

## Compliance Scorecard: Enabler for Governance and Accountable Qurban Distribution

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### Abstract

This study aimed at enhancing the management of qurban activities, with particular emphasis on the Shariah-compliant distribution of qurban meat. Current regulations mainly prioritise hygiene, health practises, and disease prevention, overlooking meat distribution and accountability within qurban committees. The primary objective of the study is to develop a comprehensive Qurban Meat Distribution Scorecard for Qurban Managers, based on the internal control principles of the COSO model. The research is conducted in Alor Gajah, Melaka, using a mixed-methods strategy that combines qualitative and quantitative components. It includes observational data, in-depth interviews, and surveys with key stakeholders, such as event organisers, donors, and recipients of qurban meat. By comparing the practises of qurban organisers to the COSO framework, which is renowned for its expertise in internal control, the study aims to develop a Qurban meat distribution scorecard that adheres to internal control principles and Shariah requirements. The overarching objective of this methodological synthesis is to enhance the efficacy and fairness of qurban meat distribution while adhering to Islamic principles. Applying the COSO framework, which is typically used for internal controls and risk management, to qurban activities may seem unorthodox, but it provides a logical and practical approach. This modification ensures effective governance, robust control mechanisms, and sound risk management for the organisation and execution of qurban activities, with a particular emphasis on meat distribution. This research focuses on improving qurban activity management, particularly in meat distribution and accountability, by aligning it with the internal control principles of the COSO framework. The ultimate objective is to provide actionable recommendations to improve the efficiency and fairness of qurban meat distribution while adhering to Islamic principles, thereby contributing to the improvement of qurban practises during Eid al-Adha and promoting equitable meat distribution within the community.

**Keywords:** Qurban Meat Distribution, COSO Frameworks, Syariah Compliance

## **Introduction**

The practise of qurban at the Eid Adha holiday has been resumed following the resolution of the global health crisis, inspiring gratitude and joy among Muslims across the country (Hazim, 2022). The distribution of qurban meat is considered an act of charity and is encouraged in Islam. One-third of the qurban meat is given exclusively to those in need, such as the poor, orphans, widows, refugees, and others who may not have regular access to meat. The remaining portions of the qurban meat are distributed equally among the qurban participants and other members of the community (Salleh et al., 2021). As a result, qurban activities in general or the distribution of qurban meat in particular are viewed as a means of distributing blessings and strengthening community bonds. This annual event is also believed to be an effective means of enhancing interpersonal relations within a community (Abdul Halim et al., 2021; Li, 2022). These sacrifice worship rituals are practised across the country after the Eidiladha prayers on the 10th of Zulhijah, as well as on the 11th through 13th of Zulhijah during the tasyrik days. Before the Asr prayer hour ends, these rituals are carried out in a variety of settings, including mosques, suraus, open spaces, private slaughterhouses, and residential properties. In the recent Aidil Adha celebration, Ahmad (2022) mentions that a total of 64 mosques and 68 suraus in Johor have been given permission to serve as fully functional slaughtering facilities. Meanwhile in Terengganu, 6,383 slaughter permits and 5,509 animal transfer approvals were obtained in the state, according to Dr. Anun Man, Director of the Terengganu State Veterinary Services Department.

Currently, the majority of regulations and guidelines issued by authoritative bodies, such as local authorities and religious authorities, regarding qurban activities are primarily concerned with hygiene, health practises, and the prevention of infectious diseases. It is determined that these regulations do not address the central issue of qurban practises, namely the distribution of qurban meat. It appears that accountability of the qurban organising committee, particularly to the qurban manager, is not emphasised. Therefore, the purpose of this study is to provide recommendations for enhancing the efficacy of qurban activity management, particularly in terms of the correct distribution of qurban meat to the parties designated by syariah law. The primary objective of this study will be the development of a comprehensive Qurban Meat Distribution Scorecard for Qurban Manager, which will be influenced by the COSO model's internal control principles.

## **Literature Review**

### *Controls, Regulations and Guidelines on Qurban in Malaysia*

In Malaysia, each state's religious authority has exclusive control over all matters relating to Islam, including qurban activities. The Malaysian Islamic Development Department (JAKIM), a federal government organisation that serves as the primary body for the management of Islamic matters at the federal level, was nonetheless created within the Prime Minister's Department. Two rules, Standard Operating Procedures of Qurban Activities and Guidelines on Animal Slaughter for Qurban, have been established by JAKIM in light of qurban activities (Portal JAKIM, 2023). The relevant religious authorities at the state level have also published rules on the correct ways to carry out qurban activities. These rules encompass a variety of parts of the procedure, such as the choice of animals, the execution, and the distribution of the meat. The goals of the guidelines are to guarantee that qurban activities are conducted in a clean and kind manner. For instance, the Department of Islamic Religion in Selangor (JAIS)

has published a directive that focuses on three aspects of Qurban activities, including (i) the fundamental principles of Syaria on Qurban, (ii) a directive for Qurban implementation, and (iii) a directive for Qurban implementation control.

