Journal of Islamic Contemporary Accounting and Business
JICAB Vol. 3 No. 1, March 2025
E-ISSN: 3021-7105

The Influence of Sharia Accounting Understanding and the Use of Accounting Applications on the Quality of Financial Reporting

Riza Maulidia[1], Umi Suswati Risnaeni[2], Muhammad Farid[3], Titin Urmila [4], Sulhani [5]
[1,2,3,4]Institut Agama Islam Sjarifudin-Indonesia, [5]Tazkia University
Email: titinumila42@gmail.com, umis105@gmail.com, much.farid99@gmail.com

A B S T R A C T

This study aims to analyze the influence of Sharia accounting understanding and the use of accounting applications on the quality of financial reporting preparation based on Sharia Financial Accounting Standards (SFAS) at The National Board of Zakat (Badan Amil Zakat Nasional or BAZNAS) Lumajang. This research employs a quantitative method by collecting data through surveys and statistical analysis. The results indicate that Sharia accounting understanding significantly affects the quality of financial report preparation at BAZNAS. Furthermore, the use of accounting applications also has a significant impact on improving the quality of financial reporting preparation based on SFAS. These findings highlight the importance of Sharia accounting knowledge and technology utilization in enhancing financial reporting quality in zakat management institutions.

A R T I C L E I N F O

Article History:
Submitted/Received 18 Feb 2025
First Revised 3 March 2025
Second Revised 8 March 2025
Accepted 9 March 2025
First Available online 12 March 2025
Publication Date 12 March 2025

Keyword:
Sharia accounting understanding, use of accounting applications and financial reporting quality.

A B S T R A K

Penelitian ini bertujuan untuk menganalisis pengaruh pemahaman akuntansi syariah dan penggunaan aplikasi akuntansi terhadap kualitas pelaporan keuangan berdasarkan Standar Akuntansi Keuangan (SAK) Syariah di Badan Amil Zakat Nasional (BAZNAS) Lumajang. Penelitian ini menggunakan metode kuantitatif dengan mengumpulkan data melalui survei dan analisis statistik. Hasil penelitian menunjukkan bahwa pemahaman akuntansi syariah memiliki pengaruh signifikan terhadap kualitas pelaporan keuangan sesuai dengan SAK Syariah di BAZNAS Lumajang. Selain itu, penggunaan aplikasi akuntansi juga berdampak signifikan dalam meningkatkan kualitas pelaporan keuangan berbasis SAK Syariah. Temuan ini menekankan pentingnya pemahaman akuntansi syariah dan pemanfaatan teknologi dalam meningkatkan kualitas pelaporan keuangan pada lembaga pengelola zakat.
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Kata Kunci:
Pemahaman akuntansi syariah, penggunaan aplikasi akuntansi dan kualitas laporan keuangan.

INTRODUTION

Sharia accounting, rooted in the values of the Qur'an and Hadith, serves as a framework for structuring economic practices, particularly in the recognition, measurement, and recording of transactions, as well as the fair disclosure of rights and obligations. These rights and duties arise from the divine mandate given by Allah SWT, which entrusts humans with the responsibility to manage the earth with integrity. Consequently, accounting functions as a tool for accountability, not only to the Creator but also to fellow human beings, enabling individuals to fulfil their role as caliphs on earth. As Baydoun and Willett (2000) state, Islamic accounting emphasizes accountability to God and society, aligning financial practices with Islamic ethical standards.

Accounting, in a broader sense, is the systematic process of recording, classifying, summarizing, and reporting financial transactions and events of significance. It is often considered an art, as different practitioners may adopt varying methods to depict the same financial reality, like how painters use different techniques to portray the same object. While entrepreneurs may prepare financial reports based on their approaches, they must still adhere to established accounting standards. As discussed earlier, accounting is a system that transforms transactions into financial information. In the context of Islamic finance, transactions must comply with Islamic law. Therefore, Sharia accounting ensures that financial practices align with Sharia principles, as derived from the Qur'an and Sunnah, maintaining both ethical and legal compliance in financial reporting (Sundari & Febriani, 2023). Baydoun et al. (2018) highlight that Islamic accounting provides a framework that integrates religious principles with financial reporting, ensuring compliance with Sharia.

