

COMPARISON CONVENTIONAL AUDIT WITH PERSPECTIVE SHARIAH AUDIT

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Abstract

Development of the banking industry is growing rapidly in developing its business and carry out business activities. Purpose of this study was to determine the comparative conventional audit to the audit of sharia banking. Conventional real audit in practice lead to the limitation looking for cheating in the company of the call with fraud. Sharia audit conducted by the Auditor should be done by someone who has sufficient knowledge and ketrerampilan related to the functions of sharia. the application must be done seriously, especially honest and in accordance with Islamic Shari'a audit mechanism in taking care must be coherent and appropriate audit procedures for the future will be accounted by God.

Key words: *Conventional Audit, Sharia Audit, Banking.*

1. INTRODUCTION

A healthy banking system in need of quality banking financial statements are able to provide transparency regarding the provision of information required by the banks. Banking financial statements should be presented transparency, accurate and can be believed about the various activities in the banking business. UU no. 3 of 2004 on Indonesian bank regulations require every bank announced financial reports that have been set by Bank Indonesia. So banks need in the audit

related to its financial statements as well as to take action against advance and minimize cheating on purpose and fallacies against internal company on Banking.

Banking in Indonesia include conventional banking and Islamic banking. The financial statements on conventional banking is addressed to the company's internal and external decision making (Kieso and Weygandt, 2010). While the financial statements on Islamic banking is intended to comply with Islamic principles in their business activities to stakeholders whether the financial statements of Islamic banks has been running its operations based on the principles of sharia or not. Therefore, it has yet to be accommodated by conventional bank audit relating to the linkage of financial statements of Islamic banks their compliance with the principles of sharia in the business activities of financial statements of Islamic Banking (Juliana and Aloysia Yanti Ardiati, 2004).

Problems that occur in this time that is still new shariah auditing so that there is no proper opinion on the audit report of sharia only provide a fairness opinion on the audit report, only it is different from the conventional audit which has long been developing an opinion that has been set in accordance with PSAK. While the need for sharia audit is needed. Muslim intellectuals formulating Sharia audit by a conventional audit. When in fact the result of a scientific process of a conventional audit is not entirely true if measured according to the norms and principles of sharia. the difference is the level of philosophy or even the concept of the level of the system and its outputs.

Therefore it is necessary to research and theories newly associated with the audit of sharia in accordance with the values of Islam. So there is a provision to audit provisions of sharia in accordance with the norms and standards of Islam. The approach in formulating the auditing of Islam is in line with the approach AAOIFI in formulating standards of accounting and auditing for financial institutions of Islam with the aim based on those principles of Islam and its teachings that makes the destination for consideration by associating them with the thought that current (Harahap, 2002: 29, as well as the Inspire Maulana Fiqi, 2013: 4).

Conventional audit in the audit practice will be focused to assess the fairness (fairness) opinion in the form of management in running its operations as well as assurances that the business has been run correctly (Run Properly). Conventional real audit in practice lead to the limitation looking for cheating in the company of the call with fraud. More directed to provide information without their spirit as well as the responsibility (or if he just is not a Horizontal) Horizontal and Vertical.

Sharia audit conducted by the Auditor should be done by someone who has sufficient knowledge and ketrampilan related to the functions of sharia. Business operations are based on Islamic principles and apply Islamic values consistently. Tasks that may include preparation of financial statements, preparation of accounting reports to management, Conducting internal audit to detect fraud in the company. However, the application must be done seriously, especially honest and in accordance with Islamic Shari'a audit mechanism in taking care must be coherent and appropriate audit procedures for the future will be accounted by God.

The study conducted by mina Sakina, 2014 regarding the comparison between the conventional audit and audit of sharia in the results of the study researchers conclude that there is to the difference between the audit procedures between Islamic banks with conventional banks. In auditing Islamic banks have an additional procedure is to test and check for compliance with Islamic principles that have been qualified and Islamic principles or not. Whereas in conventional bank audit the auditor simply just check the fairness of financial statements while in Islamic banking auditors examine the fairness of the financial statements also check the fulfillment of sharia principles.

