Transparency of Hajj Fund Accountability: Performance of Financial Statements and Investment Optimization

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Abstract

This research aims to provide a theoretical framework for implementing financial products in the management of Hajj financial funds presented in a transparent and accountable manner with a novelty system that is centrally embedded in the field. This research contribution integrates the management of centralised system fund instruments that are transparent and accountable. This research method uses sampling in the form of interview instruments and questionnaires to 126 employees who work in religious affairs offices located in branch offices on the island of Java. As a result of this research, there is a significant positive effect of direct or indirect integrated systems centralised on transparency and public accountability in producing good financial statement performance, and financial statement performance relationships have a significant positive effect on the optimisation of financial instruments.

Keywords: board of trustees; centralised integration system; financial report performance; public accountability; optimisation of investment instruments

INTRODUCTION

The growth in number of pilgrims increases in line with the increasing number of people in Indonesia every year. The increase in the number of hajj candidates positively improves the economic welfare of the community. BPKH duties and responsibilities are entrusted with proper and proper financial management based on sharia and law; as stated (Primadhany, 2018), direct investment of hajj funds is carried out based on sharia principles and considers aspects of security, prudence, the value of benefits, and liquidity. Through an investment of Hajj, funds are carried out based on sharia principles and consider aspects of security, prudence, the value of benefits, and liquidity. An important issue that needs to be reviewed from this study is that there are still constraints on improving the optimisation of investment instruments for hajj fund managers from the head office to the branch offices below. A centralised integration system in the form of funds flow or other information applied by the

central government to optimise financial instruments has not been optimised. The issue is related to the integrity of a centralised information system on transparency and accountability of the public. Also, the moderation function of the supervisory board serves to monitor the performance results of financial statements and whether it contributes strongly or weakens financial optimisation.

In terms of security and prudence, according to (Abdullah et al., 2015), transparency and reliability in financial statements have a relationship with the use of accounting standards in corporate governance, while (Adiputra et al., 2018) government transparency is not influenced by the level of government response to regulations and the same of (Damodaran, 2006) differences in accounting standards across the country are seen as the main causes of lack of transparency. Therefore, the performance of financial statements in this research will provide a conceptual analysis of the mediation of system relations, transparency of reports, and public accountability.

To previous research described (Kloot, 2009), public accountability reporting can be measured and evaluated in the public sector, especially in developing countries. In addition, accountability will be influenced by governance that provides facilities for increasing investment (Luo, 2005) and (Suhaimi Nahar & Yaacob, 2011); accountability is considered essential to contribute to the financial reporting literature of Islamic nonprofit organisations regarding healthy accounting practices. Nevertheless, according to (Hochwarter et al., 2005), accountability negatively affects individuals when there is tension in employment relationships. The tension of the work will undoubtedly have an impact on the governance determination of the potential risks that will be created. Therefore, with accounting standards used as one of the accountable indicators, it will certainly produce good financial statement performance in investment optimisation.

In addition to the accountability and transparency capabilities of institutions for optimisation of financial investment instruments, in this study, the contribution of an integrated system also provides solutions in providing fast and accurate data. (Ho et al., 2019; Wixom & Todd, 2005) Suggests a centralised integration system built to bridge the design and implementation decisions to provide the power of user satisfaction. Other research supported by (Chapman & Kihn, 2009; Pérez-Lara et al., 2020; Ulfenborg, 2019; Wangler & Paheerathan, 2000; Wowor, 2013) states that centralised information systems can help government agencies to cross information sharing limits and reduce the number of limits that government agencies may face. Therefore, in this research, a centralised integration system contributes to the key determinant of integrating cross-border complexity of vertical, star, and horizontal information on government throughout regional offices on one centralised information system.

Centralised Integration System

System integration is defined as an interconnected subsystem so that data from one system can be routinely transferred to or retrieved by one or more other systems. Integration of information systems is carried out to align activities with the objectives and missions of

the government as a whole in coordination actions (Abernethy et al., 2007). Information system integration is specifically used to control the management and governance of organisational information. The integration of the system is intended to provide convenient, transparent, and low-cost interaction between the government and the community, the government and the business or industrial sectors, and also with different government bureaus (C. Liang et al., 2011). (Bhatt & Bhatt, 2017) proved a centralised integration system can maximise performance, productivity, and improvement.