Accounting in Islam falls within the domain of muamalah, which means it is subject to human development and adaptation. This aligns with the principle of muamalah, where all actions are permissible unless explicitly prohibited by the Qur'an or Hadith. Consequently, Islamic accounting is established based on human reasoning while remaining in accordance with the divine laws of Allah SWT. The Qur'an and Hadith provide fundamental values that shape Islamic accounting, including ethical principles, morality, truth, justice, trustworthiness, and responsibility. These values serve as guidelines to ensure that financial practices adhere to Islamic teachings while maintaining fairness and integrity in economic transactions. Hudaib and Haniffa (2002) emphasize that Islamic accounting principles are derived from Sharia, focusing on justice, transparency, and accountability in financial dealings. Due to the significance of this matter, Allah SWT provides guidance on accounting in Surah Al-Baqarah, verse 282:

Meaning: *"O you who believe, if you owe a debt for a specified time, you should write it down. Let a note taker among you write it down correctly. Let not the recorder refuse to write it down as Allah did has teach to him. Should he to record(it) And the person who owes it dictates (it). Let him fear Allah, his Lord, and let him not reduce it in the slightest."*

Preparing Sharia accounting reports requires a thorough understanding of financial reporting within a Sharia-based system. To ensure the availability of high-quality financial reports, it is essential to implement a well-functioning accounting system. This ensures that the prepared financial reports provide the necessary information for users, particularly business owners. One key aspect is the implementation of accounting applications. The use of accounting applications significantly impacts the quality of financial reports by facilitating corporate tax payments and ensuring that financial statements provide clear and accurate financial information. This, in turn, helps business owners make informed decisions in managing their companies effectively. Ardila (2024) notes that the use of accounting applications enhances the accuracy and reliability of financial reports, aiding effective decision-making.

The use of accounting information applications involves implementing a system that includes grouping, categorizing, recording, and processing financial activities into financial reports. These reports serve as crucial information that can be utilized by relevant stakeholders in decision-making. The use of accounting systems reflects the technological behavior of employees in carrying out their tasks, which is measured based on the frequency and diversity of applications used. Similarly, the utilization of information technology in performing tasks is assessed by the extent of its use and the range of applications employed. As Baydoun et al. (2018) explain, the integration of technology in accounting processes enhances efficiency and accuracy in financial reporting.

In light of the company's operational needs, maximizing revenue is essential to ensure business continuity. In practice, companies generally do not encounter difficulties in measuring and recognizing actual revenue. However, the extent to which revenue recognition and measurement are conducted reliably and in accordance with financial accounting standards remains a critical concern. Therefore, the company considers the implementation of an appropriate accounting system for revenue recognition as essential for obtaining accurate financial information. To effectively monitor financial activities, companies must establish a well-structured financial system, one aspect of which is the implementation of an accounting system for financial reporting. Issues related to financial activity management are key determinants of business success and, if not handled properly, can lead to financial irregularities or inefficiencies. Haron et al. (2013) observes that reliable revenue recognition is crucial for accurate financial reporting and maintaining stakeholder trust.

The National Board of Zakat (*Badan Amil Zakat Nasional* or BAZNAS) is the official and sole institution established by the Indonesian government through Presidential Decree No. 8 of 2001. Its primary role and function are to collect and distribute Zakat, Infaq, and Alms (ZIS) at the national level. The Zakat Collection Agency of Lumajang Regency, located on Jl. Kalimas Suko Rogotrunan, Lumajang, was established in 2000 based on the Regent’s Decree No. 188.45/737/427.12/2000, issued on February 26, concerning zakat management. BAZNAS was founded to enhance awareness and service in the practice of zakat by facilitating the collection, distribution, and utilization of ZIS funds. Its mission is to strengthen the role of religious intermediaries in promoting the welfare and justice of Muslims in Lumajang Regency. The enactment of Law No. 23 of 2011 on Zakat Management further reinforced the authority of BAZNAS as the institution responsible for managing zakat at the national level. According to the legal framework, BAZNAS is classified as a non-structural government institution that operates independently and is accountable to the President through the Minister of Religious Affairs. In this study, the researcher has chosen BAZNAS Lumajang as the object of research.

