identified by Mulyadi (2016), include safeguarding organizational assets, ensuring the accuracy and reliability of accounting data, increasing efficiency, and ensuring compliance with management policies. The implementation of an effective internal control system in Islamic boarding schools is expected to help prevent operational and financial risks that may arise. The importance of internal control is also closely related to understanding the effective and efficient operational activities of Islamic boarding schools. Rochmah & Kustiningsih (2021) highlight that good control can prevent fraud and fraud in company finances, providing clarity regarding sustainable operational continuity.

However, as a critical aspect, internal control cannot always guarantee effectiveness if it is not followed by a deep understanding of the potential for misuse of cash. Therefore, it is necessary to have appropriate recording procedures and the best system to prevent errors and fraud (Makal et al., 2023). The importance of transparency and accountability for funds managed by Islamic boarding schools as public organizations is emphasized by Maryani & Kurniawan (2022). This is the basis for building public trust in Islamic boarding schools and showing openness in the use of funds owned by Islamic boarding schools. In the context of cash receipts, apart from being a transaction that increases the cash balance, it also includes various aspects such as cash income, receivables receipts, transfers, loans and other receipts (Situmorang, 2022). Cash receipts are the initial parameter for assessing the success of a company, while cash disbursements have the potential risk of misappropriation of company funds (Agustin & Rahayu, 2022). In the context of transactions with external parties, Astutik & Nurasik (2021) emphasize that almost every transaction affects cash. Therefore, it is important to understand the complexity of cash receipt and disbursement activities and involve good procedures in

accordance with management policies (Zahara & Harahap, 2023). The importance of the internal control system for cash receipts and disbursements is becoming increasingly significant. The presence of students and teaching staff, as well as daily operational activities, creates complexity in Islamic boarding school financial management. Therefore, analysis of the effectiveness of the internal control system on cash receipts and disbursements is an urgent need.

Islamic boarding school financial activities involve the management and management of funds to meet the various needs of Islamic boarding schools efficiently. In this process, Islamic boarding schools need to manage the receipt of funds from students' education costs. Apart from that, Islamic boarding schools must also allocate funds for various needs, such as building facilities, procuring books and learning equipment, as well as meeting the daily needs of students. Islamic boarding school financial management also involves recording transactions, preparing financial reports, and monitoring so that Islamic boarding school finances remain healthy and transparent. Apart from that, Islamic boarding schools need to consider the right way to invest and manage assets for the sustainability and development of Islamic boarding schools. By considering the complexity of the Islamic boarding school's financial activities, this research will explore the potential for diversion of funds, problems in the accounting information system, as well as the need to implement and strengthen internal controls to overcome these risks.

Based on the results of a direct interview with the Islamic boarding school treasurer regarding cash receipts and disbursements, it was stated that the Modern Entrepreneur Darul Musthofa Islamic Boarding School is a relatively new Islamic boarding school, and several payment transactions were not recorded correctly or were not even recorded at all. Bearing this in mind, Islamic boarding schools are trying to improve their recording and reporting systems to make them more efficient and accurate, so that we can manage Islamic boarding school finances better and more transparently. Therefore, the main problem that will be studied is the effectiveness and challenges in managing Islamic boarding school cash, as well as aspects such as fraud, misuse and lack of supervision that occur in the cash receipt and disbursement system.

By evaluating and understanding the extent to which the Islamic boarding school's internal control system operates, this research can provide valuable insight for Islamic boarding school managers, similar educational institutions, and other related parties. Theoretically, this research can also respond to the challenges and dynamics in financial management of Islamic educational institutions in the contemporary era. By analyzing the factors that influence the effectiveness of the internal control system, it is hoped that this research can provide a basis for developing a better financial management model that is appropriate to the context of modern Islamic education. Thus, this research not only provides practical benefits for Islamic boarding schools but also contributes useful knowledge in the context of financial management of Islamic educational institutions in the modern era.

