

Review of Hajj Fund Management in Indonesia Between 2018 – 2023

Muhammad Rifqi Ilhami^{a*}, Abdul Sattar^b

^{ab}Universitas Islam Negeri Walisongo Semarang, Indonesia

* Corresponding author e-mail: ilhamhorhor@gmail.com

ARTICLE INFO

DOI: [10.32832/jm-uika.v16i2.19287](https://doi.org/10.32832/jm-uika.v16i2.19287)

Article History:

Received:

11 Maret 2025

Accepted:

27 Maret 2025

Available Online:

05 Juni 2025

Keywords:

Hajj Financial Governance,
BPKH, Financial Report,
Management Strategy

ABSTRACT

The main purpose of this research is to describe how the financial management of Hajj in Indonesia (BPKH) in performing its duties from 2018 to 2023. In this way, it will be clear what and how BPKH manages Hajj funds, which amount to hundreds of trillions of rupiah. The author analyzes the financial statements of BPKH from 2018 to 2023. The BPIH adjustment pattern, Bipih, and the value of benefits are secondary data that we use as the main raw material to see the performance of BPKH in managing Hajj funds. Then, the financial statements will be calculated annually so that the difference in net profit generated by BPKH will be seen. This research uses a qualitative approach. Researchers used secondary data in the form of books on Hajj financial management and BPKH annual financial reports as well as articles from relevant research findings. The method used in this article is library research using the systematic literature review (SLR) technique. The results of this study indicate that BPKH in managing Hajj funds in Indonesia still faces challenges in reporting transparency, internal control effectiveness, and compliance. The imbalance between benefit value receipts and BPIH subsidies has the potential to pose a liquidity risk and unsustainability of Hajj finances.

1. INTRODUCTION

With the largest Muslim population in the world, Indonesia has a high priority in the implementation of the Hajj. The proof is that Indonesia's hajj quota reaches 221,000 people, making it the country with the largest quota (Husni Wine, 2024). *Ghirah* Hajj is so high that it is not comparable to the quota provided by the Saudi Arabian government, as a result of which the Hajj queue becomes explosive and the initial deposit or registration fee from prospective pilgrims also accumulates. The freedom of Muslims in Indonesia to carry out worship has encouraged the government to be more serious in managing hajj funds. In Indonesia, Hajj Financial Management is regulated in Law Number 34 of 2014. From this law, the Hajj Financial Management Agency (BPKH) was born. The establishment, main duties, and functions of BPKH are further regulated in Presidential Regulation Number 110 of 2017 concerning BPKH (Presidential Regulation (Perpres) Number 110 of 2017 concerning the Hajj Financial Management Agency, 2017), Presidential Decree Number 101/P of 2022 concerning the Dismissal and Appointment of Members of the Supervisory Board and Members of the BPKH Implementing Body, as well as Government Regulation Number 5 of 2018 concerning the Implementation of Law Number 34 of 2014.

According to Law No. 34 of 2014, BPKH is a sharia-based financial institution responsible for the management of the largest hajj fund in Indonesia, with direct accountability to the President through the Minister of Religion. In addition to ensuring safe and transparent management of hajj funds, BPKH also plays a role in social investment that aims to provide long-term benefits to the community. The goal of this social investment is to create profits while solving social and environmental issues in the community. Article 2(c) of Law No. 34/2014 states that the management of hajj funds must provide benefits for pilgrims and Muslims as a whole (Law No. 34 of 2014 concerning Hajj Financial Management, 2014). In practice, BPKH can collaborate with various institutions to develop hajj funds, taking into account investment principles such as sharia, prudence, security, returns, and liquidity, as well as building comprehensive and accountable governance and work systems by fostering honest and professional human resources. If managed properly, hajj funds have great potential to improve the economy, both on a large and small scale. On a macro level, hajj funds can contribute to equal income distribution and improve people's welfare. Meanwhile, on a smaller scale, these funds can help lower production costs and financing margins, thereby creating a wider and more equitable economic impact (Witjaksono dkk., 2023).

Hajj funds themselves can be interpreted as funds used for the implementation of the Hajj pilgrimage, benefit funds, and funds that ensure the effectiveness of the implementation of the Hajj pilgrimage, including the profits or value of benefits obtained through its management by the state (Rizqi Zainul dkk., 2019). Therefore, the management of this fund must pay attention to legal aspects, especially related to the wakalah contract, so that there is a clear agreement between prospective pilgrims and the government. In carrying out its duties, BPKH must be guided by sharia principles and prudence (Minanto, 2023). As an institution responsible for the management of hajj funds, BPKH has an important mission in ensuring the effectiveness and transparency of hajj finances. Ideally, Hajj Financial Management aims to improve the quality

of Hajj Implementation, the rationality and efficiency of the use of BPIH as well as the benefits for the benefit of Muslims. One of the aspects that is of concern in this study is the rationality of governance policies and the performance of BPKH in managing hajj funds. In particular, this study focuses on the management policy and adjustment pattern of hajj funds, especially in managing the initial deposit funds of prospective pilgrims which affects the returns or value of benefits received by Indonesian pilgrims who are still in the departure queue (Witjaksono et al., 2020a). From the author's findings, there is an ambiguity in the report on the use of hajj funds. Although BPKH publishes annual reports, there is a lack of transparency in the allocation of funds and investments that are published in detail and detail, especially in explaining the investment instruments used and the amount of profits obtained for pilgrims. Thus, it raises doubts in the minds of the public about how the fund is managed (Rajab, 2024).