The *Badan Amil Zakat Nasional* (BAZNAS) plays a significant role in collecting, distributing, and utilizing zakat funds. From a technical perspective, the performance of zakat management organizations is reflected through fund accounting, which is a method of recording and presenting financial entities such as assets and liabilities based on their designated use. Therefore, zakat management organizations require a well-structured accounting system to effectively collect, process, and distribute zakat, infaq, and alms funds. Given the background, field observations, and varying findings in previous studies, the researcher is interested in examining and verifying the influence of Sharia accounting understanding and the use of accounting applications on the quality of financial report preparation. The scope of this study focuses on BAZNAS Lumajang. Accordingly, the researcher has chosen the research title: *'The Influence of Sharia Accounting Understanding and the Use of Accounting Applications on the Quality of Financial Reporting Based on Syariah Financial Accounting Standard at BAZNAS Lumajang.*

LITERATURE REVIEW

The Quality Of Financial Reporting Based On Sharia Financial Accounting Standards

Based on Government Regulation No. 71 of 2010, financial reports are structured documents that present an entity's financial position and the transactions it has undertaken. Additionally, Government Regulation No. 8 of 2006, which concerns the financial reporting and performance of government agencies, states that "financial reports serve as a form of accountability for the management of state and regional finances within a specific period. High-quality financial reports indicate that regional leaders fulfill their responsibilities in accordance with the authority delegated to them in managing the organization.

The *Pernyataan Standar Akuntansi Keuangan* (PSAK), or Financial Accounting Standards Statement, serves as the primary guideline for the preparation and presentation of financial reports for companies, pension funds, and other economic entities. These standards ensure that financial reports are more useful, understandable, comparable, and not misleading (Ikatan Akuntan Indonesia, 2020). The Financial Accounting Standards (FAS) issued by the Ikatan Akuntan Indonesia (IAI) are designed to align with the development of International Accounting Standards (IAS), as initiated by the International Accounting Standards Committee (IASC). In addition to adhering to IAS, FAS also considers various business environmental factors specific to Indonesia. Consequently, the Financial Accounting Standards issued are expected to meet the needs of the Indonesian business sector while remaining aligned with international accounting standards (Hudaib & Hanifa, 2009).

Sharia Accounting Understanding

Etymologically, the word accounting comes from the English word "accounting," and in Arabic "muhasabah," which originates from "hasaba, hasiba," meaning weighing, calculating, counting, and writing (Baydoun & Willett, 1997). It means calculating precisely or accurately what should be recorded in a book. The word 'calculating' is often found in the Qur'an and has almost the same meaning, namely ending with an addition or number (Soediro, 2024). The number of words in the verse indicates a number or calculation that is strict, precise, careful, and responsible. Sharia accounting is defined as accounting developed based on Islamic economic principles, particularly those related to social justice and equity, and founded on Sharia law and an analytical framework (Hassan et al., 2019). Sharia accounting is formed from the verses of the Qur'an that contain the concept of accountability or accountability, which is stated in the letter Al-Baqarah verse 282:

Meaning: "*O you who believe, if you owe a debt for a specified time, you should write it down. Let there be a note-taker in between You write it down correctly. Let not the scribe refuse to write it down as Allah has taught him. Let him write it down and the debtor dictate it. Let him fear Allah, his Lord, and let him not reduce it in the slightest. If the debtor is deficient in reason, weak, or unable to dictate it himself, let his guardian dictate it correctly. Ask for the testimony of two male witnesses from among you. If there are not two men, then one man and two women from among the people. Which You like from for witness (Which There is) so that if one (female witness) forgets, the others remind her. Witnesses should not refuse to be called. Don't get bored of writing it down until the deadline, whether (the debt) is small or large. That is more just in the sight of Allah, more able to strengthen your testimony, and closer to not doubting you, unless it is a cash business that you carry out between yourselves. So, there is no sin for you if you do not record it. Take witnesses when you buy and sell and don't let the recorder make things difficult (or made difficult), as well as the witnesses. If you do (that), indeed it is an act of disobedience to you. Fear Allah, Allah teaches you and Allah knows all things* . "

