

CONSTRUCTION OF SHARIA GOOD CORPORATE GOVERNANCE MODEL AT BPRS BUMI RINJANI PROBOLINGGO INDONESIA

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Abstract

The objectives of this research are to compose construction of sharia good corporate governance model at BPRS Bumi Rinjani Probolinggo. The study use case study approach with using survey and exploratory methods. Techniques of data analysis use Miles & Huberman. The result of the research shows that the written report of the implementation of governance in BPRS Bumi Rinjani Probolinggo has not been done yet. According to POJK No. 30/POJK.05/2014 that the finance company is obliged to make a writing report, so we must make a sharia governance model and report in BPRS Bumi Rinjani. The elements were included in the governance model are to add two principles of governance: integrity and social awareness, so that governance becomes seven (out of five set by law and two elements was get in) that is transparency, accountability, responsibility, independency, fairness, integrity and social awareness. To support the effectiveness of Dekom's tasks are included elements of the establishment of Audit Committee, Risk Monitoring Committee and Remuneration Committee. In order to an implementation of good governance was good, it is implanted to the whole range for implementation of Shariah governance that all transactions and BPRS Bumi Rinjani operations do not contain usury, maysir and gharar.

Keywords:

Sharia, Compliance, Governance, Integrity, Social Awareness, BPRS

Introduction

The development of sharia economy is very good in Indonesia among others marked by the rapid development in Islamic banking and non-bank Islamic financial institutions. The desire of the Islamic community to implement the business in accordance with the guidance of beliefs is realized by Islamic financial institutions to move forward and continue to develop themselves although this institution is newly known to the people of Indonesia when compared with conventional financial institutions. Customer demand that tends to be religious is one of the factors causing the establishment of Shariah-based financial institutions. Characteristics of Islamic banking to do business with the principle of profit sharing and guided sharia.

The rapid development of the banking sector, the experience of the global financial crisis, changes in business complexity and bank risk profile, as well as the adoption of methodological changes in the assessment of international bank conditions, required increased effectiveness in the application of risk management and good governance. The aim is to enable banks to identify problems early, to follow up on appropriate and faster repairs, and to implement better governance so that banks are more resilient in the face of crisis. Implementation of good governance needs to be done so that the results of maximal management performance

Various experiences of a bankruptcy of a company or an organization's business among others are indicated not to apply good governance or Good Corporate Governance to the company that should be represented in the framework of ethics for management decision making. Governance-related issues became popular in Indonesia in mid-1997 in line with the economic crisis. Similarly, in Islamic banks, without effective implementation of governance, Islamic banks have difficulties in strengthening positions, expanding networks, and demonstrating their performance more effectively. Becoming more serious is the need for sharia banks for Sharia governance in the face of increasingly complex issues. The

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long-term challenge is a problem that must be faced because otherwise, it will erode the ability of the bank. Therefore it becomes imperative for sharia banks to implement sharia governance according to existing rules.

The guidelines of banking governance based on Bank Indonesia Regulation (PBI) No: 8/4 / PBI/2006 on governance implementation for Commercial Banks and at the same time a starting point for governance in sharia banks. Subsequently replaced by Bank Indonesia Regulation No: 11/33 / PBI / 2009 concerning the implementation of good governance for Sharia (Islamic) Bank or BUS and Sharia Business Unit or UUS. Subsequently updated by Bank Indonesia Regulation No.13/1/PBI/2011, whereby Commercial Banks are required to conduct self-assessment of Bank Soundness using Risk Based Bank Rating (RBBR) or commonly referred to as RGEC are Risk Profile, Good Corporate Governance, Earning, and Capital) either individually or consolidative.

For the second factor of RGEC is aGCGassessment based on three main aspects: governance structure, governance process, and governance outcomes. Governance structure regulates the execution of duties and responsibilities of the Commissioners, the Board of Directors and the completeness and execution of the committee's duties. Governance structure regulates the execution of duties and responsibilities of the Commissioners, the Board of Directors and the completeness and execution of the committee's duties. While the Governance Process includes the implementation of bank compliance functions, handling of conflict of interest, the implementation of the internal and external audit function, the implementation of risk management, including an internal control system, the provision of funds to related parties and large funds, as well as the bank's strategic plan. Governance outcomes are covered on the transparency of financial and nonfinancial conditions, reports on the implementation of Good Corporate Governance and internal reporting.

The governance guidelines for both Conventional and Sharia Financing Companies are enhanced by the issuance of the Financial Services Authority Regulation No. 30 / POJK.05 / 2014 on Good Corporate Governance for Financing Companies. This rule appears as one of the considerations to strengthen the Financing Company by improving the quality or quality of good corporate governance practices. In addition, to protect the stakeholders and improve compliance with laws and regulations and ethical values generally accepted in finance companies in the form of Ltd and Cooperative so that finance companies need to immediately implement good governance to improve performance.