Based on the above explanation, this study aims to analyze the financial governance of Hajj in Indonesia, especially in examining the performance of BPKH in carrying out its duties from 2018 to 2023. By examining aspects of the management of hajj funds by BPKH, such as BPKH's annual financial statements as well as the pattern of BPIH adjustments, bipih and the value of benefits each year, this study will provide a clearer picture of how the institution manages funds whose value reaches hundreds of trillions of rupiah (Kurniawan, 2021). The analysis of this research is based on BPKH's financial statements for the 2018-2023 period, the pattern of adjustment of BPIH, Bipih and the Value of Benefits Fund which is used as the main material to explain the strategy of managing hajj funds in ensuring justice for all pilgrims. From this data, the author will calculate BPKH's annual financial statements to find out the difference in net income generated and assess the extent of BPKH's policies and strategies in optimizing hajj funds for Indonesian pilgrims.

RESEARCH METHODS

To understand and explain the hajj fund management system in Indonesia, this study uses a qualitative methodology. Researchers can systematically find, assess, and synthesize a wide range of related studies and documents using the *Systematic Literature Review* (SLR) (Ramly dkk., 2024). The total amount of hajj funds managed by BPKH over the last five years (2018-2023), BPKH's annual financial statements, BPIH adjustment patterns, Bipih, and benefit values are some of the secondary data sources we use. In order to ensure the validity of the data source, information is collected from the official BPKH website and then supplemented with additional secondary data from related research publications and BPKH books on hajj financial management.

The methodology of this article is based on literature research or literature review, using the SLR technique, which seeks to collect, assess, and synthesize data from various reliable sources, such as books, scientific journals, and previous research on the management of hajj funds. By using stages to find, filter, and analyze data from the relevant literature, the SLR technique allows these studies to be conducted in an organized context. Furthermore, to ensure that the laws and management procedures followed are appropriate, the results of data related to hajj funds managed by BPKH from 2018 to 2023 are also examined based on the hajj fund governance law in Indonesia. Literature analysis is an important stage to ensure the quality and application of the data used in this study after the literature material obtained is thoroughly and

critically examined to strengthen the concept (Adlini dkk., 2022).

2. RESULTS & DISCUSSION

Talking about the governance of Indonesian hajj funds, of course it is closely related to Law No. 34/2014 concerning Hajj Financial Management. Since the enactment of the law, the task of organizing the hajj pilgrimage is no longer held solely by the Ministry of Religious Affairs. This is because the law mandates the establishment of BPKH which plays a role in the financial management of the hajj. One of the formations of BPKH is due to the challenge of dominance, where the management of hajj finances combines the functions of managers and implementers. Therefore, the division of duties in the organizational structure of BPKH is very clear. The Executive Board as the technical implementer, while the Supervisory Board as the supervisor (Law Number 34 of 2014 concerning Hajj Financial Management, 2014).

In the book *What & How to Invest in BPKH Hajj Finance*, it is explained that the management of hajj funds involves two parties who have an equal role as commissioners and directors in the company. This system is similar to corporate governance which aims to ensure the management of people's funds in a transparent, accountable, and effective manner. With the number of hajj funds continuing to grow, there is a great opportunity to increase the benefits for pilgrims through investments that are in accordance with Islamic principles and sustainable. Law No. 34/2014 mandates BPKH to manage all financial aspects of Hajj. BPKH is responsible for planning, implementing, supervising, and reporting all activities related to hajj funds, from receipts to expenditures. In addition, BPKH can also collaborate with other organizations to achieve optimal management and utilize sharia-compliant methods to invest in hajj funds.

Furthermore, to provide a detailed overview of the amount of funds under management at BPKH, such as: investment results (BPKH's ability to generate value of benefits) and BPKH's operational costs every year, BPKH publishes an official report that can be accessed by the public through the website *Copyright* © BPKH or official publications. Based on the 2018-2023 BPKH Financial Statements, the operational report shows BPKH's finances in Rupiah for the period of December 31, 2018-2023, see Table 1 (H. BPKH, 2023):

Table 1. BPKH Operational Report for 2018-2023

Year	Component	Detail	Value (Rupiah)
BPKH Operational Report 2018	Income		
	Deposit of departing pilgrims		7.226.282.920.797
	Value Benefits		5.703.824.587.608
	Value of Accumulated Benefits		2.000.000.000.000
	Total Revenue		14.930.107.508.405
	Burden		
	Transfer BPIH	to the Ministry of Religious Affairs	13.771.380.238.444
	BPKH Operations		67.848.654.692