This verse illustrates that when a Muslim makes a transaction not in cash, he must write it down. This is to ensure mutual understanding and avoid disputes in financial transactions. When something is forgotten about a transaction, there will be written evidence. Sharia is a regulation set by Allah SWT for humans to obey in carrying out every life activity in the world. Sharia accounting is a transaction accounting method based on the laws established by Allah SWT (Haniffa and Hudaib, 2011).

A comprehensive understanding of Sharia accounting plays a crucial role in ensuring high-quality financial reporting, particularly in Islamic financial institutions and zakat management organizations. As noted by Haniffa and Hudaib (2007) Sharia accounting emphasizes the principles of justice, accountability, and transparency, which are essential in maintaining the credibility of financial reports. Employees who possess a strong grasp of Sharia Financial Accounting Standards (SFAS) are better equipped to apply these principles, thereby enhancing the reliability and integrity of financial statements.

Moreover, the implementation of Sharia accounting practices ensures compliance with Islamic financial regulations and reduces the risk of financial misstatements. According to Baydoun and Willett (2000) Islamic accounting frameworks are designed to align financial reporting with the ethical and moral values of Islam, preventing fraudulent activities and ensuring fairness in financial disclosures. This is particularly significant in zakat and waqf institutions, where transparency is crucial to maintaining stakeholders' trust and fulfilling religious obligations.

Several studies have confirmed that the adoption of Sharia accounting standards positively impacts financial reporting quality. Hanifa and Hudaib (2011) state that institutions that integrate Sharia accounting principles into their financial reporting processes demonstrate higher levels of accountability and transparency, which, in turn, strengthens public confidence. Furthermore, adherence to these standards ensures that financial reports accurately reflect the financial position and performance of Zakat management Institution, thereby promoting good governance and ethical financial management.

Use of Accounting Applications

An accounting application is a system specifically designed to process financial calculations related to accounting (Nikmatuniyah, 2017). It facilitates tasks ranging from collecting transaction data to automatically generating financial reports quickly and accurately through digital devices such as computers, tablets, and smartphones. By utilizing such applications, the traditionally lengthy and complex accounting processes become more accessible, efficient, and cost-effective (Tya, 2020). The primary objective of using accounting applications is to streamline the preparation of financial reports, including balance sheets, profit and loss statements, cash flow statements, and final financial reports (Ajrina, 2024). These applications enhance accuracy, reduce manual workload, and improve financial management for businesses and organizations.

RESEARCH METHODOLOGY

This study employs a quantitative approach. According to Creswell (2018), Quantitative research is a means for testing objective theories by examining the relationship among variables, which can be measured and analyzed using statistical procedures. Quantitative research is based on the philosophy of positivism and is used to examine a particular population or sample. Data collection is conducted using research instruments, and data analysis is performed quantitatively or statistically to test the formulated hypotheses. The sample in this study consists of BAZNAS Lumajang employees who are involved in the preparation of financial reports, specifically those working in the treasury and finance departments. The study employs regression analysis with two independent variables, namely Sharia accounting comprehension and the use of accounting applications, as well as a dependent variable, which is the quality of financial reporting. According to Sekaran & Bougie (2020), Regression analysis is a statistical technique used to examine the relationship between one dependent variable and one or more independent variables to make predictions or determine the strength of relationships.

RESULT AND DISCUSSION

a. Validity Test

The item validity test technique in this study utilizes Pearson correlation by correlating the item score with the total item score for each variable. A significance test is then conducted using the r-table as a reference at a significance level of 0.05 with a two-tailed test. If the computed r-value (r-count) is greater than the critical value from the r-table (r-table), the item is considered valid. Conversely, if r count is less than r-table, the item is deemed invalid. The following section presents the results of the validity test for each variable, including the understanding of Sharia accounting, the use of accounting applications, and the quality of financial report preparation based on Sharia Financial Accounting.