BPRS or Syariah Financing Bank is a finance company that is a business development of BPR financial institutions that in its activities aimed at fulfilling the desire of the customers to activities in accordance with the sharia, especially the middle to lower society. Shariah People Financing Bank has a strategic role in improving the welfare of people, especially communities around the BPRS, through the activities of collection and distribution of funds and other provision of financial services, based on the principles of sharia. Sharia Rural Bank is obliged to implement the governance and make its reporting in sharia as accountability to the stakeholders.

With the Regulation of the Financial Services Authority No.30 / POJK.05 / 2014 on Good Corporate Governance for Financing Companies, it also requires PT Bank Rakyat BumiSyariahBumi RinjaniProbolinggo to implement and issue Good Governance Report. Based on preliminary survey and explanation of the Board of Directors at BPRS Bumi Rinjani, it is known that the Good Corporate Governance (GCG) Report has not been published in writing. Given the condition of losses in the Financial Statements that increase in the year 2015 which is about 25% when compared with the year 2014, is one of the causes has not been applied GCG in full.

Based on this background, it is interesting for researchers to analyze, how to construct Shariah governance model at BPRS Bumi RinjaniProbolinggo as compliance with the implementation of OJK Regulation No.30/POJK.05/2014.

Companies based on Islam in carrying out the operational activities of the company must always be guided by the values of justice and virtue that provide benefits to the public. Because the essence of Islamic teachings is justice and virtue for society as a whole. Human responsibility is to manage that has been provided by God efficiently and optimally so that welfare and justice can be felt by the general public. Another universal value in Islamic economics is the existence of an order to search for halal and good sources with output on the path of goodness and not to oppose the other side.

Companies that run their activities with Islamic-based not only oriented to obtain the highest profits, although seeking profits are also not prohibited. The concept of likes and mutual benefits in the effort to realize justice and care for the welfare of others must make the ultimate goal, with the aim to achieve the good of the life of the world and the hereafter.

The Concept Enterprise Theory of sharia is developed based on the metaphor of zakah which basically has the character of balance. In general, the balance value in question is a balance between masculine values and feminine values (Triyuwono, 2006). The enterprise theory of sharia balances the

egoistic (masculine) value with altruistic value (feminine), the value of matter (masculine) with spiritual value (feminine), and so on. In shariah, this form of balance is manifested in a zakah metaphor that implicitly contains egoistic-altruistic, spiritual-material, and individual-customers values.

This equilibrium value causes the enterprise theory of sharia balances the egoistic (masculine) to not only care about the interests of individuals or shareholders, but also other parties. According to Sharia Enterprise Theory stakeholders include God, human, and nature. God is the ultimate party and becomes the sole purpose of human life. By placing God as the ultimate stakeholder, then Shariah accounting remains secure on God's rules. A second stakeholder is a person who is divided into two, namely those who directly contribute to the company (direct-stakeholders) and parties that do not contribute to the company but by shariah they are parties who have the right to obtain welfare Of the company (in direct-stakeholders). The last stakeholder is nature. Nature is a party that contributes to the death-life of the company as God and human party. The company exists physically because it is established on earth, providing services to others by using available energy in nature, and others. The manifestation of the distribution of human welfare to nature in the form of the company's concern for the sustainability of nature.

Enterprise Theory of sharia implicitly does not place people in the center of everything. God became the center of the return of man and the universe.

Stewardship Theory has psychological and sociological roots designed to explain situations in which manager's act as stewards and act in the interests of the owner (Donaldson & Davis, 1991). In theory, stewardship managers will behave according to common interests. Managers feel a common interest and behave in accordance with the behavior of the owner is a rational consideration because stewards are more looking at efforts to achieve organizational goals. The stewardship theory assumes a relationship that tricks between organizational success and owner satisfaction. Stewards will protect and maximize the organization's wealth with the company's performance.

In addition, Stewardship Theory was introduced as a theory based on behavior and premise. Stewardship theory is defined as a situation in which managers have no personal interest but are more concerned with principal desires. Stewardship theory views management as a trustworthy unit to do the job best for the interest of both internal and external stakeholders.

The implications of the Stewardship theory in this research are considered that management in carrying out its duties and responsibilities is obliged to carry out it is best so that what is the objective of BPRS is achieved effectively. Achieving objectives will be more effective by implementing good sharia governance under applicable rules or legislation, in this case appointing POJK 30/POJK.05/2014 on Good Corporate Governance for Financing Companies.