	Virtual Account	Distribution for Virtual Accounts	777.394.808.723
Year	Component	Detail	Value (Rupiah)
BPKH Operational Report 2018	Benefit Program		590.300.000
	Total Load		14.617.213.001.859
	Net Profit (Surplus)	Revenue – Expenses	312.894.506.546
	Profit Margin	(Net Profit ÷ Total Revenue) × 100%	2,1%
BPKH Operational Report 2019	Income		
	Deposit of departing pilgrims		7.637.011.282.453
	Value Benefits		7.142.582.319.121
	Value of DAU Benefits		2.000.000.000.000
	Value of Accumulated Benefits	Use of the previous year's benefit value	1.233.888.233.146
	Total Revenue		16.237.234.867.071
	Burden		
	Transfer BPIH	to the Ministry of Religious Affairs	14.454.013.708.606
	Virtual Account	Distribution for Virtual Accounts	1.083.000.000
	BPKH Operations		149.992.473.321
	Benefit Program	Distribution of benefit programs	156.539.827.041
	Total Load		15.843.546.008.968
	Net Profit (Surplus)	Revenue – Expenses	393.688.858.103
	Profit Margin	(Net Profit ÷ Total Revenue) × 100%	2,42% (B. P. BPKH, 2019).
BPKH Operational Report 2020	Income		
	The Value of the Benefits of PIH Fund		7.204.350.191.164
	Value of DAU Benefits		229.223.554.228
	Total Revenue		7.433.573.745.392
	Burden		
	Transfer BPIH	to the Ministry of Religious Affairs	17.945.975.432
	Virtual Account	Distribution for Virtual Accounts	2.000.000.000.000
	BPKH Operations		159.387.674.770
	Benefit Program	Distribution of Benefit Programs	131.643.935.222
	Total Load		2.308.977.585.424
	Net Profit (Surplus)	Revenue – Expenses	5.124.596.159.968
	Profit Margin	(Net Profit ÷ Total Revenue) × 100%	68,93% (B. P. BPKH, n.d.).
BPKH Operational Report 2021	Income		
	The Value of the Benefits of PIH Fund		9.764.217.501.076
	Value of DAU Benefits		237.615.583.591
	Grant	Grant Income	236.935.303.186
	Associate Entities	Income in Associate Entities	7.003.271.510
	Miscellaneous	Miscellaneous income	499.554.467.599
	Total Revenue		10.745.326.126.962
	Burden		

	Virtual Account	Distribution for Virtual Accounts	2.500.000.000.000
Year	Component	Detail	Value (Rupiah)
BPKH Operational Report 2021	BPKH Operations		234.005.267.977
	Grant	Grant burden	64.956.702.284
	Benefit Program	Distribution of benefit programs	189.446.292.902
	Total Load		2.988.408.263.163
	Net Profit (Surplus)	Revenue – Expenses	7.756.917.863.799
	Profit Margin	(Net Profit ÷ Total Revenue) × 100%	72,18% (B. P. BPKH, 2021).
BPKH Operational Report 2022 Parent Entity	Income		
	Deposit of departing pilgrims		3.777.867.150.710
	Value Benefits		9.890.385.873.509
	Grant	Grant Income	2.165.028.822
	Value of DAU Benefits	Income Value of Benefit of the Ummah Endowment Fund	242.297.133.737
	Value of Accumulated Benefits	Use of the previous year's benefit value	7.238.078.541.630
	Miscellaneous	Miscellaneous income (net)	25.757.928.107
	Total Revenue		14.176.551.656.515
	Burden		
	PIH	PIH Load	9.033.246.037.415
	Virtual Account	Distribution for Virtual Accounts	2.064.058.901.116
	BPKH Operations		250.171.599.907
	Grant	Grant burden	2.165.028.822
	Benefit Program	Distribution of benefit programs	130.318.759.229
	Total Load		11.479.960.326.489
	Net Profit (Surplus)	Revenue – Expenses	2.696.591.330.026
	Profit Margin	(Net Profit ÷ Total Revenue) × 100%	19,02%
BPKH Operational Report 2022 Consolidated	Income		
	Deposit of departing pilgrims		3.777.867.150.710
	Value Benefits		9.889.974.072.093
	Grant	Grant Income	2.165.028.822
	Value of DAU Benefits	Income Value of Benefit of the Ummah Endowment Fund	242.297.133.737
	Value of Accumulated Benefits	Use of the previous year's benefit value	7.238.078.541.630
	Value of Accumulated Benefits	Use of the previous year's benefit value	7.238.078.541.630
	Miscellaneous	Miscellaneous income (net)	26.069.180.381
	Total Revenue		14.176.451.107.373
	Burden		
	PIH	PIH Load	9.033.246.037.415
	Virtual Account	Distribution for Virtual Accounts	2.064.058.901.116
	BPKH Operations		250.171.599.907
	Grant	Grant burden	2.165.028.822