As for previous research conducted by Agustin & Rahayu (2022), cash receipts at SMA Muhammadiyah 3 Tulangan came from two main sources, namely cash receipts and transfers. The cash receipt process is carried out using the SIA SMAMUGA application. The steps are quite simple, where staff only need to enter the application and input information according to the receipt that occurs. Cash expenditures at the school come from three sources, namely cash disbursements, transfers and checks. Like the cash receipt process, cash disbursements are also recorded via the SIA SMAMUGA application. Staff simply log in and enter transaction information according to the expenditure incurred. This affordability helps in monitoring and verifying data that has been entered and stored in the system, especially in managing cash disbursements. Furthermore, research conducted by Astutik & Nurasik (2021), the accounting system for sales and cash receipts at PT Indomarco Prismatama is used to control income and prevent errors and fraud. This is important because there are field implementers who cheat and make mistakes because procedures are not followed. With this system, it is hoped that employee performance can be better. And research conducted by Sewa et al. (2021), research results show that the

company's cash accounting system uses the Dealer Management System (DMS) application to record receipt and expenditure transactions. However, errors still occur in data input and network disruptions which cause manual recording.

The aim of this research is to analyze and evaluate the effectiveness of the internal control system implemented in the process of cash receipts and disbursements in Islamic boarding schools. By carrying out an in-depth analysis of the cash receipt and disbursement process, it is hoped that it can make a significant contribution in improving financial management and management of Islamic boarding schools as a whole.

LITERATURE REVIEW

Effectiveness

Effectiveness, according to the Big Indonesian Dictionary (KBBI), refers to the word "effective" which has the meaning of influence, effect, consequence, or ability to bring results. In general, effectiveness can be interpreted as the level of activeness and usefulness of an activity, where the person carrying out the task succeeds in achieving conformity with the intended target. This concept involves the dynamic conditions of a series of processes for carrying out tasks and job functions in accordance with the stated program policy goals and objectives. Within the framework of study dimensions, effectiveness can be divided into dimensions of program effectiveness, as explained by Abadi et al. (2021). It reflects the extent to which a program or activity achieves the desired results in accordance with established plans and targets. In other words, program effectiveness includes the ability to achieve goals optimally.

Furthermore, effectiveness can also be interpreted as how well the work is done by certain individuals or groups. In this context, factors such as planning, execution, time, cost and quality play an important role. According to Alviolita & Yunus (2021), a job can be considered effective if it can be completed with good planning, both in terms of time, cost and quality. In other words, work effectiveness reflects success in achieving the expected results efficiently and effectively.

Overall, effectiveness is a performance measure that involves the extent to which an activity or job can achieve the goals and objectives that have been set. This involves aspects such as planning, implementation, and final results that meet expectations. Thus, the concept of effectiveness provides a holistic view of evaluating and measuring the success of an action or program. Based on the results of research conducted by Astutik & Sulistyowati (2022), the implementation of an accounting information system for cash receipts and disbursements at PT. Tirto Agung Motor Sidoarjo can be concluded to be quite effective because most of it is in accordance with the theory put forward by Mulyadi (2016).

Internal Control System

According to Krismiaji (2015:218) states that an internal control system is an organizational plan and methods used to maintain or protect assets and produce accurate and reliable information. Use of an internal control system to direct company operations and prevent system misuse. Internal control is recognized as a process because it permeates all organizational operations and is an essential component of daily management tasks. Internal control cannot offer ultimate assurance, it can only offer reasonable assurance. This shows that internal control, even if developed and structured in the best way, can only provide reasonable assurance and cannot be completely effective in achieving internal control objectives. Although ideal internal controls are carefully planned, their effectiveness depends more on competition and constraints than on how they are implemented, which cannot be separated from constraints (Lathifah, 2021). The internal control system is a comprehensive procedure that ensures the separation of an organization's goals with efficient and effective operations (Andina et al., 2023).

An internal control system consists of organizational structures, methods, and measures that are coordinated to ensure organizational success, check the accuracy and reliability of

accounting data, promote efficiency, and encourage compliance with management policies. The idea of internal control focuses on the goals to be achieved, not on the parts that make up the system. An internal control system is a policy and procedure designed to provide management with reasonable confidence that the organization is achieving its goals and objectives. According to Mulyadi (2016), there are four important aspects that must be followed when developing an internal cash management system in an organization, namely: organizational structure, authorization and recording, healthy habits, and quality staff.