Research conducted by Hayashi (1989) in his dissertation on the International Of Japan On Conventional Syariah Concept In conjunction with the audited accounting In the study suggests that the fundamental difference between conventional in auditing with Sharia Islamic perspective. Audit In the perspective of Islam has metarule that is guided by Islamic law which is described by the Quran and Hadith Whereas in conventional audit is not based on such things only check the reasonableness of the financial reporting of companies.

Furthermore Azharsyah Ibrahim 2009 regarding the audit of conventional versus Sharia audit: Islamization Basic Concepts of Accounting. Researchers found the basic concepts of a conventional audit can be used as a fundamental base. Difference sharia accounting with conventional accounting lies in aspects of the provision of information, especially on the objective way of measuring and reporting and appraisal communication. Another difference is that the purpose of audit reports in which the audit was based on sharia law shariah integrated in the life of the Muslim community. Sharia Audit has a form with the values of justice, truth and accountability.

From the point of view that has been pointed out above and related research studies in Islamic audit conventional audit concluded that it can only assess the fairness of a conventional audit its financial statements only while the shariah audit check the fairness of financial statements in accordance with Islamic principles.

2. THEORETICAL BASIS

Understanding Audit

Auditing is the collection and evaluation of evidence about information to determine and report the degree of correspondence between the information and the criteria established, in conducting the audit should be performed by a competent and independent (Alvin A. Arens et al, 2010: 4). In doing an auditor should pay attention and perform the audit planning, audit execution, until the issuance of audit reports. In conducting the audit process that need to be known so that the auditors can perform its functions in accordance with the applicable rules so that he can protect themselves from the possibility of a fatal error such as errors that can cause a risk auditor audit (Harahap, 2002: 122)

(Harahap, 2002: 122) Explaining that the process in conducting the audit are as follows :

1. Get the information to understand the company's situation.
2. The value factors affecting risk levels are acceptable from an audit to be carried out.

3. The value of the factors that affect the likelihood of an error.
4. Combine the test results and conclusions about the risk of all levels of testing.
5. Remove the audit report.

Conventional audit

Conventional Audit based on a system that is free of moral values and do not take into consideration ethical values set by Islam. The conventional approach to audit has given little attention to the social context and auditing organization (Handoyo Sigit, Head & Sanusi, 2013). Conventional audit carried out by the steps by an auditor from the audit plan, execution, until the issuance of the auditor's report. Conventional audit process needs to know so that the auditors can carry out its functions in accordance with the applicable rules so that he can protect themselves from fatal errors that can cause a risk audit (Harahap, 2002: 121).

Basic model of a conventional audit depends on the company models of secular ethics is reflected in conventional accounting or auditing generally proposed a system of ethics to not uncertainty. Capitalistic approach is not suitable for the economic system of Islam on the other hand put the values of high moral, justice and Benefit the People (for the benefit of the Muslim community) as one of its principles. According Haneef because of differences in the economic vision of Islam to the people of the western economies, coupled with the epistemological and methodological framework in Islamic scholarship development of Islamic economic thought. He then pointed out that the Islamic economy, including banking financial or accounting should be evaluated.

Sharia audit

Audit sharia is used as a check or provide fairness (truth) a report presented by the management so that it could be believed by management that are used in making decisions in accordance with Islamic Shari'a. Islam accountants country is divided into seven functions. Six functions related to accounting work. While one function in kususkan to correct bookkeeping. Correcting bookkeeping function is of particular importance this is similar to what we call muraja'atul hisabat (correcting accounting or auditing). Or tadqiqul hisabat (accuracy bookkeeping) and arriqabatul kharijiyyah (external supervision) (Maramis Nia Romadaniati, 2013 and Harahap, Sofyan S, 2002: 15).

Truth and justice in measure (measure) is, also regarding the measurement of wealth, debt, capital income, expenses, and profits of companies that an auditor shall measure the wealth properly and fairly. An auditor will present a financial report compiled from the evidence there is of an organization that is run by a management appointed or designated in advance.

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3. RESEARCH METHODS

This study uses research methods literature with comparative descriptive explanation. data used by researchers is the secondary data is data derived from documents, financial reports, journals, seminar, and website. The purpose of this study was to determine the comparative conventional audit to audit the sharia perspective and gives an overview difference between conventional and Shariah audit in banks.