	Benefit Program	Distribution of benefit programs	130.318.759.229
Year	Component	Detail	Value (Rupiah)
BPKH Operational Report 2022 Consolidated	Total Load		11.479.960.326.489
	Net Profit (Surplus)	Revenue – Expenses	2.696.490.780.884
	Profit Margin	(Net Profit ÷ Total Revenue) × 100%	19,1% (Angita Permata, 2018).
BPKH Operational Report 2023 Parent Entity	Income		
	Deposit of departing pilgrims		10.796.935.000.000
	Value Benefits		10.676.123.000.000
	Value of DAU Benefits	Income Value of Benefit of the Ummah Endowment Fund	251.546.000.000
	Associate Entities	Income in Associate Entities	11.413.000.000
	Miscellaneous	Miscellaneous income (net)	156.000.000
	Total Revenue		21.736.083.000.000
	Burden		
	PIH	PIH Load	18.252.268.000.000
	Virtual Account	Distribution for Virtual Accounts	3.173.718.000.000
	BPKH Operations		363.178.000.000
	Benefit Program	Distribution of Benefit Programs	228.582.000.000
	Total Load		22.017.746.000.000
	Net Profit (Deficit)	Revenue – Expenses	(281.573.000.000)
	Profit Margin	(Net Profit ÷ Total Revenue) × 100%	(1.3%)
BPKH Operational Report 2023 Consolidated	Income		
	Deposit of departing pilgrims		10.796.934.972.137
	Value Benefits		10.676.123.000.000
	Value of DAU Benefits	Income Value of Benefit of the Ummah Endowment Fund	251.546.000.000
	Miscellaneous	Miscellaneous income (net)	156.000.000
	Total Revenue		22.055.418.499.724
	Burden		
	PIH	PIH Load	18.252.267.622.294
	Virtual Account	Distribution for Virtual Accounts	3.173.717.681.727
	BPKH Operations		363.178.177.771
	Benefit Program	Distribution of Benefit Programs	228.581.514.254
	Total Load		22.348.404.320.625
	Net Profit (Deficit)	Revenue – Expenses	(292.985.820.901)
	Profit Margin	(Net Profit ÷ Total Revenue) × 100%	(1.32%) (B. P. BPKH, 2023).

Source: bpkh.go.id/laporan-tahunan-bpkh/ (2018-2023)

The profit margin calculation in Table 1 above is based on net profit (current year) divided by total revenue (current year) multiplied by 100%, so that the numbers that appear show a positive trend or surplus. Meanwhile, if the total revenue for the current year (table 2) divided by the total funds managed by BPKH each year (table 1) shows a percentage of no more than 1%,

which means that this figure is smaller than the profit margin in table 1. Despite global conditions facing pandemic challenges and uncertainty, especially in the 2020-2021 period, net profit and profit margins reached the highest levels. However, global economic challenges, increased burdens, and other factors in 2022-2023 led to a fairly sharp decline in profit figures.

Furthermore, in the table above, it can be concluded that the financial statements are still limited to BPKH's annual operational report from 2018-2023. In the book *What & How to Invest in Hajj Finance*, it is explained that financial statements have at least 2 important roles, namely as a channel of accountability for the trust given by various parties, both directly (such as pilgrims) and indirectly (such as the House of Representatives, the Ministry of Religion, and the government in general). Second, as a source of information that helps various stakeholders to determine what is best for their needs or interests (Witjaksono dkk., 2020a). This reaffirms that the financial statements of the hajj fund are not only limited to reporting the accumulation of capital funds and the results of fund management. However, regarding the amount of funds placed in various types of investments, it is very necessary to explain and also report to stakeholders.

From the author's findings, the lack of clarity in the report on the use of hajj funds such as the lack of transparency in the allocation of funds and investments that are published in detail and detail, especially in explaining the investment instruments used and the amount of profits obtained for pilgrims. Thus, it raises doubts in the minds of the public about how the fund is managed. Then regarding investment decisions that are not always appropriate, it affects the high administrative and operational costs so that it has an impact on the funds used for returns to pilgrims. This is the background for Dhini Aminarti H. Rajab to conduct research on the suitability of hajj financial management practices to Law No. 34 of 2014 (Rajab, 2024).

Continuing the discussion above, the next is to discuss the variety of investments in BPKH. Hajj funds have been managed through various investment instruments. Based on applicable regulations, BPKH has the authority to allocate hajj funds to various financial assets, including banking services, securities, gold, and other investment instruments (Law Number 34 of 2014 concerning Hajj Financial Management, 2014). Government Regulation No. 5/2018 then regulates in more detail the allocation of investment in hajj funds. This rule limits how hajj funds can be distributed to different types of investments. These restrictions aim to manage investment risks and ensure the sustainability of hajj funds. The maximum allocation set is as follows: 5% for gold, 20% for direct investment, 10% for other investments, and the rest for Sharia Securities.

Gold investment echoed by BPKH is one of the investment instruments that certainly goes through in-depth studies related to opportunities, challenges and risk mitigation. In this case, BPKH explained that there are 5 opportunities in exploring gold investment, such as:

1. Gold Opportunities as Foreign Exchange Reserves

Gold reserves held by central banks are a form of foreign exchange reserves. The main function of these reserves is to maintain the financial stability of the country, ensuring that the government has adequate financial capacity to fulfill its payment obligations to citizens as well as to other countries in the form of money.

2. Gold Opportunities as a Hedging Tool

Many researchers have explored the effectiveness of gold in protecting the value of investments against inflation risks. Hedging is a strategy that is carried out to minimize the possibility of financial losses due to a decrease in asset value. Meanwhile, inflation is an economic phenomenon in which there is an overall and sustained increase in prices over a specific period of time.