Transparency

Transparency is one of the values of good governance. Yupita et al. (2020) state that transparency is the principle so that everyone can obtain information on government work and guaranteed freedom to access the information related to government policy towards the community, the process of drafting and implementing policies, as well as the results that have been achieved. Transparency depends on the flow of accessible information that must be seen by stakeholders, all governance mechanisms of which institutions and available information must be adequate to understand (Addink, 2018).

Accountability

In integrating centralised information from the central government to the local government CIPP system (Context, Input, Process, and Product) is required (Stufflebeam, 2003) and implemented further in one of the research (Siswadi et al., 2020). A centralised integration system towards governance, one of the important elements of importance according to (Tahir, 2011), is a matter of transparency. Transparency not only focuses on the mechanisms of the formulation system being built but has other important access opportunities for the community in decision-making or policy. Other things are supported by integrated financial budget management in performance-based financial management provides a new direction in more transparent finance. Transparent integration of centralised governance is a form of mutual awareness in democratic governance to obtain honest and non-discriminatory information about implementing its policies and programs.

H_1: Centralised integration system can improve the transparency of hajj fund management

H_2: Centralised integration system can improve the accountability of hajj fund management

Financial Statements Performance

Good financial reporting, especially the increasing hajj finance, can be an opportunity to increase investment. According to Sundjaja & Barlian (2001), financial statements are reports detailing the effects of accounting procedures used to convey financial details or activities of entities to stakeholders. Sulaiman et al. (2019); transparency and accountability, which is the principle of government responsibility to the public, have a significant positive influence on government performance. More importantly, good governance has a significant impact on quality and higher inefficiencies in government spending. However, Haliah and Nirwana

(2019) found that personal competence factors to the quality of financial reporting that are part of improving government governance have no direct effect on performance.

H₃: Transparency can improve the performance of hajj fund management reports

H₄: Accountability can improve the performance of hajj fund management reports

H₅: Centralised integration system can improve the performance of the hajj fund management report

Optimisation of Investment Instruments

The Regulation of the Minister of Religious Affairs of the Republic of Indonesia controlling the Optimisation of Hajj Costs (BPIH) is implemented by: first, the purchase of a State Shariah Letter (SBSN); second, the purchase of Government Bonds (SUN); and third, placing in the form of time deposits (Lisnawati, 2017). Furthermore, Lisnawati (2017) said that the hajj financial management agency (BPKH) has flexibility in placing hajj funds on several other investment alternatives.

Hajj funds can be invested to support infrastructure financing but are limited to the type of investment that is very safe and guarantees a full return. Further, Witjaksono (2020); Hajj financing can be invested in infrastructure funding projects because of the purpose of investing in Hajj as a deposit fund or resembling *yadh dhamanah*. By prioritising the security/needs of pilgrims, BPKH will increase the importance of the financial benefits of Hajj from an Islamic financial perspective. Investment in the form of infrastructure development is possible but limited to safe, sharia, and investment in sectors that have generated value benefits (brownfield).

H₆: Financial statement performance can improve the optimisation of investment instrument

H₇: Transparency can improve the optimisation of investment instrument

H₈: Accountability can improve the optimisation of investment instrument

H₉: Financial statement performance can improve the optimisation of investment instruments moderated by the board of trustees

RESEARCH METHOD

This research was conducted at BPKH office in the Central Java region in Jan – April 2021. The data was obtained in the form of primary data from questionnaires shared and interviews directly with selected respondents, namely officers or employees of BPKH branch office. Secondary data was also obtained from various written sources supporting this research. The population of this study is as much as 126. Samples are taken in a census where all populations are sampled.