Cash Receipts

Cash receipts are cash receipt transactions that result in an increase in company assets in the form of cash, bank or other cash equivalents. Meanwhile, the cash receipts accounting system is a recording procedure created to carry out activities for receiving money from various sources. In profit organizations, examples are sales, loans and capital. However, in general the main source of cash receipts comes from two sources, namely cash sales and credit sales (receivables). Meanwhile, in non-profit organizations, revenue usually comes from special funds that the organization is required to spend. This acceptance is based on mutual agreement.

Elements of internal control that should be in the cash receipts system according to Mulyadi (2016:500):

1. Organization

- a. The sales function must be separate from the cash function.
- b. The cash function must be separate from the accounting function.
- c. Cash sales transactions must be carried out by the sales function, cash function, delivery function.

2. Authorization System and Recording Procedures

- a. Acceptance of orders from buyers is authorized by the sales function using the cash sales invoice form.
- b. Cash receipts are authorized by the cash receipts function by affixing a "paid" stamp to the cash sales invoice and affixing the cash register tape to the invoice.
- c. Sales with bank credit cards are preceded by a request for authorization from the credit card issuing bank.
- d. Delivery of goods is authorized by the receiving function by affixing the stamp "delivered" on the cash sales invoice.
- e. Entries in accounting records must be based on source documents accompanied by complete supporting documents.
- f. Recording in accounting records must be carried out by employees who are authorized to do so. Each entry into the accounting records must be made by an employee who is authorized to change the accounting records.

3. Healthy Practices

- a. The cash sales invoice has a printed serial number and its use is accounted for by the sales function.
- b. The amount of cash received from cash sales is deposited in full to the bank on the same day as the cash sales transaction or the following working day.
- c. Calculation of cash balances in the hands of the cash function periodically and suddenly by the internal audit function.

Cash Disbursements

According to Mulyadi (2016:509) in the book Accounting Systems states that "Cash disbursements in companies are carried out using checks. Cash disbursements that cannot be made by check (usually because the amount is relatively small), are carried out through the petty cash fund. Cash expenditures relate to the acquisition and payment of goods and services. Cash disbursements can be made using checks (in large amounts) or by cash (in small amounts).

1. General Documents and Records

According to Mulyadi (2016:510), the documents used in the accounting system for cash disbursements by check are:

- a. Proof of cash out
- b. Check

Meanwhile, the documents used in the petty cash fund system are:

- a. Proof of cash out
- b. Proof of petty cash disbursements
- c. Petty cash replenishment request

2. Functions involved in cash disbursements

According to Mulyadi (2016:513) who states that, the functions related to the accounting system for cash disbursements by check are:

- a. Functions that require cash disbursements
- b. Cash function
- c. Accounting function
- d. Internal check function

Meanwhile, the functions related to the cash disbursement accounting system with petty cash funds are:

- a. Cash function
- b. Accounting function

Effectiveness of Cash Receipts and Disbursements

The effectiveness of cash receipts and disbursements is a critical aspect in managing the finances of a company, organization or institution. Cash receipts include all forms of funding input, such as product sales, service receipts, and investments. Meanwhile, cash expenditures include all costs incurred by the entity, including salary payments, purchases of goods or services, and operational investments. According to Sopandi (2021), the internal control system plays a role as a tool in supporting the effectiveness of cash receipts and disbursements. The effectiveness of cash receipts and disbursements is very important to maintain operational continuity and growth.

Effective cash receipts and disbursements consist of procedures carried out by functions related to the separation of functions, using documents and accounting records by each function as well as the existence of adequate internal control, this aims to suppress the occurrence of irregularities. deviations that occur (Harahap et al., 2023). Additionally, effective management of cash receipts and disbursements requires careful planning to help managers identify coordinated sources of cash income and disbursements. Financial managers can evaluate company performance by using an internal cash control system, which can generally be a basis for managing company operations, especially cash receipts and disbursements (Makal et al., 2023).