3. Gold Opportunities as a Jewelry Asset

The theory of supply and demand is the main factor that determines the value of gold. When there is an increase in demand for gold jewelry, it is likely that the price of gold will increase. On the other hand, when interest in gold jewelry decreases, the price of gold tends to fall.

4. Golden Opportunity as a Crisis Shield

In periods when the economy is experiencing instability or recession, investing in gold has become more popular because it is considered a trustworthy asset to maintain value. Gold is usually seen as a stable and safe investment amid volatile market conditions. If expectations of profits from investing in financial instruments such as bonds, stocks, and property decrease, this could encourage increased interest in investing in gold, which in turn could lead to an increase in the price of gold. Thus, gold acts as an effective hedging, given unclear economic conditions, such as currency depreciation or inflation. Gold is also considered an asset that provides security in times of political uncertainty.

5. Gold Opportunities as Investment Instruments

Gold is considered one of the attractive investment instruments for several main reasons:

- a) Reliable storage of value in times of economic uncertainty.
- b) Diversify the portfolio or lower the overall risk of the investment.
- c) Protection against inflation.
- d) It has a liquid global market and allows for trading.

Furthermore, BPKH's attitude in facing the challenges of gold investment is mapped into 4 points, one of the main obstacles in gold investment is liquidity. The second is the Capital Challenge, to be able to invest in the precious metal sector (gold), a lot of capital is needed (depending on the daily gold price rate). The fluctuating price of gold significantly affects the value of the investment in the short term. Although gold has a liquid market, it can be difficult to sell gold quickly without losing its value. The third is the Investment Yield Challenge, Gold is often considered a stable investment with an increasing price trend. However, this view is not entirely accurate because the price of gold can change based on factors such as the US dollar exchange rate, the inflation rate in a country, and the interest rates set by banks. Lastly, the challenge that gold investors often face is ensuring that these precious metals are stored safely to avoid the risk of loss. If investors use the services of a company or bank for gold investments, they will be charged a security fee. These costs for protection and maintenance can be significant when accumulated over a long period of storage (Witjaksono dkk., 2022).

BPKH has the ability to make direct investment in hajj funds, both at home and abroad, especially in the holy land. Despite regulations restricting foreign ownership in Saudi Arabia, BPKH

can work with local parties to invest in infrastructure projects and the Hajj ecosystem. Investment opportunities in this sector are quite large, considering the need for various facilities to support the hajj pilgrimage (Witjaksono dkk., 2020a). The following are the forms of direct investment that BPKH have the potential to develop in several sectors, as seen in Table 2.

Table 2. Direct Investment That Has the Potential to Be Developed by BPKH

No.	Sector	BPKH's Investment Potential
1.	Transportation	Investment in domestic and international transportation modes to improve the efficiency and comfort of pilgrims' travel, as well as the development of mass transportation infrastructure in Saudi Arabia.
2.	Accommodation	Partnership with hotel managers in Saudi Arabia to provide decent and affordable accommodation for pilgrims and benefit from the management of the hotel.
3.	Consumption	Invest in the food business, especially catering services in Saudi Arabia, by partnering with domestic and international catering service providers to meet the needs of pilgrims.
4.	Clothing/Cosmetics	Investment in companies that produce clothing and special beauty products for Hajj and Umrah to meet the needs of pilgrims with high-quality products in accordance with Islamic Sharia.
5.	Money Exchange	Cooperation with national banks to provide efficient and affordable money exchange services for pilgrims.

Source: Witjaksono, 2020

In addition, BPKH is not limited to investing in sharia securities, gold, or direct projects, as stated in Article 22 Paragraph 1 of PBKH No.5/2018 concerning Other Investments. BPKH can invest in a variety of different financial products. BPKH can, for example, invest in Islamic financial instruments other than savings or deposits, as well as in products provided by Islamic financial institutions supervised by the OJK and even participate in the fund market and stock market. In addition, BPKH has the ability to invest in things such as long-term contracts or hajj financial management that are directly related to the planning of the hajj.

As mentioned earlier, the government issues debt securities (State Sukuk) in accordance with Islamic law called State Sharia Securities (SBSN). BPKH is authorized to invest hajj funds through SBSN. Buying SBSN is the same as lending money to the state, and SBSN holders will get a profit. Since 2008, SBSN has been available in Indonesia as a sharia-compliant investment option. BPKH continues to invest in Hajj Funds, especially in portfolios (SBSN). In other words, the allocation of hajj funds in SBSN helps BPKH in offering investment alternatives that are safe, profitable, and sharia-compliant because SBSN provides the possibility of considerable returns with relatively minimal risks (Witjaksono dkk., 2021). Indonesia has issued various sharia instruments, such as sharia mutual fund participation units, sukuk, and sharia stocks. For example, Sharia Securities, Sharia Mutual Funds, Sharia Securities, Sharia Asset-Backed Securities, Sukuk, and State Sharia Securities (SBSN). In addition, hajj funds can also be invested in securities such as State Sharia Securities (SBSN) issued by the central government, Bank Indonesia Sharia Securities (SBS), and Sharia Securities supervised and controlled by the Financial Services Authority (OJK) (Witjaksono dkk., 2020).