Table 1. Demographic Information of the Respondents

Characteristics of Respondents	Amount	Percentage
Sex		
Male	76	60,3
Female	50	39,7
Total	**126**	**100,0**
Age		
15 - 20 years old	23	18,3
> 20 - 30 years old	17	13,5
>30-40 years old	34	27,0
>40 - 50 years old	37	29,4
>50 years old	15	11,9
Total	**126**	**100,0**
Last Education		
Senior High School	36	30,4
Bachelor Degree	34	24,3
Magister	46	36,5
Other	10	8,7
Total	**126**	**100,0**
Structural position		
Head Branch	12	9,5
Board of Trustee	16	12,7
Finance Manager	20	15,9
Treasurer	32	25,4
IT Staff	12	9,5
Validator Staff	22	17,5
Cashier	12	9,5
Total	**126**	**100,0**
Work Time Experience		
1 - 5 year	34	67,8
> 5 - 10 year	32	25,4
> 10 - 15 year	14	11,1
> 15 year	46	36,5
Total	**126**	**100**

Source: Data processed, 2021

Based on the table above, it is known that bpkh employees number (47%) are predominantly male. Based on the dominant age of 29.4% at the age of > 40 - 50 years old. Meanwhile, judging by the last education as much (36.5%) master level. Structural positions spread across branch offices are dominated by the position of treasurer at 36.5% and the most extended working experience of> 15 years, as many as 46 people. The operational definitions of research variables are briefly presented in the following Table 2:

Table 2. Operational Variable

| Variable	Dimension	Indicator
Centralised Integration System (X1)	1.Vertical Integration 2.Star Integration 3.Horizontal Integration	- Based on the old subsystem - Relationship of one subsystem to all sub-sub systems -Create a single layer to function as an interpreter
Transparency (X2)	1. Planning 2. Implementation 3. Supervision 4. Accountability	- The existence of precise information about the cost plan - Openness to the implementation process - The function of the budget control system - Disclosure of information on accountability reports
Public Accountability (X3)	1.Entities 2.Fee Structure 3.Implementation of Worship Haji	- Following applicable accounting standards - Determination of the cost of prospective pilgrims - Amount of initial deposit margin/interest
Financial statements performance of haji funds (Z1)	1. Balance Sheet Report 2. Operational Report 3. Cash Flow Statement 4. Notes on Financial Statements	- Assets, Liabilities and Net Assets - Comprehensive income, expenses and income - Operations, investment and funding activities - Record financial ratio
Board of Trustees (Z2)	1. Investment and Placement Committee 2. Risk Management Committee	- Identifying Risks - Consideration of the risks faced - Assessment and Review of hajj funds
Optimisation of investment instruments (Y)	Risk Management Policy	- Exchange rate risk policy - Liquidity risk policy - Default risk policy - Legal risk policy

Source: data processed, 2021

RESULTS AND DISCUSSION
Structural Equation Model (SEM) Analysis
In this study, there are three latent variables, namely integrated system centralised (X1) as measured by three indicators, transparency (X2) as measured by four indicators, public accountability (X3) as measured by three indicators, financial report performance (Z1) consists of 3 indicators, optimisation of investment instruments (Y) consists of 3 indicators and board of trustees as moderation (Z2) consists of 3 indicators. For SEM analysis, the author uses PLS software that is done with several stages of analysis, namely measurement model test analysis (Outer model) to find out if observed variables are valid to be passed to the next stage and structural model test analysis (Inner Model). The measure of individual reflection is said to be high if it correlates more than 0.70 with the construct to be measured, while in the research stage of scale development, loading 0.50 to 0.60 is still acceptable. The