Sharia Accounting Understanding (SAU)

Table 1: Test Validity Sharia Accounting Understanding

Indicator	No. Item	Sig. SAU	Sig	r- Count	r- Table	Result
	1	0.04	0.05	0.225	0.217	Valid
	2	0.01		0.409		Valid
	3	0.01		0.414		Valid
	4	0.01		0.738		Valid
	5	0.01		0.742		Valid
	6	0.01		0.642		Valid
	7	0.01		0.68		Valid
Amount	**7 Item**		**Item Valid = 7 Item Item Invalid= 0 Item**			

Source: Data processed, 2024

Based on Table 1 above, it is shown that each item is deemed valid. All seven items are considered valid because the calculated r-value exceeds the critical r-value from the r-table or the Pearson correlation value. This can be observed through the r table at a 5% significance level with df = 80, which corresponds to a critical value of 0.217. Based on this information, all items in the instrument meet the validity requirements statistically and can be measured accurately and appropriately. This indicates that all items in variable Sharia Accounting Understanding in the questionnaire distributed to respondents effectively assess the level of understanding of Sharia accounting in financial report preparation. Therefore, all items can be included in the reliability test.

Use of Accounting Application

Table 2: Test Validity Use Application Accountancy

Indicator	No. Item	Sig. UAA	Sig	r- Count	r- Table	Result
Availability	1	0.01	0.05	0.847	0.217	Valid
Security	2	0.01		0.871		Valid
Can be maintained	3	0.01		0.777		Valid
Integration	4	0.01		0.752		Valid
Amount	**4 Item**		**Item Valid = 4 Item Item Invalid= 0 Item**			

Source : Data processed, 2024

Based on Table 2 above, it is shown that each item is deemed valid. The four items are considered valid because the calculated r-value exceeds the critical r-value from the r-table or the Pearson correlation value. This can be observed through the r-table at a 5% significance level with df = 80, which corresponds to a critical value of 0.217. Based on this information, all items in the instrument meet the statistical validity requirements and can be measured accurately and appropriately. This indicates that all items in variable Use of Accounting Applications in the questionnaire distributed to respondents effectively assess the extent of accounting application usage in financial report preparation. Therefore, all items can be included in the reliability test.

Quality of Financial Reporting

Table 3: Test Validity Quality of Financial Reporting

Indicator	No. Item	Sig. QFR	Sig	r- count	r- table	Result
Understandable	1	0.01	0.05	0.608	0.217	Valid
Relevant	2	0.01		0.687		Valid
Reliable	3	0.01		0.678		Valid
Reliable	4	0.01		0.646		Valid
Comparable	5	0.01		0.625		Valid
Amount	**5 Item**	**Item Valid = 5 Item Item Invalid= 0 Item**				

Based on table 3 above, it is shown that each item is valid. The five items are considered valid because the calculated r-value is greater than the critical r-value from the r-table or the Pearson correlation value. This can be observed through the r-table at a 5% significance level with *df* = 80, which corresponds to a critical value of 0.217. Based on the explanation above, all items in the instrument meet the statistical validity requirements and can be measured accurately and precisely. This indicates that all items in variable Quality of Financial Reporting (QRR) in the questionnaire distributed to respondents are appropriately and accurately assessed. Therefore, all items can be included in the reliability test.

b. Reliability Test

After conducting the validity test, the researcher proceeded with the data reliability test to determine whether the measurement results remain consistent when repeated. An unreliable questionnaire instrument lacks consistency in measurement, making the results untrustworthy. The reliability test commonly used in research is the Cronbach's alpha method, where the data is considered reliable if the Cronbach's alpha value exceeds 0.6. The results of reliability test each variables as follows:

Table 4: Test of Reliability

No	Variables	No of Item	Cronbach's Alpha	Criteria	Result
1	Understanding Accounting Sharia	7	0.643	0.60	Reliable
2	Use Accounting Applications	4	0.828	0.60	Reliable
3	Quality Preparation of Financial Reports based on Sharia SAK	5	0.655	0.60	Reliable