In order to ensure safe and liquid financial management, hajj funds are managed professionally through sharia instruments, and supervised by the Financial Supervisory Agency (BPK) which

is then reported and accounted for by the BPK to the House of Representatives and the President. The total balance of hajj funds managed by BPKH, per year has experienced growth which can be seen in Table 3 as follows:

Table 3. How many Hajj Funds is managed by BPKH?

Year	Total Funds Under Management
Year 2018	IDR 5.70 trillion
Year 2019	IDR 124.3 trillion
Year 2020	IDR 144.9 trillion
Year 2021	IDR 158.8 trillion
Year 2022	IDR 166.5 trillion
Year 2023	IDR 166.7 trillion

Source: *bpkh.go.id*

The hajj fund managed by BPKH is sourced from several components, namely BPIH (Hajj Implementation Fee) and/or Special BPIH deposits, Hajj Implementation Efficiency Fund, Umrah Endowment Fund (DAU), Hajj Financial Benefit Value and other legal and non-binding sources (Ulya, 2019). Every person from Indonesia who departs for Hajj in 2018 costs IDR 68.96 million, while in 2019 it costs IDR 69.16 million. Meanwhile, in 2022, the cost of organizing the hajj is IDR 97.79 million and in 2023 it is IDR 90.05 million. These costs also have the potential to increase depending on the embarkation of the region. This fee is called BPIH. BPIH consists of Bipih (Hajj Travel Expenses) plus Benefit Value. Bipih was obtained from Hajj Pilgrims, Regional Hajj Officers (PHD), and Supervisors of the Hajj and Umrah Guidance Group (KBIHU). The benefit value is obtained from the value of the Bipih Deposit for Regular Hajj Pilgrims and Special Hajj Pilgrims.

At the end of 2023, the balance of funds under management reached IDR 166.7 trillion, showing an increase of 0.12% compared to the previous year. Meanwhile, the projected benefit value until December 2023 is estimated to reach IDR 10.9 trillion, an increase of 7.18% from the value of benefits in 2022 (Mohammad Akhyar Adnon Dick, 2022). If you refer to table 2, the total funds managed by BPKH every year continue to grow. Meanwhile, the amount of BPIH, Bipih and Value Benefit Fund always changes every year. Meanwhile, the problem is the amount of BPIH until 1443 Hijri/2022 AD which is sourced from the Value of Benefits for Regular Hajj Pilgrims which is used to pay the difference between BPIH and the amount of Bipih of IDR 9,889,974,072,093.00. and the amount of BPIH in 1444 Hijri/2023 AD amounted to IDR 10,676,123,000,000. (Presidential Decree No. 6 of 2024 concerning the Cost of Organizing the Hajj in 1445 Hijri/2024 AD Sourced from Hajj Travel Costs and Benefit Value, 2024).

Based on the Overview of Audit Results (IHPS) for the First Semester of 2024 by BPK, the results of the DTT-Compliance audit on financial accountability for the implementation of the Hajj in 1444H/2023M at the Ministry of Religion show that the calculation and reporting of the efficiency fund for the implementation of the Hajj (PIH) in 1444H/2023M of IDR 571.14 billion is in accordance with the rules but the funds have not been deposited into the Hajj Treasury until the end of the audit, There are also weaknesses in the Internal Control System (SPI) and non-compliance with a value of Rp613.51 billion (Finance, 2024a). Meanwhile, in the second semester of IHPS in 2023, the determination of the amount of Regular Bipih is not optimal in

supporting the financial sustainability of hajj and fairness for pilgrims. BPIH subsidy in 2010 amounted to Rp4.45 million to Rp40.24 million in 2023 or an increase of Rp35.78 million (803.41%) (Finance, 2024b). BPIH increased from IDR 34.50 million to IDR 90.05 million in the period 2010 to 2023. On the other hand, Bipih in 2010 amounted to Rp30.05 million and Bipih in 2023 amounted to Rp49.81 million or only increased by Rp19.76 million (65.78%).

It can be said that the increase in the receipt of the value of benefits is not proportional to the expenditure of BPIH subsidies and its allocation to virtual accounts has not considered the principle of justice. This condition results in the distribution of benefit values that do not reflect the principle of justice for waiting pilgrims, and pose risks to liquidity and financial sustainability of Hajj in the future. Another problem is that the policy of restricting hajj registration has not fully supported equity. From the Integrated Hajj Information and Computerization System, it is known that the waiting list for prospective pilgrims reached 5,211,899 people as of October 10, 2023 with a waiting period in the range of 12 to 48 years. Indonesia's waiting period is shorter than Malaysia's 148-year waiting time, and it feels very long when compared to the UK which does not have a waiting time. In the UK, registrants can depart in the same year if quota is still available. The Indonesian Ministry of Religious Affairs has made a policy of registering for Hajj once in 10 years. However, this regulation has not been able to provide equal opportunities, there are 775 pilgrims departing in 1444H/2023M who have performed Hajj and 14,299 pilgrims on the waiting list who have performed Hajj.