The implementation of Good Corporate Governance (GCG) as the main framework of sustainable growth should be applied consistently and sustainably based on principles. According to the General Principles of Shari'a Governance in accordance with the Decree of the Financial Services Authority Number 30/POJK.05/2014 there are (five) aspects consisting of transparency, accountability, responsibility, independency and fairness.

The Sharia governance model has its own characteristics in presenting its characteristics. Sharia model aims to place maqadishshariah as the ultimate goal, which aims to protect the interests and rights of all stakeholders in accordance Shariah demands. The nature of sharia model management is based on the principle of discussion and interactive process, with the highest level of management, is the Sharia Supervisory Board. This Council is authorized to oversee the activities of the company as a whole in order to run in accordance with the principles of sharia. Shari'ah rules maintain personal goals without neglecting social welfare obligations.

Sharia governance always links all the concepts and behaviors in business governance with transcendent and immanent things. This is a consequence of the belief of a Muslim to Allah SWT. So from here, we recognize the value of tawhid as the foundation of all beliefs, thoughts and behavior of a Muslim, including in understanding corporate governance or corporate governance.

According to Regulation of Financial Services Obligation Number 30/POJK.05/2014 Chapter I Article 1 point 7 of Good Corporate Governance for finance company here in after referred to as Good Corporate Governance is the structure and process used and applied by company organs to increase the achievement The objectives of business results and optimizing the value of the company for all stakeholders are accountable and based on legislation and ethical values. The term of Shariah governance in this research is the development of good corporate governance concept and Shariah compliance or the compliance of Sharia (Islamic People's Financing Bank) to the principles of sharia. BPRS is a shariah financial institution that in its operational activities follow the rules and regulations of Islamic sharia, especially concerning the procedure of transactions or bemuamalat Islam. The main principle of Sharia

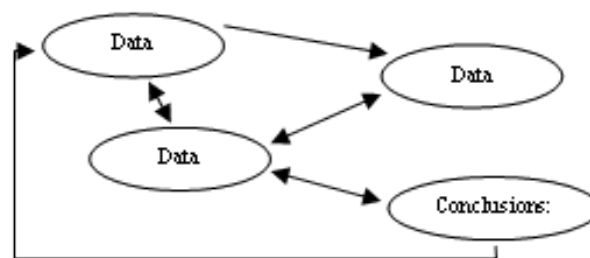
Bank financing is reflected in the products rolled out, ie free of usury, community and gharar using the profit-sharing principle.

Method

The method used in this research is using qualitative research approach using case study method. Researchers examine in depth how the model of sharia governance and reporting that implemented in PT Bank Rakyat BumiSyariahBumi RinjaniProbolinggo. The main purpose of data collection techniques in this study is to obtain data in accordance with established standards. Data collection used in this qualitative research include: Observation, Interview and Documentation.

In the data analysis phase, the researchers organize systematically the results of interviews and documentation of their research results. According to Sugiyono (2014) data analysis is the process of searching and compile systematically data obtained from interviews, field notes and documentation, by organizing data into categories, describe into units, synthesize, organize into patterns, choose Which are important and that will be learned and make conclusions so easily understood by yourself and others.

Data analysis techniques in this study using Miles and Huberman techniques. Components in the analysis of such data as shown in the following figure:



Picture 1. Data Analysis Miles and Huberman Techniques

Activity in the analysis of qualitative data is done interactively and lasted continuously until thoroughly so that the data is saturated. Activities in data analysis consist of: data collection, data reduction, display data and conclusion drawing/verification.

Technique testing validity of data used in this research is using technique according to Sugiyono (2014) done by a test of credibility, transferability, dependability and confirmability. The four techniques of testing the validity of the data above are testing techniques that support each other and complete so obtained conclusion research which is Unified unity.

Result and Discussion

Based on observations, interviews or analysis of the documentation on the model of sharia governance BPRS Bumi Rinjani in carrying out operational activities known that:

From good governance interview (GCG) with Mr. CaturAriyanto as Board of Directors of BPRS Bumi Rinjani disclosed:

"Eeee... for now still not yet. There is no report to organize it well or GCG itself, but the master plan had been planned mam Tatik and we need the advice to plan it. "

Based on the interview quote, it shows that the practice of implementing good governance BPRS Bumi RinjaniProbolinggo has not published a report in writing. This is not in accordance with the rules stipulated by the Financial Services Ototitas No. 30 / POJK.05 / 2014, whereby every finance company must publish a GCG report in writing.