4. DISCUSSION

Standards Islamic Accounting and Conventional Accounting

Islamic and conventional accounting standards used to regulate accounting practices of banks. The standard used to uniform accounting practices of banks so that the bank's financial statements easier to provide information about the financial situation appropriately. Therefore, the published results of cooperation between the bank Indonesia (BI) and accounting bonding Indonesia (IAI) in accordance with the standards for conventional banks and Islamic banks (PABK, 2003: 8)

Sharia	Conventional
a. Statement of Financial Accounting Standards (PSAK) No. 59, "Accounting for Islamic Banking", PSAK 101 "financial statements" PSAK 102, "Accounting for Murabahah", PSAK 104, "Accounting Istishna", PSAK 105, "Accounting for Mudharabah" PSAK No. 106, "Accounting Musharaka", PSAK No. 107, "Accounting for Ijarah" b. Accounting for Islamic Banking and implementation guidelines (accounting guidelines Indonesian Islamic banking	a. Statement of Financial Accounting Standards (PSAK) no.31 (Received 2000) b. Guidelines for Financial Accounting Standard 31. c. Indonesian Banking Accounting Guidelines (PAPI) Revised 2001 issued by the Indonesian Institute of Accountants (IAI) d. Accounting Guidelines with financial accounting standards for entities without public accountability (SAK ETAP)

Source: Mina Sakina, 2014.

Conventional Role and Process Audit

Conventional audit in general in his report can definiisikan as reports of independent auditors' opinion regarding the appropriateness or accuracy of client statements that present the report keuangannya in accordance with accounting principles generally accepted, which is applied consistently with the previous year. In a conventional audit audit report referring to the four standard paelaporan contained in SFAS standard. In a conventional audit reporting required uniformity untu avoid confusion. Conventional Audit guided by professional standards that have been formulated and detailing the various types of audit reports should be included in the financial statements (Handoyo sigit, Kasim & Sanusi, 2013). There are several types of the opinion that it provides accountants with respect to a general inspection, namely:

1. *Unqualified Opinion.*
2. *Unqualified Opinion Explanatory Language.*
3. *Qualified Opinion*
4. *Adverse Opinion*
5. *Unqualified Opinion*