3. CONCLUSION & SUGGESTION

The management of hajj funds in Indonesia still faces challenges in reporting transparency, the effectiveness of internal controls, and compliance with regulations. The imbalance between the receipt of the value of benefits and BPIH subsidies has the potential to pose liquidity risks and unsustainable hajj finances. In addition, the once-in-a-10-year hajj registration policy does not fully reflect the principle of equity, considering that there are still pilgrims who have gone on hajj to depart, while the waiting list continues to increase.

Based on the recapitulation of the calculation above, the results show that *the profit margin* of BPKH's operational report is on a positive trend. *This positive profit margin* shows that BPKH has a surplus in managing hajj funds, where income is more than enough to cover the existing burden. This shows that BPKH has managed finances well and obtained favorable results. One of the main causes of this surplus is the increase in income from investment returns. However, in terms of reporting managed funds, BPKH does not explain in detail where and how the funds are placed in several investment sectors that are allowed in the rules. Remembering, the role of pilgrims as direct stakeholders is also entitled to receive data transparency in financial reporting of hajj funds. In fact, pilgrims also have the right to propose anywhere the placement of investment in hajj funds that are profitable and have great returns for pilgrims.

In 2020, the hajj was postponed due to the Covid-19 pandemic. This has the potential to significantly reduce BPKH's operational burden, especially in terms of logistics costs and the implementation of Hajj. With reduced costs, the surplus income from investments is increasingly prominent. Then, in 2021, the Covid-19 pandemic still affected the implementation of the hajj.

With a limited number of pilgrims and some delays, operational costs related to the logistics and implementation of the hajj decreased significantly. This reduction in operational costs provides more room for BPKH to allocate its revenue more economically, thereby increasing the surplus.

The role of BPK in examining the management and responsibility of state finances, especially through the provision of constructive recommendations and monitoring the implementation of follow-up audit results, is intended to oversee and encourage the realization of effective, accountable, and transparent state financial governance and responsibility. In the DTT-Compliance audit of the financial accountability for the implementation of the Hajj in 1444H/2023M at the Ministry of Religious Affairs, BPK found that the use of the Gen 2 Integrated Hajj Financial System (SISKEHAT) used in the preparation of financial statements was not optimal, so BPK recommended the Head of the Implementing Agency (BP) and related BP BPKH Members to identify the needs needed for the development of SISKEHAT Gen 2 in accordance with the System Development Life Cycle related to the code transactions, classification, and transaction monitoring in order to support the preparation of the BPKH Consolidated Master Financial Statement. Meanwhile, in the performance audit of the effectiveness of the implementation of the hajj in 1444H/2023M, the BPK recommends, among other things, that the Minister of Religion involve scholars to prepare a study on the regular hajj service only given once to every Indonesian citizen who is Muslim and able, and involves scholars in compiling a study on the amount of benefit value allocation used to cover BPIH by considering the principles of justice and sustainability of hajj funds.

ACKNOWLEDGEMENT

We would like to thank UIN Walisongo Semarang for the academic support and facilities provided during this research. We also express our sincere appreciation to the Al-Qur'an Al-Masthuriyah Islamic Boarding School for the valuable opportunities and insights that have enriched this research. We would also like to express our deepest gratitude to Mr. Dr. H. Abdul Sattar, M.Ag., as the supervisor, for his guidance, direction, and very valuable input in the process of preparing this research. Finally, we thank all parties who have provided support, both directly and indirectly. Hopefully the results of this research can provide benefits for the development of science and practice in related fields.

REFERENCES

- Adlini, M. N., Dinda, A. H., Yulinda, S., Chotimah, O., & Merliyana, S. J. (2022). Qualitative Research Methods for Literature Studies. *Edumaspul: Educational Journal*, 6(1), 974–980. <https://doi.org/10.33487/edumaspul.v6i1.3394>
- Gem Gems. (2018). Hajj Financial Management Agency. *Journal of the Faculty of Da'wah*, 2022, 3–5.
- BPKH, B. P. (n.d.). BPKH's 2020 Financial Statements Synergize and Adapt in the Midst of Challenges.
- BPKH, B. P. (2019). BPKH's 2019 Financial Statements Improve Performance to Serve the People. www.bpkh.go.id
- BPKH, B. P. (2021). BPKH Financial Report 2021 Strengthening Governance for Optimizing Hajj Financial Management. www.bpkh.go.id
- BPKH, B. P. (2023). Consolidated BPKH Financial Statements for 2023 (Vol. 2023).