results of the calculation of standardised path coefficients are shown in the full model image below. In order to measure the data and hypothesis testing, this research implemented regression tests. In order to determine whether the hypothesis was supported or not, several linear regression measurements were done. If the significance value was lower than the probability value, the hypothesis was accepted.
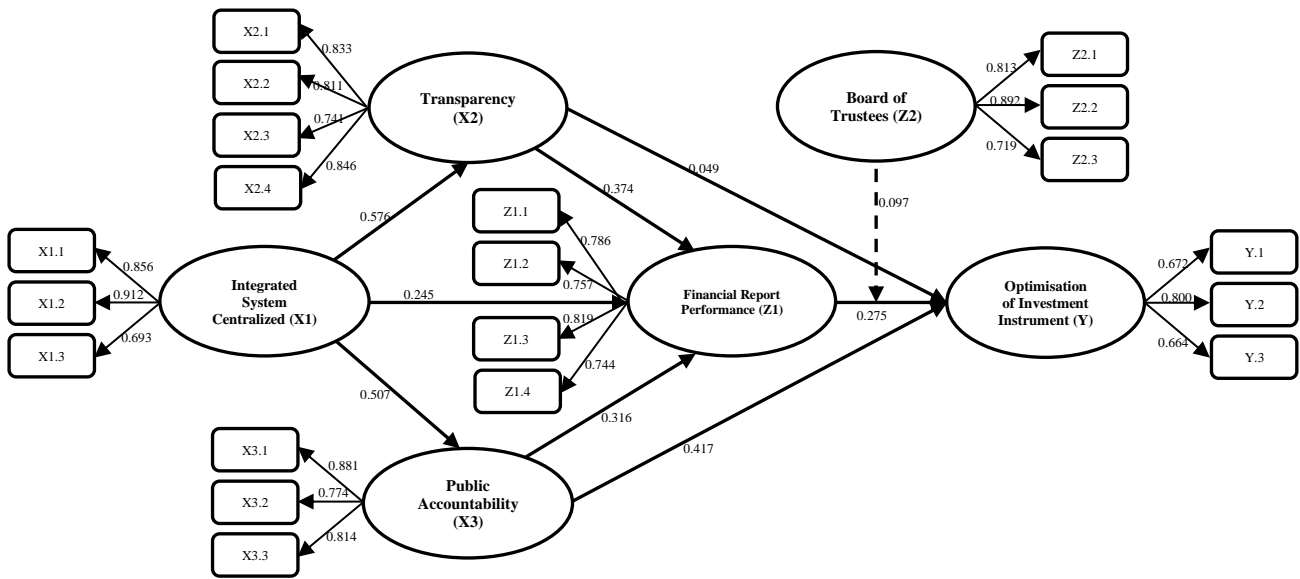
Figure 1. Full Structural Model Optimisation of Investment Instrument & Financial Report Performance

Source: data processed, 2021

Based on Number 1, it is concluded that all indicators of a centralised, integrated system, transparency, public accountability, financial report performance, optimisation of investment instruments, and supervisory boards above 0.5. In integrated system centralised variables (X1), the X1.2 indicator value is strongest, while the X1.3 indicator is weakest in reflecting the integrated system centralised variable (X1). In transparent variables (X2), the X2.4 indicator is strongest, while the X2.3 indicator is weakest in reflecting the opportunity variable (X2). In public accountability variables (X3), the X3.1 indicator is the strongest, while the X3.2 indicator is the weakest in reflecting public accountability variables. In the financial report performance variable (Z1), the Z1.3 indicator value is the most dominant compared to the weakest Z1.4 indicator in reflecting the financial report performance variable (Z1). The board of trustees variable (Z2) is the strongest variable in the Z2.2 indicator, while the Z2.3 indicator is the weakest.

<p style="text-align:center">Table 3. Composite Reliability (CR), Average Variance Extracted (AVE),
and R Square Testing</p>

Variable	Composite Reliability	AVE	R-Square	Adjusted R-Square
Integrated system centralised (X1)	0.859	0.682		
Transparency (X2)	0.883	0.654	0.332	0.327
Public accountability (X3)	0.864	0.679	0.257	0.251
Financial report performance (Z1)	0.859	0.604	0.612	0.603
Optimisation of investment instruments (Y)	0.689	0.436	0.690	0.677
Board of trustees (Z2)	0.851	0.658		