METHODS

The research method used in this research is a qualitative descriptive approach. The qualitative descriptive approach is a series of activities or a process of filtering data and information of a reasonable nature regarding a problem in certain conditions, aspects or areas within the object under study. The subject of this research is the Modern Entrepreneur Darul Musthofa Islamic Boarding School. The data collection techniques used in this research are interviews, observation and documentation. Researchers conducted interviews with the head of the Islamic boarding school and the Islamic boarding school treasurer, as well as making direct observations and analyzing documents from the Islamic boarding school. Data analysis was carried out through stages in accordance with this approach. First, interview data with Islamic

boarding school treasurers were analyzed to identify patterns, themes and key concepts. Second, direct observation of activities in Islamic boarding schools provides contextual understanding, with data analyzed to support the findings from interviews. Documents from the Islamic boarding school such as internal policies were also analyzed. Overall, this data analysis technique involves all three data collection techniques to ensure the validity and accuracy of research findings.

RESULTS

Based on the results of research at the Darul Musthofa Modern Entrepreneur Islamic Boarding School, concrete steps such as digitizing the recording system, routine monitoring and inspections by the treasurer reflect efforts to ensure the accuracy and transparency of financial records. The implementation of authorization procedures involving the treasurer and head of the Islamic boarding school in every cash transaction is also in accordance with internal control principles. Using physical evidence such as invoices or receipts to support financial records is a good practice to increase the validity of transactions. In conclusion, the internal control system at the Darul Musthofa Modern Entrepreneur Islamic Boarding School is considered effective in accordance with Mulyadi's theory which emphasizes the importance of good procedures in the cash receipt and disbursement system.

The process of receiving cash at Islamic boarding schools is carried out in several stages, namely, receiving payments from students or related parties; record each cash receipt transaction in detail; verifying payments and matching them with existing payment records; prepare regular cash receipt reports via the Microsoft Excel application from BLK Darul Musthofa; then store transaction evidence and records properly for audit and documentation purposes. These steps involve digitizing the recording system by using various recording evidence to ensure the accuracy of cash receipts. In line with this, cash receipt procedures at Islamic boarding schools are based on evidence of recording which includes various transactions. This aims to ensure that there is clear evidence regarding every incoming cash receipt. Meanwhile, several stages in cash disbursement are carried out, namely, identifying spending needs and priorities, such as financing daily needs, maintaining facilities, or educational programs; prepare a budget plan for each activity or need that requires cash expenditure; approve expenditures through a process that is in accordance with Islamic boarding school policy, involving several levels of approval, making payments to the parties concerned, be they vendors, officers, or service provider institutions; record each expenditure transaction in detail in a cash book or financial recording system; periodically reconcile and check to ensure accuracy of expense records; Store all proof of payment and expense documentation properly for audit and financial reporting purposes. These expenses are based on the actual needs of the Islamic boarding school and require the submission of a notap to the treasurer as the first step in the cash disbursement procedure.

Darul Musthofa Modern Entrepreneur Islamic Boarding School implements structural separation, especially in the cash receipt and disbursement system. This structure is designed to ensure effective and transparent financial sustainability. In this section, there is an Islamic boarding school treasurer who is responsible for recording every receipt of funds originating from the students' education costs. As well as managing and documenting every expenditure of funds, including for daily needs, education and other facilities. By having clear structural separation, this Islamic boarding school can increase accountability, reduce the risk of errors, and create a well-organized financial environment.

At the Darul Musthofa Modern Entrepreneur Islamic Boarding School, the authorization system and procedures for recording cash receipts and disbursements have been carefully designed to ensure financial transparency and accountability. Every time there is a cash receipt, the authorization process involves the Islamic boarding school treasurer and the Islamic boarding school head. Before funds are received, the responsible party must provide a detailed

report regarding the source and amount. Once approval is received, cash is received and recorded in the cash book by noting the date, source and purpose of use of the funds, then transferred into Microsoft Excel. For cash disbursements, there is a similar procedure involving the Islamic boarding school treasurer and approved by the Islamic boarding school head. Before making a payment, the party requesting the expenditure must prepare a detailed list of requirements and the amount required. This document is then submitted to the Islamic boarding school treasurer who, after obtaining approval, will record it in the cash book as a valid expense which will then be entered into Microsoft Excel. In addition, all cash transactions at the Darul Musthofa Modern Entrepreneur Islamic Boarding School are accompanied by physical evidence, such as invoices or receipts, to support the accuracy of financial records. With this system, Islamic boarding schools can ensure that their finances are managed well and transparently, in accordance with correct accounting principles.