Further explanation was revealed again by the Director of BPRS Bumi Rinjani from the interview result, how the future plan for the preparation of Governance Report BPRS Bumi Rinjani, is:

"So here mam Tatik ... In the framework of future development, so that BPRS Bumi Rinjani can still exist and able to compete with other financial institutions, especially those around Probolinggo, we are motivated to implement the governance of sharia in accordance with The newly issued OJK rules are POJK No. 30"

In accordance with the disclosure of Mr. Chess, indicates that BPRS Bumi Rinjani wants to implement governance such as existing rules. This is preceded by the implementation of the principles of

sharia governance as set out in POJK No. 30/POJK.05/2014. Implementation of GCG principles that have been implemented in BPRS Bumi Rinjani Probolinggo as follows:

1. Transparency

In the case of this openness, it is intended that stakeholders are easy to access the provision of relevant information on either management decision-making, management performance or other matters relating to the operational activities of the SRB in accordance with the laws and regulations. Openness BPRS Bumi Rinjani Probolinggo delivered by Mr. Catur Ariyanto as Board of Directors as in the following interview:

"We do it through this mam eee ... what is the name of such a monthly publication, then the report of the shaman, we have done all that. As for the internal circle every month we have to report monthly income."

In accordance with the above phrase indicates that the principle of openness has been implemented by BPRS Bumi Rinjani Probolinggo, in the form of Income Statement which each month submitted to the Internal in monthly meetings. While to external stakeholders is done every three months and at the end of each year in the form of announcements posted on bulletin boards and Reports to the Financial Services Authority.

2. Accountability

Accountability is the clarity of the function and implementation of the accountability of all the Company Organs so that with the existence of accountability, the Company's performance is expected to run transparently, reasonably, effectively and efficiently. The results of interviews with the Board of Directors of BPRS Bumi Rinjani are:

"We are already there for the accountability so that each part has already had job description respectively and responsibility of each mam ..."

In line with the results of interviews with Mrs. Endri Internal Audit section follows:

"After we find the findings then we submit to their respective parts for repair. Then there is the follow-up part of the discovery, so so far hmm indeed there is no difficulty because it is helped by my friends who fix the mistake mam "

From the submission of the Board of Directors and explanation of Internal Audit above shows that all organs of BPRS Bumi Rinjani have implemented accountability principles. If there is a work error that is not in accordance with the Standard Operations and Procedures or deviations from the assigned job description then Internal Audit will remind each company's organs to work in accordance with existing rules.

3. Responsibility

The principle of accountability is the principle of conformity of the Company's management with the laws and regulations. The principle of accountability is the principle of disclosure to stakeholders on what has been done by management and employees in running the organization in a certain period. From the results of interviews with the Board of Directors, Mr. Catur obtained the explanation as follows:

"For the report of responsibility ... mam ... this is what the name is in every month we make a financial statement that will be in every eee ... one year twice or once, later OJK eee ... will see the financial statements eee ... as well as what they do and evaluate us"

Based on the above description, we can see that the principle of accountability has been implemented by BPRS Bumi Rinjani in the form of obedience of operational implementation of BPRS in accordance with the rules of the Financial Services Authority in the form of issuance of Financial Statements as management accountability, in addition, to avoid sanctions.

4. Independency

The principle of independency is a state of the company that is managed independently and professionally and free from conflict of interest and influence or pressure from any party that is not in accordance with the legislation. In practice, especially in BPRS, the attitude of independency is needed. This is to avoid conflicts of interest from certain parties. The explanation submitted by Mr. Catur as Board of Directors of BPRS Bumi Rinjani are:

"Eeee we for this time miss Tatik, especially in our company that we speak according to the rules means the commissioner, shareholders can not enter on what name ... eeeee for its management can not enter ...most just kind of advice to something That should be fixed that's all "

From the excerpts of the interviews above proves that the operational activities of BPRS Bumi Rinjani have implemented the principle of independency with proof of neutrality and independency from any party is no exception of its own shareholders.

5. Fairness

The principle of fairness contains the element of fair treatment and equal opportunity for each stakeholder in accordance with its proportions based on existing rules. This fair treatment applies to revenue-sharing rules as well as profit or loss sharing. Implementation of equality and fairness in accordance with sharia rules under the supervision and direction of the Sharia Supervisory Board. For the implementation of this principle in BPRS Bumi Rinjani disclosed by Mr. Chess as follows:

"Eee .. in accordance with the mandate of Shariah miss ... we use the rules of sharia, especially banking so there is an agreement and we pour through the contract agreement That's from our side with the customer. In sharia banking the rules it has been declared justice, Incriminating, and in accordance with the rules given by OJK So this principle actually has already done, just the written report still not yet."