Source: data processed, 2021

In the composite reliability (CR) value test, if the data is said to be reliable, the value is greater than 0.7 (Raykov & Marcoulides, 2013) contained in the variables integrated system centralised (X1), transparency (X2), public accountability (X3) and financial report performance (Z1) indicating that all indicators have consistently, while the variable optimisation of investment instruments (Y) value < 0.7 of 0.689. Although the rule of thumb alpha value or composite reliability has a standard value of > 0.7, according to(Hair et al., 2010; Raykov & Marcoulides, 2013) value of 0.6 is still acceptable. The limitation of this result can still be tolerated because the model is still in the development stage, so all indicators are valid for measuring latent variables. The following evaluation of convergent validity evaluates the average variance extracted (AVE) value. The construct is said to have good convergent validity when the AVE value is above 0.5(Cheung & Wang, 2017). From integrated variable system centralised (X1), transparency (X2), public accountability (X3), and financial report performance (Z1) have an average variance extracted (AVE) > 0.5, meaning there is a correlation between two different instruments(Chin, 1998). From these results, there is an AVE value at Y.4 below 0.5. The researchers retain this indicator because it is considered important to strengthen the correlation of variables, although according to(Marcoulides & Saunders, 2006)can be excluded from the model. The table above shows the value of R square influence of latent transparency variable (X2) at 0.332, public accountability (X3) at 0.257, financial report performance (Z1) at 0.612, and variable optimisation of investment instruments (Y) at 0.690. This result can be interpreted as the construct variable optimisation of investment instruments that can be explained from latent transparency, public accountability, and financial report performance variables by 69%. In comparison, the remaining 31% is explained by other variables that are not studied.

Based on Table 3, higher X1.1-X1.3 indicators correlate with integrated system centralised (X1) variables, as well as X2.1-X2.4 indicators that correlate higher with transparency variables (X2), then X3.1-X3.3 indicators correlate higher with public accountability (X2), then X3.1-X3.3 indicators correlate higher with public accountability (X3), the Y.1-Y.4 indicator is correlated higher with optimisation of investment instruments (Y), the Z1.1-Z1.4 indicator is correlated higher with financial report performance (Z1), the Z2.1-

Z2.3 indicator is correlated higher with the board of trustees (Z2). So it can be concluded that the model already has a good discriminant Validity.

Table 4. Cross Loading

	Integrated System Centralized (X1)	Transparency (X2)	Public Accountability (X3)	Financial Report Performance (Z1)	Board Of Trustees (Z2)	Optimisation of Investment Instruments (Y)
X1.1	0.856	0.487	0.421	0.541	0.686	0.541
X1.2	0.912	0.558	0.487	0.631	0.767	0.611
X1.3	0.693	0.353	0.328	0.306	0.667	0.482
X2.1	0.569	0.833	0.344	0.512	0.670	0.546
X2.2	0.448	0.811	0.500	0.633	0.513	0.528
X2.3	0.422	0.741	0.410	0.406	0.493	0.463
X2.4	0.422	0.846	0.493	0.647	0.541	0.512
X3.1	0.495	0.382	0.881	0.548	0.422	0.758
X3.2	0.423	0.595	0.774	0.595	0.455	0.491
X3.3	0.308	0.365	0.814	0.432	0.350	0.519
Z1.1	0.521	0.478	0.489	0.786	0.440	0.450
Z1.2	0.421	0.457	0.376	0.757	0.310	0.563
Z1.3	0.618	0.672	0.506	0.819	0.559	0.580
Z1.4	0.355	0.500	0.615	0.744	0.313	0.565
Z2.1	0.733	0.627	0.428	0.482	0.813	0.498
Z2.2	0.816	0.686	0.498	0.557	0.892	0.560
Z2.3	0.504	0.341	0.276	0.231	0.719	0.492
Y.1	0.623	0.658	0.288	0.576	0.519	0.672
Y.2	0.399	0.368	0.793	0.483	0.447	0.800
Y.4	0.296	0.214	0.215	0.311	0.289	0.664

Source: Data processed, 2021

Furthermore, Table 4 shows that the model has good discriminant validity. Fornell-Lacker's assessment of criteria reveals that the correlation between each build and its construction is higher than that of other constructions (Golob, 2003).

Table 5. Fornell-Larcker Criteria

Description	Board Of Trustees (Z2)	Financial Report Performance (Z1)	Integrated System Centralized (X1)	Optimisation of Investment Instruments (Y)	Public Accountability (X3)	Transparency (X2)
Board Of Trustees (Z2)	**0.811**					
Financial Report Performance (Z1)	0.529	**0.777**				
Integrated System Centralized (X1)	0.850	0.621	**0.826**			
Optimisation of Investment Instruments (Y)	0.639	0.660	0.661	**0.698**		
Public Accountability (X3)	0.499	0.642	0.507	0.731	**0.824**	
Transparency (X2)	0.687	0.686	0.576	0.635	0.540	**0.809**