BPKH, H. (2023). How many Hajj Funds is managed by BPKH? Hajj Financial Management Agency. <https://bpkh.go.id/faq/curabitur-eget-leo-at-velit-imperdiet-varius-iaculis-vitae-2/>

Husni Wine. (2024, June). Ministry of Religion: Hajj 2024, the Most in Quota and the Highest Absorption. Ministry of Religion of the Republic of Indonesia. <https://kemenag.go.id/internasional/kemenag-haji-2024-terbanyak-dalam-kuota-dan-tertinggi-serapannya-j7Mki>

Presidential Decree No. 6 of 2024 concerning the Cost of Organizing the Hajj in 1445 Hijri/2024 AD Sourced from Hajj Travel Costs and Benefit Values, <https://peraturan.bpk.go.id/Details/275058/keppres-no-6-tahun-2024> 187855 (2024). <https://peraturan.bpk.go.id/Details/275058/keppres-no-6-tahun-2024>

Finance, B. P. (2024a). Overview of Examination Results for the First Semester of 2024. www.bpk.go.id

Finance, B. P. (2024b). Ikthisar Exam Results for the Second Semester of 2023. in the Financial Conduct Board. <https://www.bpk.go.id/id>

Kurniawan, E. (2021). Accountability for the Management of Hajj Funds of the Republic of Indonesia. *Scientific Journal of Islamic Economics*, 7(3), 1449–1456. <https://jurnal.stie-aas.ac.id/index.php/jei/article/view/2682>

Minanto, A. (2023). AKAD WAKALAH HAJJ DEPOSIT FUND FROM THE PERSPECTIVE OF ISLAMIC LAW. *Al-Ahkam Journal*, XIV(1), 132–140.

Muhammad Akhyar Adnan, Khasan Faozi, Zuhendra, & Hadiano, M. S. (2022). BPKH FINANCIAL RATIOS (M. Junaedi, Ismail, Nasermen, I. Yusradi, Y. Suwandika, & E. Charima (ed.)). *HAJJ FINANCIAL MANAGEMENT AGENCY*. www.bpkh.go.id

Presidential Regulation (Perpres) No. 110 of 2017 concerning the Hajj Financial Management Agency, Pub. L. No. 110, 21 (2017). peraturan.go.id

Rajab, D. A. H. (2024). CONFORMITY OF HAJJ FUND INVESTMENT PRACTICES WITH LAW NO. 34/2014 BY THE HAJJ FINANCIAL MANAGEMENT AGENCY (Number 34) [Islamic University of Indonesia]. <https://dspace.uin.ac.id/bitstream/handle/123456789/52594/20423166.pdf?sequence=1&isAllowed=y>

Ramly, A. T., Handrianto, B., & Syaiful. (2024). Tree human resources (HR) model of human resource development in higher education. *Jurnal Manajemen*, 15(1), 82–98. <https://doi.org/10.32832/jm-uika.v15i1.15446>

Rizqi Zainul, Z., Kunci, K., Haji, D., & Aceh Syariah, B. (2019). Analysis of Hajj Fund Management at PT. Bank Aceh Syariah. *EQUILIBRIUM*, 7(2).

Ulya, E. R. (2019). Financial Management of Hajj Funds in the Allocation of Investment Sector by the Indonesian Hajj Financial Management Agency (BPKH). *Scientific Journal of Student Faculty of Economics and Business, University of Brawijaya, Malang*, 7(Vol. 7 No. 2), 1–15. <https://jimfeb.ub.ac.id/index.php/jimfeb/article/view/6049?utm>

Law (UU) Number 34 of 2014 concerning Hajj Financial Management, Pub. L. No. 34, 34 (2014). peraturan.go.id

Witjaksono, B., Gunawan, I., Anggraini, E., Harto, P. P., Wibowo, H., & Suprpto, E. (2020a). WHAT & HOW TO HAJJ INVESTMENT FINANCE BPKH-2 EDITION (P. P. Harto, H. Wibowo, E. Suprpto, N. A. H. Maknun, & R. Damayanti (ed.); 2 ed.). *HAJJ FINANCIAL MANAGEMENT AGENCY Muamalat*. www.bpkh.go.id

Witjaksono, B., Gunawan, I., Anggraini, E., Harto, P. P., Wibowo, H., & Suprpto, E. (2020b). BPKH Securities Investment. in the Hajj Financial Management Agency.

Witjaksono, B., Gunawan, I., Anggraini, E., Harto, P. P., Wibowo, H., & Suprpto, E. (2021). PEELING OFF INVESTMENT SBSN BPKH (P. P. Harto, H. Wibowo, E. Suprpto, N. A. H. Maknun, T.

Hidayat, & R. Damayanti (ed.)). HAJJ FINANCIAL MANAGEMENT AGENCY. www.bpkh.go.id

Witjaksono, B., Gunawan, I., Damayanti, M. M., Harto, P. P., Wibowo, H., Suprpto, E., Maknun, N. A. H., & Sutrisno, J. (2022). BPKH Gold Investment (P. P. Harto, H. Wibowo, E. Suprpto, N. A. H. Maknun, & R. Damayanti (ed.)). HAJJ FINANCIAL MANAGEMENT AGENCY. www.bpkh.go.id

Witjaksono, B., Gunawan, I., Damayanti, M. M., Maknun, N. A. H., Ascarya, Masrifah, A. R., & Sari, A. P. (2023). Dana Haji is a Social Impact Investment (Ascarya, A. R. Masrifah, A. P. Sari, N. A. H. Maknun, & R. Damayanti (ed.)). A LOT OF PENGELOLA KEUANGAN HAJI. www.bpkh.go.id