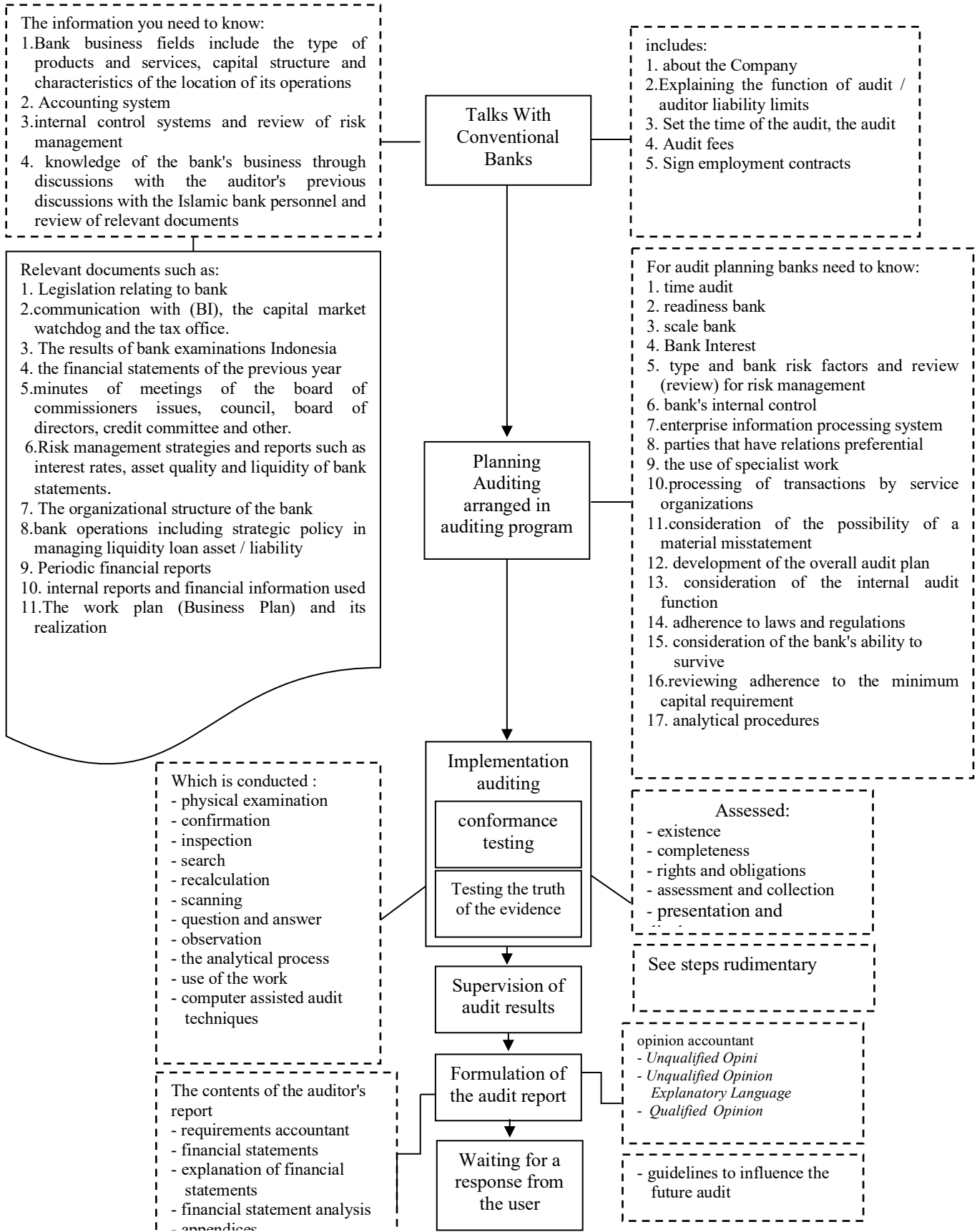


Figure 1. Process Audit In Conventional Banks

Source: Sofyan s. Harahap (2002)

Role of Sharia Audit Process

Audit in the eyes of Islam In the Qur'an mentioned that we should measure the fair, do not overbid and should not be reduced. We are forbidden to demand justice for our size and scale, while for others we do any less. Truth and justice in measure (measure) that also involves the measurement of wealth, debt, capital income, expenses, and profits of the company, so that a measure of wealth Accountant must be true and fair (Harahap, Sofyan S, 2002).

An accountant will present a financial report compiled from the evidence that exists in an organization that is run by a management appointed or designated in advance. Management can do anything in the present report in accordance with the motivation and interests, so logically feared he would ride his interests. It required the Independent Accountant who perform checks on the report and the evidence (Kariyoto,2013).

The legal basis of the Audit Islam derived from the Koran, the Sunna Nabwiyyah, ijma (consensus of the ulama), Qiyas (similarity of a particular event, and 'Uruf (customs) are not contrary to Islamic Shariah. The rules of Islamic Accounting, has special characteristics which differentiates it from conventional accounting rules. the rules of Islamic Accounting in accordance with the norms of Islamic society, and include social science disciplines that serve as public servants in place of the accounting application (Harahap, Sofyan Syafri, 2008).

Islamic economic system has begun to put into practice in the field and not just a matter of discussion the experts. Initially the system is applied in the banking sector, and then also spilled over into other financial sectors such as insurance and capital markets. Very rapid growth, today no less than 200 Islamic financial institutions have operated implement Islamic economic system is contained in various parts of the world not only Islamic country but also in non-Muslim Countries.

With the advent of such a system would not want this institution certainly has differences with conventional institutions, because it is operated by using a value system based on the sharia of God's sovereignty is not sovereignty ratio of God's creation is limited. Thus, the system is related to the existence of these institutions also need to implement Islamic values if we want to implement Islamic values consistently. So this is where the relevance of the need for Islamic auditing systems in performing the audit function of the institution that is run Islami (Harahap, 2008).