The Islamic boarding school treasurer has an important responsibility in accounting for cash receipt and disbursement transactions. As the party responsible for the Islamic boarding school's finances, the treasurer records every transaction that occurs. When cash is received, the treasurer keeps proof of the transaction and records it accurately in the cash book. Likewise, when expenditures occur for Islamic boarding school purposes, the treasurer makes detailed notes regarding each expenditure. Apart from that, the Islamic boarding school treasurer also has the task of preparing financial reports periodically, such as monthly or annually, in order to provide clear and transparent information to the Islamic boarding school head and interested parties. This financial report includes a summary of cash receipts and disbursements, as well as the cash balance at the end of a certain period.

Darul Musthofa Modern Entrepreneur Islamic Boarding School carefully manages potential risks related to cash disbursements by implementing strict policies and procedures. In an effort to maintain transparency and accountability, this Islamic boarding school carries out routine monitoring of every financial transaction that involves cash disbursements. With this, Darul Musthofa Modern Entrepreneur Islamic Boarding School can identify potential financial risks quickly and take the necessary preventive measures. Thus, this Islamic boarding school makes cash disbursement management an integral part of their strategy to maintain financial sustainability and achieve Islamic boarding school development goals efficiently and effectively.

To ensure the accuracy of recording cash receipts and disbursements in Islamic boarding schools, a number of concrete steps have been taken. First, a computerized financial recording system was implemented to reduce human error in the data input process. In addition, the Islamic boarding school treasurer is responsible for regularly monitoring and reviewing the financial records. The treasurer checks every cash receipt and disbursement transaction, identifies and resolves potential errors, and prepares periodic reports that describe the Islamic boarding school's financial condition.

In an effort to increase the efficiency of the internal control system for cash receipts and disbursements at the Modern Entrepreneur Darul Musthofa Islamic Boarding School, the innovation plan being proposed is the implementation of online financial transactions. By planning the use of an online system, Islamic boarding schools aim to optimize the cash receipt and disbursement process more efficiently. Through online transactions, it is hoped that Islamic boarding schools can speed up the recording of financial data, reduce the risk of human error, and increase accuracy and timeliness in financial reporting. Apart from that, the online system can also provide better openness and accessibility of Islamic boarding school financial information for interested parties. This step not only helps in minimizing potential risks and misuse of funds, but also creates a more effective and modern internal control system in managing the finances of the Darul Musthofa Modern Entrepreneur Islamic Boarding School.

The results of this research were obtained directly by researchers by collecting data and information, namely interviewing the head of the Islamic boarding school and the Islamic

boarding school treasurer, direct observation, and analyzing documents at the Darul Musthofa Modern Entrepreneur Islamic Boarding School from 13.00 to 15.00 WIB on January 2 2024.

DISCUSSION

In the research results, the organizational structure that has been implemented, with the separation of duties and responsibilities in the cash receipt and disbursement system, shows a high level of accountability. As explained by Cahyani & Lubis (2023), the treasurer who is responsible for storing cash must be placed in a separate place. A treasurer who is careful in recording every transaction and preparing periodic financial reports is an important element in creating an effective internal control environment.

Concrete steps such as digitizing the recording system, routine monitoring, and inspections by the treasurer reflect efforts to ensure the accuracy and transparency of financial records. The implementation of authorization procedures involving the treasurer and head of the Islamic boarding school in every cash transaction is also in accordance with internal control principles. Choosing to use physical evidence such as invoices or receipts to support financial records is a good practice to increase the validity of transactions. This is in accordance with Mulyadi's theory which states that a cash receipt and disbursement system requires good procedures to be in accordance with established management policies (Ndraha & Ompusunggu, 2022).