Source: Data processed, 2021

Table 6. Hypothesis Testing

Correlation	Coefficient	T-Value	P-Value
Integrated System Centralized (X1) → Transparency (X2)	0.576	7.260	0.000
Integrated System Centralized (X1) → Public Accountability (X3)	0.507	6.252	0.000
Transparency (X2) → Financial Report Performance (Z1)	0.374	4.553	0.000
Public Accountability (X3) → Financial Report Performance (Z1)	0.316	3.893	0.000
Integrated System Centralized (X1) → Financial Report Performance (Z1)	0.245	2.440	0.015
Financial Report Performance (Z1) → Optimisation of Investment Instruments (Y)	0.275	2.649	0.008
Transparency (X2) → Optimisation of Investment Instruments (Y)	0.049	0.373	0.710
Public Accountability (X3) → Optimisation of Investment Instruments (Y)	0.417	3.833	0.000
Financial Report Performance (Z1) * Board Of Trustees (Z2)→ Optimisation of Investment Instruments (Y)	0.097	1.246	0.213

Source: Data processed, 2021

From Table 5, the first hypothesis has a p-value of 0.000 which means integrated system centralised (X1) has a positive and significant effect on transparency (X2). The second hypothesis has a p-value of 0.000, which means integrated system centralised (X1) has a positive and significant effect on public accountability (X3). The third hypothesis has a p-value of 0.000 which means transparency (X2) positively and significantly affects financial report performance (Z1). From the test results of the fourth hypothesis p-value of 0.000, public accountability (X3) has a positive and significant effect on financial report performance (Z1). The fifth hypothesis test result p-value integrated system centralised (X1) has a positive and significant effect on financial report performance (Z1) of 0.0015. Besides, from the results of the sixth test p-value, financial report performance (Z1) of 0.008 has a positive and significant effect on the optimisation of investment instruments (Y).

Furthermore, the results of the seventh direct influence test p-value transparency (X2) of 0.710 have no effect and are signed on the optimisation of investment instruments (Y). In contrast, the correlation of test results to eight public accountability (X3) of 0.000 to the optimisation of investment instruments (Y) has a positive and significant effect. The final results of the ninth hypothesis test p values predicted moderation because the influence of financial report performance (Z1) is influential, and the moderation effect of its board of trustees (Z2) has no effect. R square influence of financial report performance on optimisation of investment instruments of 0.612. That is, the optimisation of investment instruments can be explained by financial report performance of 61.2%. The remaining 38.8% is explained by other unexplained variables. The next stage is the assessment observed in various, starting with cross-loading. The cross-loading value indicates the amount of correlation between each construction and other construction indicators and indicators.

Discussion

Based on the hypothetical results in table 5 above, the integrated system centralised (ISC) in transparency has a path coefficient of 0.576 with p < 0.05 and a t-count value of 7,260, which means that the ISC has a positive and significant effect on transparency. The more open the central integration system from the centre to the region, the more open the information that is accumulated and the risk of corruption. These results are supported in the study (Benos et al., 2020; Kohler et al., 2015)to increase price transparency, achieving the effectiveness of low-price used systems (Banco de PreçosemSaúde, BPS) and purchase price disclosure. Another support from Thohari et al. (2017) research with a centralised system can provide data openness from the government to the public.

A centralised integration system used by the government provides easy access to all stakeholders through the dissemination of information to a broader spectrum and achieves community accountability. The effect of ISC on public accountability (PA) has a coefficient of 0.507 with p < 0.05 and a t-count value of 6,252, which means PA has a positive and significant impact on PA. This provides a statement with an integrated one-door system that provides accountable information disclosure for stakeholders and information users.

The higher the level of transparency, the better the performance of financial statements. While transparency in financial report performance (FRP) has a coefficient of track of 0.374

with $p < 0.05$ and a t-count value of 4,553, transparency has a positive and significant effect on FRP. The same transparency of regional financial management has a positive and significant effect on the performance of local governments (Jeriansyah & Mappanyukki, 2020; Nasution, 2018). However, there are differences in findings from (Nasution, 2018); transparency has a negative but significant influence on financial performance.