The same thing was also conveyed by Mr. Imam Mudzakir as Sharia Supervisory Board BPRS Bumi Rinjani from the following interviews:

"Related to the regulation eeee ... what is the name of the products issued by BPRS Bumi Rinjani, there are a product either financing or fundraising products, whether in the saving or deposits are all including financing of musyarokah financing, or previously there is mudorobah financing, then murabahah financing All referring to the fatwa of the National Sharia Council, of course, there is a rule of justice treatment on all sides. "

Based on the explanation submitted by the Board of Directors and the Sharia Supervisory Board, BPRS Bumi Rinjani has performed the principle of equality and fairness in accordance with the rules stipulated by the Financial Services Authority and by the National Sharia Council. To shareholders and other stakeholders, justice in the distribution of results and losses according to the existing contracts and rules.

In reality in the field, found cheating ever done by employees. The fraud was based on interviews with Imam Mudzakir as Sharia Supervisory Board as follows:

"Indeed there are some that we have encountered it, Eee and it could be what the name of our attention all, so this customer ... especially happened in the cash office, so in the cash office there are customers who pay, entrusted .. Well the teller part or the recipient of the deposit Is being prayed at that time so it is entrusted to the security guard, so the security guard, when it is entrusted to the security guard, given the deposit slip, it is not reported to the teller part. Next then when the next month is asked to this customer, why is it too late to pay? No, the customer explained, I paid for this and finally, we had to stop the employee, then we rolled the employee after the rotation finally the personnel was only caught, so far we do not know. Once there is a new rolling caught, Finally 3 people we spend. There are security guards, there is marketing, we remove them"

The same thing was also presented by Mr. Catur as the Board of Directors of the interview with the question "have any employees cheating in work?", With answers as follows:

"its happen, mam .., ever existed ... then there's a direct action."

In the implementation of GCG, it is necessary to have GCG structure as well as the existing organization structure of BPRS Bumi Rinjani. This is done so that the support personnel of GCG implementation performs their duties and obligations in accordance with the functions set in the GCG structure. As well as delivered by Mr. Catur Ariyanto in the following interview passage:

"Eee our plan is mam Tatik ...Our GCG plan in accordance with the structure of our company's eee organ that will be we arrange like our organizational structure".

Related to the explanation above the structure of GCG BPRS Bumi Rinjani still, does not exist and still planned the preparation. In order to support GCG forwarding in accordance with OJK Rule Number 30 /POJK.05/2014 and the importance of each personnel know its function, the preparation of GCG structure

to be realized. The explanation of each personnel duties is further explained by Mr. CaturAriyanto as follows:

"Eee later this process mam, we will use what is its name gather friends for socialization, later they have to perform tasks in accordance with the existing job description is in accordance with the vision and mission of the company so it can run in accordance with the organs made later".

Based on the explanation can be seen that the management of BPRS Bumi Rinjani which in this case directors have captured the importance of the implementation of duties and responsibilities of personnel under it in accordance with their respective functions. These functions will be poured into the GCG structure. With the implementation of functions according to the structure of GCG by each personnel will facilitate BPRS Bumi Rinjani to achieve the established operational objectives.

In this study also found the existence of the function of compliance with rules or legislation in force. Results of interview with Mr. Endri as Internal Audit BPRS Bumi Rinjani as follows:

"Eee ... if for our operational standard already exist, then for the parts we also have operational standard ..Hmm ... because if the internal audit is based on the operational standard so the job must be based on the operational standard. Based on the rules laid down by the Financial Services Authority and shall not deviate "

From the explanation shows that BPRS Bumi Rinjani has performed Internal Audit function that performs their duties and obligations in accordance with the Standard Operations and Procedures that have been set. This is in accordance with the rules of the Financial Services Authority Number 30 / POJK.05 / 2014. As for subsequent compliance, based on the results of interviews when the researchers asked Mr. CaturAriyanto about the implementation of the External Audit is as follows:

"Yes ..yes ..buTatik, for the compliance function we have applied .. yes ..its done .. we use KAP Drs .. Nasiqin Malang. Each year there is a special ..yes, yes .."

In line with what was delivered by Mrs. Endri as Internal Audit at BPRS Bumi Rinjani from interview result as follows:

"Yes ..yes .. usually if for the External Audit will coordinate with the Internal Audit So to know the state of this agency as what it is usually directly coordinate with the internal audit .. yes there is already execution mam..."

Both explanations support the policy and procedure of compliance function in BPRS Bumi Rinjani have been implemented.