Structural separation, authorization, detailed recording, as well as monitoring potential risks and innovation in the form of implementing online financial transactions show the seriousness of Islamic boarding schools in managing finances efficiently, effectively and modernly in accordance with technological developments. Thus, the research results show that the internal control system at the Darul Musthofa Modern Entrepreneur Islamic Boarding School is in accordance with the principles explained by experts in this field. Implementing online financial transactions is also an innovative step that can increase the efficiency of the internal control system in the future.

Research at the Darul Musthofa Modern Entrepreneur Islamic Boarding School also confirmed the suitability of the internal control system with the principles suggested by Mulyadi (2016:500). Separation of main functions, such as the separation of financing, cash and accounting functions, has been implemented well to prevent potential fraud and errors. Cash receipts from various sources are well managed and recorded in detail.

The authorization elements and procedures for recording cash receipts and disbursements are carefully designed, demonstrating transparency and accountability in Islamic boarding school financial management. Therefore, internal control controls cash disbursements according to their functions and practices in a healthy manner (Dita & Haryati, 2021). Healthy practices in the cash receipt and disbursement process help maintain accurate and clean financial records.

The Islamic boarding school treasurer has a significant role in recording every transaction, compiling periodic financial reports, and carrying out routine monitoring of financial transactions. This reflects effective and efficient financial management, as well as carrying out duties and responsibilities properly and minimizing errors that occur. Efforts to increase the efficiency of the internal control system by planning the implementation of online financial transactions show innovation in managing finances. This can speed up data recording, reduce the risk of human error, and increase the transparency of financial information.

Overall, the Darul Musthofa Modern Entrepreneur Islamic Boarding School has taken positive steps in implementing an internal financial control system. Regular evaluation and policy adjustments in accordance with technological developments and Islamic boarding school needs can ensure optimal financial sustainability and in accordance with correct accounting principles. However, further attention needs to be paid, especially regarding the digitization of the recording system, by ensuring security and timeliness in its implementation.

CONCLUSION

Based on the research results obtained, it shows that the Darul Musthofa Modern Entrepreneur Islamic Boarding School has succeeded in implementing an internal financial control system that is efficient and in accordance with correct accounting principles. An organizational structure that separates duties and responsibilities in cash receipts and disbursements provides a high level of accountability. Concrete steps such as digitizing the recording system, routine monitoring, and authorization by the treasurer and head of the Islamic boarding school reflect efforts to ensure the accuracy, transparency, and efficiency of financial records.

Clear structural separation, authorization, detailed recording, as well as monitoring potential risks and innovations through the implementation of online financial transactions shows the seriousness of Islamic boarding schools in managing finances in a modern way and in accordance with technological developments. In addition, the conformity of the internal control system with the principles recommended by experts in the financial sector provides assurance that the Islamic boarding school has implemented sound practices in financial management. Islamic boarding school treasurers have an important role in ensuring the accuracy of financial records, compiling periodic financial reports, and carrying out routine monitoring of financial transactions. Innovation by planning the implementation of online financial transactions shows the Islamic boarding school's commitment to continuing to improve efficiency and accuracy in financial management.

Overall, the Darul Musthofa Modern Entrepreneur Islamic Boarding School has provided an example of best practice in implementing an innovative internal financial control system. Regular evaluation and policy adjustments in accordance with technological developments and Islamic boarding school needs are the key to ensuring optimal financial sustainability. However, it is important to remember to continue to pay attention to security aspects in the process of digitizing the recording system in order to maintain the integrity and sustainability of the Islamic boarding school's financial system.

SUGGESTION

First, Islamic boarding schools are advised to continue to carry out regular evaluations of the efficiency and effectiveness of the existing system, by involving key stakeholders such as the treasurer, head of Islamic boarding school, and other related parties. This evaluation can help identify potential improvements, policy adjustments and technological developments that can support the Islamic boarding school's progress in financial management. In addition, improving training and understanding for all staff involved in financial processes can be a proactive step to ensure that the internal control system continues to run optimally.

Second, it is important to encourage the implementation of additional security measures related to digitalized financial recording systems. Islamic boarding schools need to ensure that the technological infrastructure used is safe from potential cyber security threats and implement best practices in managing information security risks. In this context, the involvement of cybersecurity experts or security consultants can help increase the system's resilience to potential risks.

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