Source : Data processed, 2024

Based on Table 4, the results of the reliability test indicate that each variable in the questionnaire is considered reliable, as the Cronbach's Alpha value is greater than 0.6. Thus, all items in each variable demonstrate consistency, meaning the measurements remain stable even when repeated

Test Classical Assumptions

A multiple linear regression model can be considered a good model if it satisfies several assumptions known as classical assumptions. These assumptions include normally distributed residuals, absence of multicollinearity, no heteroscedasticity, and no autocorrelation. If any one of these four conditions is not met, the results of the multiple regression analysis cannot be classified as BLUE (Best Linear Unbiased Estimator).

a. Normality Test

The normality test of the data used in this study uses test normality one sample Kolmogorov-Smirnov Z, which is a test used to determine whether the data distribution follows a normal distribution or not. In This is to be able to find out whether the residual distribution is normally distributed or not, it must meet the following criteria:

1) If Significance > 0.05 then the data is normally distributed.
2) If the significance < 0.05 then the data is not normally distributed.

Table 5: Results Test Normality One Sample Kolmogorov-Smirnov-Test

One Sample Kolmogorov-Smirnov Test			Unstandardized Residual
N			82
Normal Parameters [a,b]	Mean		.0000000
	Std. Deviation		179,532,222
Most Extreme Differences	Absolute		.075
	Positive		.060
	Negative		- .075
Test Statistics			.075
Asymp. Sig. (2- tailed) [c]			.200 [d]
Monte Carlo Sig. (2-tailed) e	Sig.		.298
	99% Confidence Interval	Lower Bound	.286
		Upper Bound	.309

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Source : Data processed, 2024

In the results of the One-Sample Kolmogorov-Smirnov test presented above, the significance value of Asymp. Sig (2-tailed) is 0.200. Since this value is greater than 0.05 (0.200 > 0.05), it indicates that the data on shariah accounting understanding, the use of accounting applications, and the quality of financial reporting—collected through questionnaires distributed to BAZNAS and UPZ employees—are normally distributed

b. Multicollinearity Test

The multicollinearity test is conducted to determine whether there is a deviation from the classical assumptions, specifically multicollinearity, which refers to the presence of a linear relationship between independent variables in a regression model. The results of the multicollinearity test are as follows:

Table 6: Results of Multicollinearity Test

Variables	**VIF**	**Criteria**	**Tolerance**	**Criteria**
Understanding Sharia Accounting	0.975	<10	1,025	>0.10
Use Accounting Applications	0.975		1,025	

Source: Data processed, 2024

In the multicollinearity test above, it can be seen that each variable has a tolerance value > 0.10, namely 1.025, Then For mark VIF from second variable < 10. So it can be seen that the data does not experience multicollinearity.

c. Heteroscedasticity Test

The heteroscedasticity test is conducted to determine whether there is a deviation from the classical assumption of heteroscedasticity, which refers to a condition where the variance of the residuals in the regression model is not constant. A good regression model should be free from heteroscedasticity issues. In this study, the heteroscedasticity test is performed using the scatterplot regression test by observing whether the points are randomly and evenly dispersed without forming a clear pattern or clustering in a specific area. If this condition is met, it indicates that heteroscedasticity is not present in the model. The results of the heteroscedasticity test in this study are as follows:

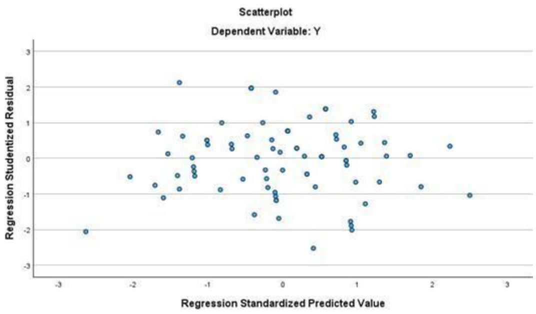

Figure 1: Results Test Heteroscedasticity

In the heteroscedasticity test above, it can be seen that the plotting is spread randomly above and below the Y axis and does not gather in one place, so it can be seen that the data for each variable obtained from the distribution of the questionnaire does not have a heteroscedasticity problem.