Good Corporate Governance hereinafter referred to as GCG, is an important concept that must be implemented to improve the performance of Sharia Rural Banks. GCG is a system that provides effective protection for stakeholders, particularly creditors and shareholders. According to the Financial Services Authority Regulation Number 30 / POJK.05 / 2014 article 58 on Good Corporate Governance for finance companies it is stated that the Company must submit a Good Corporate Governance Report commencing its 2016 performance report. It means that all finance companies are in the form of Limited Liability Companies, Or otherwise required to issue a GCG Report

Factors that become obstacles to the issuance of BPRS Bumi Rinjani Governance Report in writing

Based on the results of research on Good Corporate Governance implementation, hereinafter referred to as GCG to BPRS Bumi Rinjani Probolinggo, there are several factors causing unpublished good governance report in writing:

1. Limited manpower to prepare the Sharia Rule Report in writing.

The limited labor force in BPRS Bumi Rinjani is an initial obstacle to the lack of implementation of the Governance Report in writing. This is done because with more employee's means the rewards that must be issued BPRS Bumi Rinjani also have to go out more, while currently BPRS Bumi Rinjani still suffered losses. In view of that, BPRS Bumi Rinjani limits the number of workers employed.

2. BPRS Bumi Rinjani focuses on operational performance to develop business for the progress of BPRS.

The second factor is the unpublished governance report is BPRS Bumi Rinjani focuses on operational and execution of work in the field to find customers and develop business. This is preferred because by actively working in the field for socialization and seeking qualified customers, then the sustainability of BPRS will be guaranteed.

3. New enactment of good corporate governance rules for shariah financing shall appoint Regulation of Financial Services Authority Number 30 / POJK.05 / 2014 dated 19 November 2014 with the beginning of performance report of 2016.

The third cause of BPRS Bumi Rinjani has not implemented a good Governance Report in writing is because there is no existing regulation or legislation. Management considers and decides better employees to do other work to support the continuity of BPRS Bumi Rinjani rather than making a report.

4. The absence of sanctions so far because the rules have not been valid.

Another factor is due to the absence of administrative sanctions from the Financial Services Authority for the SRB if it does not issue a report. This is because regulations or legislation also do not exist or have not been enforced by the Financial Services Authority.

Discussion

Based on the results of research on BPRS Bumi Rinjani found no report of governance in writing. From the interviews, BPRS Bumi Rinjani is motivated to implement good governance and create a GCG report in writing. This is a policy taken by management to improve performance in achieving the goals that have been set. In addition, this motivation is also supported by the desire of BPRS Bumi Rinjani to implement compliance with OJK rules that have been issued namely the Financial Services Authority Regulation Number 30 / POJK.05 / 2014.

Based on the research results found cheating or dishonesty ever done by employees. This needs special attention from the management of BPRS Bumi Rinjani. Honesty is a faith that must always be implemented in every activity we always get a blessing. Likewise with BPRS Bumi Rinjani, with honesty in all parts in carrying out tasks and activities, then the operation of BPRS will get a blessing. Besides, on the world side will gain the trust of stakeholders, both internal and external.

This is in line with Prasetyo (2015) research that the mutual trust of both parties will make each party a profit. Trust here is meant to be internal and external beliefs. Trust, especially from external parties, will be the main capital to inculcate a positive assessment, which will ultimately support the development of BPRS Bumi Rinjani in the future. Based on the above facts included elements of honesty (Integrity).

BPRS Bumi Rinjani has implemented awareness to the surrounding community in the form of donations or other contained in the report of sources of funds and the use of qord funds. For the disbursement of donation funds in 2014 and 2015, as shown in Table 1 as follows:

Table 1. Statement of Source and Uses of Funds in the Qardh Fund

BPRS BUMI RINJANI PROBOLINGGO, PT STATEMENT OF SOURCE AND USES OF FUNDS IN THE QARDH FUND FOR THE YEAR ENDED ON 31 DECEMBER 2015		
	2015	2014
BALANCE AT JANUARY 1, 2015	17.044.081,93	496.610,19
SOURCE OF QARDH FUND		
a. Sadaqa	0,00	0,00
b. Penalties	44.523.470,00	56.666.738,00
c. Contribution	0,00	0,00
d. Non-Islamic income	2.702.477,92	4.197.695,94
e. Other		7.504.777,00
TOTAL SOURCE FUND	47.225.947,92	68.639.210,94
USES OF QARDH FUND		
a. Loan	0,00	0,00
b. Contribution	2.144.695,57	51.821.739,20
c. Other	16.640.000,00	0,00
TOTAL USES DURING THE YEAR	18.784.695,57	16.821.739,20
INCREASE (DECREASE) FUNDS IN THE QARDH FUNDS	28.441.252,35	16.547.471,74
BALANCE AT 31 DECEMBER 2015	45.485.334,28	17.044.081,93

Based on table 1, Statement of Source and Uses of Funds in the Qardh Fund, it appears that the distribution of funds in the form of donations and others has decreased drastically that is about 63%. This

is one result of the source of funds decreased also in 2015. When compared with the year 2014 comparison the decline in funding sources and disbursements is very unequal which causes the final balance to increase by 62%.