The effect of PA on FRP has a coefficient of 0.316 with $p < 0.05$ and a t-count value of 3,893, which means that pa has a positive and significant effect on FRP. Reports or information that is increasingly accountable and widely known to the general public is proven to improve the performance of financial statements. As evidenced by Nasution (2018), regional financial management and accountability had a positive and significant influence on financial performance. The increasing public accountability of leadership commitments has a positive and significant correlation to the quality of financial statements directly or indirectly (Nunung et al., 2016; Puspitasari et al., 2020; Roswinna & Priatna, 2020).

The effect of ISC on FRP has a coefficient of 0.245 with $p < 0.05$ and a t-count value of 2,440, it is known that there is a positive and significant relationship between ISC to FRP. Information disclosure systems and information technology certainly provide convenience and reduce the risk of information deviation. Thus, a more structured centralised integration system, the better the financial performance report of an institution or company. It is different from the UK-centralized, and the decentralised system in Germany introduces spatial bias in capital market capital flows not functioning in a neutral way (Klagge & Martin, 2005; X. Liang, 2011).

The results of this study also showed the influence of FRP on the optimisation of investment instruments (OII) with a coefficient of 0.275 with $p < 0.05$ and a t-count value of 2.649, which means it has a positive and significant influence. Similarly, PA showed a positive and significant influence on OII, where the coefficient was 0.417 with $p < 0.00$ and the t-count value was 3,833.This research proves that the performance of financial statements and accountability can improve the optimisation of investment instruments of hajj funds to be placed in investment alternatives while paying attention to risk management policies. The reporting of good financial performance and public accountability is fulfilled can make hajj funds as deposit funds to optimise the value of benefits to investment instruments. The results of this study are appropriate and support the opinion of Abidin (2016) and Witjaksono (2020). Investment in the form of infrastructure financing is possible but limited to the type of safe sharia investment carried out in sectors that have provided value benefits for the security and fund needs of pilgrims.

The results prove that the financial transparency of Hajj is not enough evidence to optimise hajj funds in investment instruments. Other results showed transparency was found to have no significant effect on the optimisation of investment instruments (OII) where the coefficient was 0.049 with $p < 0.710$ and t-count value at 0.373. These results do not match previous findings that transparency and investment performance have a significant relationship, as reported by (Bushman & Smith, 2001; Ojeka et al., 2015; Quintiliani, 2019). Financial transparency allows managers to reduce information asymmetry and optimise funds for investment instruments. Concerning the results of this study, fund managers need to use

proper tools to improve financial transparency. The tool will become valid if it is consistent with the complexity of management. At the same time, the Board of Trustees (BT) has also been unable to moderate the influence of FRP on OII, where the coefficient is 0.097 with $p < 0.213$ and t-count value of 1.246; which indicates the potential effect of debilitating moderation of BT variables. BT showed a lower change in moderation (0.275 decreased to 0.097) and insignificant results.

CONCLUSION

This study explores the relationship between transparency and public accountability influenced by centralised integration systems and the influence of mediation of financial report performance to measure effectiveness in optimising supervisory instruments overseen by the supervisory board as a moderation function. Previous empirical studies have examined the relationship between public accountability and transparency. There is limited evidence to suggest that there is inaccurate data from the central government to the local government, thus requiring a centralised integration system in the form of a horizontal, star, and horizontal on the performance results of financial statements. The performance of financial statements successfully bridges the problems of centralised integration channels, transparency, and accountability towards financial optimisation. In other words, the higher the performance of financial statements, the higher the transparency, accountability, and centralised integration channels that can undoubtedly improve the optimisation of investment instruments.

The implications of this study practically provide a reference to the executive head office and branch manager of hajj monetary funds to train an updated centralised information system and conceptually provide solutions to improve the optimisation of investment instruments if it has a transparent and accountable report performance quality. On the other hand, the results of this study have limitations on the moderation function of the performance of financial statements to the optimisation of financial instruments. The supervisory board has not been able to strengthen or become weak, which is examined from risk identification indicators, risk considerations faced, and the assessment and review of hajj funds. This weakness could be explored further for further researchers on management risk engagement, an ownership interest measured by the size of the company to have a special supervisory board associated with agency theory.

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