In this study, hypothesis testing is conducted using multiple linear regression analysis. Multiple linear regression analysis is employed to verify the validity of the proposed hypothesis. The results of the hypothesis test in this study are as follows:

a. t-test (Partial)

The partial statistical test (t-test) is used to measure the extent to which each independent variable individually influences the dependent variable (QFR). If the calculated t-value (t-count) is greater than the critical t-value (t-table), then it can be concluded that the independent variable significantly influences the dependent variable. Conversely, if the significance value of t-count is less than 0.05, it indicates that the independent variable does not significantly influence the dependent variable. The t-table value is derived from the statistical table at a significance level of 0.05 with degrees of freedom (df) calculated as (n - k - 1). In this study, with a sample size (n) of 82 and the number of independent variables (k) being 2, the degrees of freedom are 82 - 2 - 1 = 79. Based on this, the critical t-table value is determined to be 1.664. The results of the partial t-test are as follows:

Table 7: Results Hypothesis testing

Independent Variables	Dependent Variable	t-count	Sig	Result
Sharia Accounting Understanding (SAU)	Quality of Financial	4,871	0.01	H_{01} Rejected, H_{a1} Accepted/ significant

The Use of Accounting Application (UAA)	Reporting (QFR)	4,754	0.01	H_{o2} Rejected, H_{a2} Accepted/ significant

Source : Data processed, 2024

Based on the table above, the relationship between the independent variables and the dependent variable can be analyzed partially. The output results indicate that the t-count value for the first independent variable (4.871) is greater than the critical t-table value (1.664), with a significance value of 0.01, which is less than 0.05. Thus, H_{o1} is rejected and H_{a1} is accepted, meaning that Sharia Accounting Understanding has a significant partial effect on the quality of financial reporting based on Sharia Financial Accounting Standards (SFAS or SAK Syariah) at BAZNAS Lumajang. Similarly, the output results show that the t-count value for the second independent variable (4.754) is also greater than the t-table value (1.664), with a significance value of 0.01, which is less than 0.05. Therefore, H_{o2} is rejected and H_{a2} is accepted, indicating that the use of accounting applications partially influences the quality of financial reporting based on SFAS at BAZNAS Lumajang.

The study confirms that a strong grasp of Sharia accounting principles positively affects financial reporting quality. As stated by Haniffa and Hudaib (2007) Sharia accounting plays a crucial role in ensuring that financial reports adhere to Islamic principles, emphasizing accountability, transparency, and fairness in financial transactions. Employees with a comprehensive understanding of Sharia accounting are more likely to adhere to Sharia Financial Accounting Standards (SFAS), ensuring transparency, accuracy, and compliance in financial reporting (Puteri, 2019; Rahmi, 2022). This aligns with previous research, which suggests that knowledge of Sharia accounting enhances accountability and reduces the risk of misreporting in zakat management institutions (Baydoun & Willett, 2000). Given the unique nature of zakat fund management, adherence to Sharia principles is essential to maintain trust and legitimacy among stakeholders.

The findings also highlight that the use of accounting applications significantly improves the quality of financial reports. According to Nikmatuniyah (2017) the adoption of digital accounting systems in zakat institutions facilitates data processing, minimizes human errors, and enhances financial report accuracy. Digital accounting tools help streamline data entry, minimize errors, and ensure the accuracy of financial transactions. The automation of financial processes also increases efficiency, reducing the time required to prepare financial statements. This result is consistent with previous studies that emphasize that the role of technology in financial reporting is instrumental in enhancing financial transparency and accountability (Saeroji, 2021).

b. F-Test (Simultaneous)

The F (Simultaneous) test is used to assess the combined effect of independent variables on the dependent variable by analyzing the probability value (sig). These results are presented in the third output (ANOVA). The significance of the F test is determined based on the following criteria: if the significance value is less than 0.05, it indicates a simultaneous influence of the independent variables on the dependent variable.