Tabel 2. Charity Funds Statement

BPRS BUMI RINJANI PROBOLINGGO, PT
CHARITY FUNDS STATEMENT
FOR THE YEAR ENDED ON 31 DECEMBER 2015

No.	DATE	DESCRIPTION	TOTAL
1.	3/7/2015	Purchasing main food materials for zakahfitra	8.500.000
2.	7/8/2015	Participation of 70 th Indonesia's Independent day	250.000
3.	10/8/2015	Participation of 70 th Indonesia's Independent day in Maron district	200.000
4.	24/8/2015	Participation of 70 th Indonesia's Independent dayin Bengkisan Village	250.000
5.	24/8/2015	Participation of 70 th Indonesia's Independent dayin Kalirejo Village	250.000
6.	26/8/2015	Participation of Indonesia's Independent daywith TNI Polri in Probolinggo district	200.000
7.	14/9/2015	Social fund for orphaned in NurulHidayah Foundation Bladongan	20.000
8.	2/10/2015	Social fund for disability in Mayangan Probolinggo	20.000
9.	13/10/2015	Fund for clean-up activity in Kalirejo Village	500.000
10.	16/10/2015	Participation in orphanage Roudlotus Syiban Foundation	20.000
11.	21/10/2015	Contribution for orphanade at Islamic New Year	200.000
12.	23/10/2015	Pay care for Mr. Sigit in Menur Psychiatric Sidoarjo	20.000
13.	23/10/2015	Charity fund for NurulHidayah Foundation, BlandonganPasuruan	10.000
TOTAL			10.440.000

The charity fund reportreport in table 2 shows that the charity done in 2015 is not routinely performed and the magnitude is not the same. Charity is a teaching of Islamic creed and is also a caring attitude to the surrounding environment which has a very positive impact on the development of BPRS Bumi Rinjani. With the care done to the surrounding community, it will increase the quality of organization BPRS Bumi Rinjani with the emergence of positive response from external parties. This needs to be a concern with management, with the concern to the external parties at the end of it become one cause will facilitate BPRS Bumi Rinjani realize its operational objectives. Because social titling is an important thing any organization must do. In addition, because the position of BPRS Bumi Rinjani Probolinggo located in the surrounding area is very upholding the principles of mutual assistance and togetherness, the social awareness is a very supportive and indispensable principle for the progress of BPRS Bumi Rinjani.

With the concern for the community in addition to the promotion is also one way to attract the attention of the surrounding community. The attitude of PT Bank Rakyat BumiSyariahBumi Rinjani that is concerned and does not close the eyes ultimately will generate the positive response from the surrounding community for the development of BPRS Bumi Rinjani.

Based on the tables and descriptions of the implementation of donations and charity both in 2014 and 2015, again included one element of social awareness as part of the corporate social responsibility of BPRS Bumi Rinjani to the surrounding community. With the input of these elements, the principles of governance of BPRS Bumi Rinjani become 7, namely: transparency, accountability, responsibility, independency, fairness, integrity and social awareness.

For commitment to the governance of BPRS Bumi Rinjani in order to obtain positive results, management should enforce them culturally. This means that the entire internal ranks of BPRS Bumi Rinjani Must implement the principles of governance in a cultural manner. This is so that the principle of being a supporter in the face of business competition and development of BPRS Bumi Rinjani.

In implementing and implementing operations, BPRS Bumi Rinjani has an obligation to review financial information that will be reported in compliance with applicable accounting standards, review the governance of the SRB, review the implementation of external and internal audits. It is intended that in the operational implementation of BPRS in accordance with the rules established by the Financial Services Authority. Based on this, the Audit Committee elements are included.

On the other hand, the Board of Commissioners has the duty to monitor the operation of BPRS Bumi Rinjani in order to run well and can reduce the risk as small as possible. It is intended that the purpose of BPRS Bumi Rinjani to earn a profit, can be achieved in accordance with the expected or budgeted in the initial business plan. Given the condition of losses in the Financial Statements that increase in the year 2015 which is about 25% when compared with the year 2014, is one of the signs of not yet the implementation of risk monitoring early.