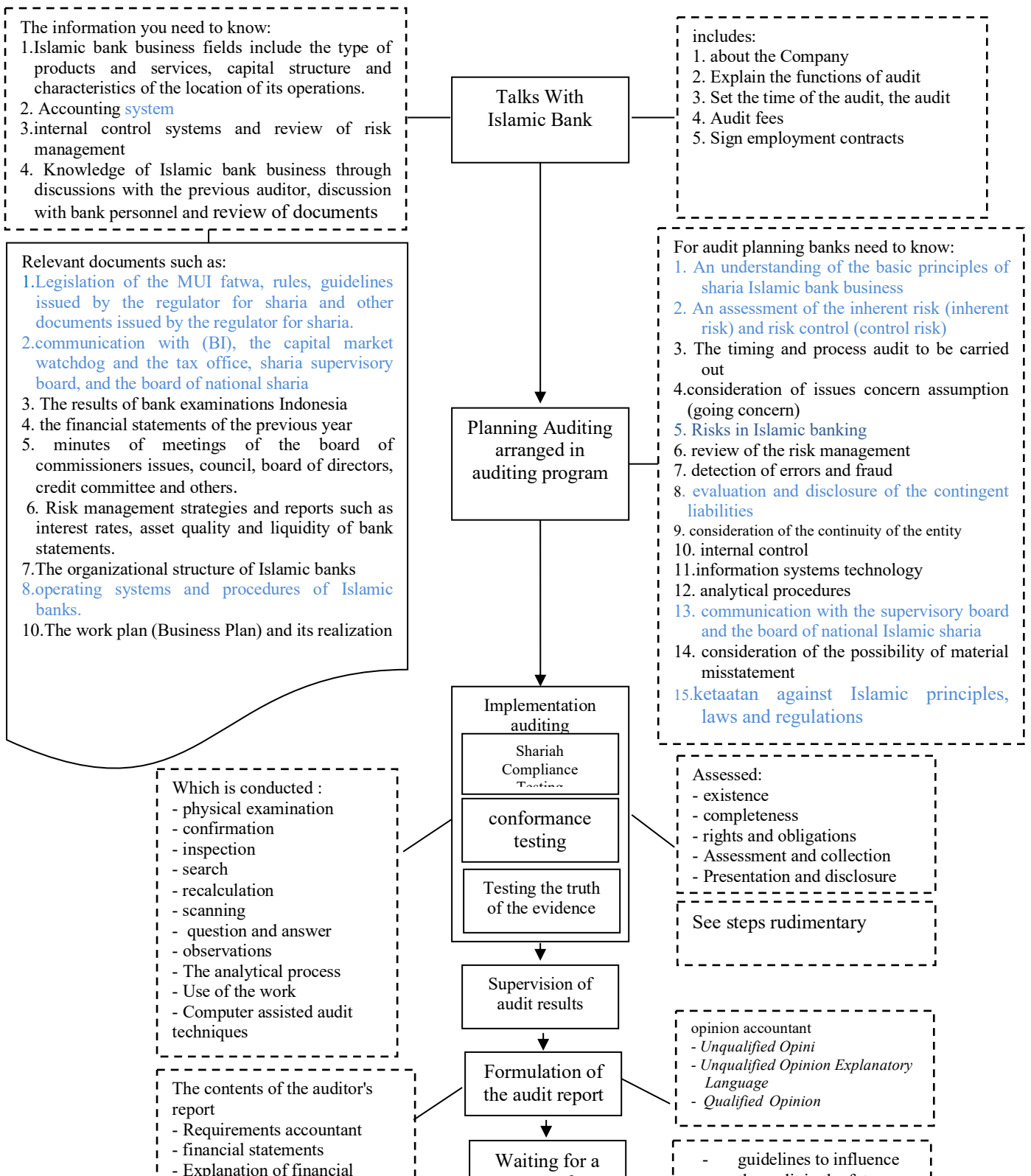


Figure 2. Syariah Audit Process In Syariah

Source : Sofyan s. Harahap (2002)

Accounting And Auditing Standards For Islamic Financial Institution (AAOIFI)

Initially the organization was called the Financial Accounting Organization for Islamic Banks and Financial Institution was established on 1 Safar 1410 H or 26 February 1990 in Aljiria. AAOIFI Audit General Principles:

1. Auditor Islamic financial institutions must comply with the code of conduct issued by the accounting profession AAOIFI and the International Federation of Accountants is not against the rules and principles of Islam.
2. The auditor should conduct the audit in accordance with standards issued by the Auditing Standards for Islamic Financial Institutions (Asifi).
3. The auditor should plan and perform the audit with professional competence, careful and aware of all the circumstances that may exist that cause the financial statements misstated.