Another approach to evaluating the F test significance is by comparing the calculated F value with the critical F table value. If the calculated F value is greater than the F table value, it can be concluded that all independent variables collectively have a significant effect on the dependent variable. The F table value is derived from statistical tables at a 0.05 significance level with degrees of freedom (df) calculated as follows: df1 (number of independent variables - 1) and df2 (N - k - 1). In this study, df2 is calculated as 82 - 2 - 1 = 79, where N represents the number of respondents and k denotes the number of independent variables. Consequently, the F table value obtained is 9.

Table 8: Test Results F (Simultaneous)

Model	F- count	Sig	Result
Regression	20,021	0.01	H_{01} Rejected, H_{a1} Accepted/ significant

Source : Data processed, 2024

Based on table above, it is known that the F-count value is (20.021) > F table, with a significance value of 0.01 < 0.05. So it can be concluded that H_{o3} is rejected and Ha3 is accepted, meaning that the sharia accounting understanding and the use of accounting applications together have an effect on the quality of financial reporting based on SFAS at BAZNAS Lumajang.

c. Coefficient Determinant R^2 Test

Table 9: Results Test Coefficient Determinant R^2

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.580 [a]	.336	.320	.705
a. Predictors: (Constant), X2, X1				
b. Dependent Variables: Y				

Source : Data processed, 2024

Based on the table above, the correlation coefficient (R) is found to be 0.580, indicating a moderate relationship between the variables: understanding of sharia accounting, use of accounting applications, and the quality of financial report preparation based on SAK Syariah. This classification follows the correlation interval guidelines, where a coefficient within the range of 0.40–0.5999 is considered to represent a moderate level of association.

CONCLUSION

This study examines the influence of Sharia accounting understanding and the use of accounting applications on the quality of financial reporting based on Sharia Financial Accounting Standards (SFAS) at BAZNAS Lumajang. The findings reveal that both factors significantly contribute to improving the quality of financial reporting within the institution. First, the study confirms that a strong understanding of Sharia accounting positively impacts the quality of financial reports. Employees with a higher level of Sharia accounting knowledge are more capable of preparing financial statements that align with SFAS principles, ensuring compliance and transparency in financial reporting. Second, the use of accounting applications significantly enhances the quality of financial reporting. Digital accounting tools streamline financial processes, reduce human errors, and improve the accuracy and timeliness of financial data. This suggests that technological adoption plays a crucial role in strengthening financial reporting practices in zakat management institutions. Furthermore, the study demonstrates that the combined effect of Sharia accounting understanding and accounting applications leads to better financial reporting outcomes. The simultaneous impact of these two factors highlights the importance of integrating financial literacy and technological advancements to achieve higher reporting standards.

This study has several limitations that should be acknowledged. First, the research focuses solely on BAZNAS Lumajang, which may limit the generalizability of the findings to other zakat management institutions or broader financial entities. Future studies could expand the scope to include multiple zakat institutions across different regions to provide a more comprehensive perspective. Second, this study employs a quantitative approach based on survey data and statistical analysis. While this method effectively identifies relationships between variables, it does not explore deeper qualitative insights, such as organizational challenges, perceptions, or implementation barriers in adopting Sharia accounting and accounting applications. Future research could adopt a mixed-methods approach, combining quantitative and qualitative data, to gain a more in-depth understanding of these issues. Third, the study does not account for external factors such as regulatory changes, technological advancements, or organizational culture, which may also influence the quality of financial reporting. Future research could integrate these factors to develop a more holistic model of financial reporting quality in zakat institutions. Lastly, this study assesses the impact of Sharia accounting understanding and the use of accounting applications on financial reporting quality but does not explore potential mediating or moderating variables. Future research could examine variables such as digital literacy, financial governance, or leadership commitment to better understand the dynamics of financial reporting improvements. By addressing these limitations, future research can contribute to a more nuanced and practical understanding of how Sharia accounting principles and technology can enhance financial reporting quality in zakat and other Islamic financial institutions.

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