Based on the financial statements and disclosures of the Board of Directors, the statement of everything that is of negative value to the performance of BPRS Bumi Rinjani can be detected earlier, then the elements of the Risk Monitoring Committee are included. The inclusion of these elements is an attempt to realize the objectives of BPRS Bumi Rinjani to obtain profit. More details of the risk monitoring committee aim to support the effectiveness of the performance of the Board of Commissioners' duties in risk monitoring and the implementation of good organizational governance as stipulated in the Financial Services Authority Regulation.

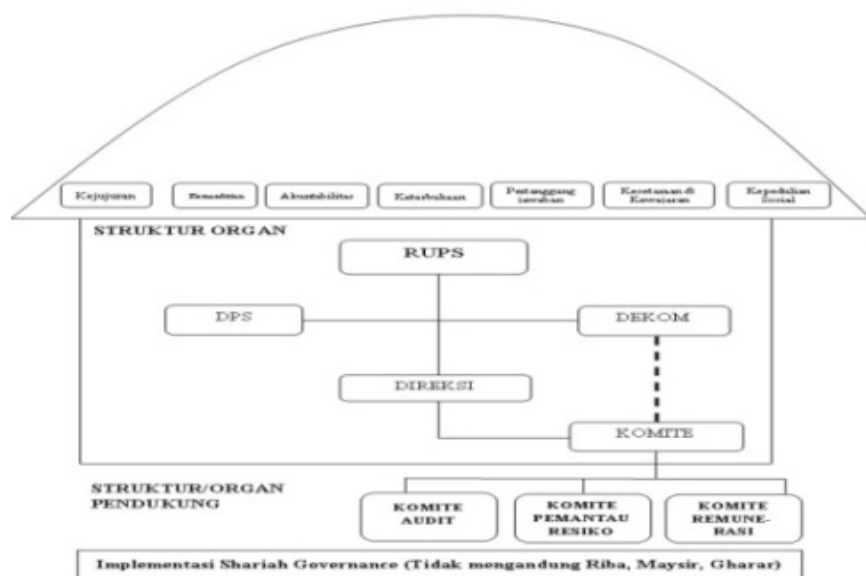
In implementing the duties and responsibilities of the management of the SRB, the BoC and BoD are heavier compared to other levels. To obtain maximum results for the Board of Commissioners and Board of Directors of BPRS Bumi Rinjani to carry out its duties and responsibilities, it is necessary to form a section that thinks about rewards for the work of management. It aims to manage the management effectiveness and as a stimulus for the organ to carry out the task with great enthusiasm, then included elements of the Remuneration Committee.

Elements already included and other fittings in the application of established governance will not work properly if the foundation is not implanted to the whole range. Therefore, governance needs a strong foundation in its implementation. In this case included elements on the foundation of governance in BPRS Bumi Rinjani with the implementation of Sharia governance that does not contain usury, maysir and gharar.

The first implementation of Shariah governance does not contain usury, which means the additional required in business transactions without any equivalent ('iwad) justified by the sharia (Nurhayati and Wasilah, 2014:76). Any useless transactions must be applied in BPRS Bumi Rinjani and understood by the whole range.

The second implementation does not contain maysir means a game where one party will gain profit while the other will suffer losses (Yaya et al, 2014: 38). In its operational activities, BPRS Bumi Rinjani must apply transactions without maysir and the whole range is obliged to apply it.

The third implementation does not contain gharar meaning uncertainty that occurs due to incomplete information in 4 things: in quantity, quality, price, delivery time and contract (Nurhayati and Wasilah, 2014:76). Every transaction without gharar must be applied in BPRS Bumi Rinjani and understood by the whole range. Based on these explanations, the Governance Structure of BPRS Bumi Rinjani if illustrated it will appear as follows:



Picture 2. Good Corporate Governance Structure of BPRS Bumi Rinjani

Conclusions

Based on the discussions described and the problems and research objectives "Construction model of sharia governance and reporting on BPRS Bumi Rinjani Probolinggo" to be achieved then the conclusion that can be drawn is the result of research indicates that the report in writing the application of governance in BPRS Bumi Rinjani Probolinggo yet do. In accordance with the POJK No. 30/POJK.05/2014 that the finance company is obliged to prepare a report in writing, a Shariah governance model and its reporting to BPRS Bumi Rinjani is established. The elements included in the governance model are to add two principles of governance: integrity and social awareness, so that governance becomes seven (out of five set by law and two input elements) ie openness (Transparency), accountability, responsibility, independency, equity and fairness, integrity and social awareness. To support the effectiveness of Dekom's tasks are included elements of the establishment of the Audit Committee, Risk Monitoring Committee and Remuneration Committee. In order for the implementation of good governance to run, it is implanted to the whole range for the implementation of Shariah governance that all transactions and operations BPRS Bumi Rinjani do not contain usury, maysir and gharar.

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