The approach in the formulation of this system is as proposed by the Accounting and Auditing Standards for Islamic Financial Institution (AAOIFI), namely:

1. Set goals based on Islamic principles and teachings then make these goals for consideration by associating them with the thought that the current accounting.
2. Starting from the objectives set by the capitalist accounting theory and then test it according to sharia law, accept things that are consistent with sharia law and rejects things that are contrary to sharia.

Code of Islam Accounting Profession

Integrity

Islam put integrity as the highest value that guides the entire behavior. Islam also assess the need for skills, competence and specific qualifications to perform an obligation.

Sincerity

This premise means that accountants have to seek the pleasure of God to do the job instead of looking for the name, pretending, hypocritical and as other forms of falsehood. Being sincere means that accountants do not need to be subject to influence or external pressure but should be based on the commitment to religion, worship in carrying out the functions of his profession. The task of the profession must be converted to a duty of worship.

Piety

Piety is an attitude of fear to God, both in a state of covert and overt as one way to protect a person from the negative consequences of conduct contrary of Shari'ah, especially in terms of the berkitan with behavior towards the use of wealth or transactions that tend to the injustice and the things that are not in accordance with the shari'a.

Truth and Work Perfectly

Accountants do not have to limit himself only do the work and his profession but also had to struggle to find and establish the truth and perfection of professional duties by carrying out all the tasks assigned to them in the best good and as perfect as possible. This will not be realized except through academic qualifications, practical experience, and understanding and religious experience is mixed in the discharge of his profession.

Fear of God in every thing

A Muslim believes that God is always looking and seeing all behavior servants and always be aware of and consider any behavior that is not pleasing to Allah. This means that a lady accountant / auditor must behave fear Allah without having to wait and consider whether another person or his superiors agree or disliked it. This attitude is self-censorship so that they can survive continuously from the temptation that comes from work profession.

Humans are responsible before God

Accountant Muslim must believe that God is always watching all of his behavior and he will answer to all of his behavior to God later in the hereafter good behavior amupun great small. Therefore accountant / auditor must always remember that he will be accountable for all their work before God and also to the public, profession, employer and himself.

5. CLOSING

In today's era of industrial development in Indonesia is growing rapidly in developing its business and conduct business activities are diverse. In the development of its business did not escape the role of audit to crack lanjutin and minimize cheating on purpose and fallacies perbankan.Masalah happened today is auditing sharia is still new so there is no proper opinion on the audit report of sharia only provide a fairness opinion on the audit report, only it this is different from the conventional audit which has long been developing an opinion that has been set in accordance with PSAK. While the need for sharia audit is needed. Muslim intellectuals formulating Sharia audit by a conventional audit. When in fact the result of a scientific process of a conventional audit is not entirely true if measured according to the norms and principles of sharia. the difference is the level of philosophy or even the concept of the level of the system and its outputs.

The right solution to solve the problem by way of necessary research and new theories associated with sharia audit in accordance with Islamic values. So there is a provision to audit provisions of sharia in accordance with the norms and standards of Islam. The approach in formulating the auditing of Islam is in line

with the approach in formulating AAOIFI accounting and auditing standards for Islamic financial institutions with the aim of Islam and its teachings based on those principles which make the destination for consideration by associating them with current thinking.

Conventional real audit in practice lead to the limitation looking for cheating in the company regarding the fairness of the financial statements of the company. Audit sharia in practice based on the principles of Islam and applying Islamic values consistently. Accountable for all his work before God and also to the public, profession, employer and himself.

Limitation and Suggestion

Comparative study with conventional audit in perspective sharia audit data obtained limited. Comparative study with conventional audit in the audit shariah perspective needs to be done further research in order to better research results.

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