Apart from the religious authorities, local authorities in Malaysia, such as the city councils and municipal councils, and The Department of Veterinary Services also plays a vital role in regulating qurban activities. Before cattle can be slaughtered for qurban, for example, they must possess the following documents, as specified by the Department of Veterinary Services. (1) Certificate of Livestock Transfer, (2) Certificate of Veterinary Health, and (3) Permit for External Slaughtering (Salleh et al., 2012). In the state of Johor, mosques and suraus without the necessary licences and authorization are only allowed to slaughter sacrificed animals and to package and distribute meat. The location in question does not allow any kind of slaughter activity if it is forbidden. If found guilty, violators might be hit with a fine of up to RM10,000 and have their tools and killed meat taken away. According to Section 51 of the 2009 Animal Slaughter Control Rules, this punishment is appropriate (Ahmad, 2022). In a similar vein, the Putrajaya Corporation has also published rules defining the steps for carrying out sacrifices inside the Putrajaya Federal Territory. The seven sections cover a wide range of topics, including the length of implementation, acceptable location, number of animals that can be slaughtered, infection and contagion prevention, and management of slaughter waste. The Local Government Act 1976, the Local Government (Putrajaya Corporation) By-laws (Remission of Offenses) 2000, and the Veterinary Doctor Act 1974 may all impose penalties on any act that violates the predetermined standards.

#### *COSO Framework*

The COSO Framework is a system used to establish internal controls to be integrated into business processes (Posey, 2021). It was created in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and it is widely regarded as the gold standard by which businesses evaluate the efficacy of their internal control systems (*Five Components of the COSO Framework You Need to Know*, 2020). The framework is intended to assist companies in establishing, evaluating, and improving their internal control (Uwadiae, 2013). Internal control goals are broken down into three categories under the COSO framework: operations, reporting, and compliance. Internal control is described in the framework as "a process implemented by an entity's board of directors, management, and other personnel and designed to reasonably assure the achievement of objectives in the following categories: operational effectiveness and efficiency, financial reporting reliability, and compliance with applicable laws and regulations" (*Five Components of the COSO Framework You Need to Know*, 2020).

Table 1

#### *Five Elements of COSO framework (Leland, 2023)*

- |  |
|--|
| 1. <i>Control environment: This describes the board of directors' and management's general attitude, awareness of, and behaviour about the significance of internal control.</i> |
| 2. <i>Risk assessment: This entails locating, evaluating, and controlling risks that might inhibit the accomplishment of company goals.</i>                                      |
| 3. <i>Control activities: These are the rules and guidelines that help guarantee that management instructions are followed.</i>  |
| 4. <i>Information and communication: This entails the timely and efficient identification, capture, and sharing of information.</i>  |
| 5. <i>Monitoring: This entails gauging how well internal controls have performed over time.</i>  |

The COSO Framework can be implemented to assist firms in performing their activities consistently in accordance with a set of internal controls, which can increase efficiency while lowering risks (Posey, 2021). Although the framework can be used to a wide range of organisations and processes, due to its extensive breadth, it can be challenging to apply. The 17 guiding principles of the COSO Framework should be understood by organisations that wish to apply it, together with the reasons behind their use of it and how it fits into their overall strategic plan (Leland, 2023).

Since its inception in 1992, the COSO Framework has changed. Internal Control-Integrated Framework was revised by COSO in 2013 to reflect new business requirements and practises (Jacy, 2021; Walter & Sykora, 2018). The Enterprise Risk Management-Integrated Framework has been updated by COSO in 2017 in a similar manner (Jacy, 2021). Due to the more recent extensive adoption of the Framework in the current business environment and a desire to apply COSO principles uniformly, the level of comprehensive guidance has expanded over time. Over time, several current compliance frameworks have been developed with the support of the framework and utilised as a guide. The COSO Framework's broad applicability to a variety of organisations and processes is both its greatest strength and weakness (Leland, 2023).

### **Methodology**

This research endeavors to comprehensively examine Qurban practices in Malaysia, with a dedicated focus on a single Qurban organizer. The core objective lies in the identification and proposal of enhancements to the distribution of Qurban meat within the served community. A methodological approach encompassing both qualitative and quantitative facets has been adopted. The study initially entails a meticulous observation and documentation of the Qurban process, encompassing the selection and sacrifice of animals, as well as the subsequent distribution of meat among beneficiaries. Augmenting the observational data are in-depth interviews and surveys targeting key stakeholders, including organizers, donors, and recipients of Qurban meat. Furthermore, a comparative analysis between the practices of the Qurban organizer and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, renowned for its internal control procedures, is conducted. This comparison aims to construct a Qurban meat distribution scorecard that aligns with the core tenets of internal control and is congruent with Shariah compliance requisites. Through the amalgamation of these methodologies, this research endeavors to furnish invaluable insights and actionable recommendations aimed at amplifying the efficacy and equitability of Qurban meat distribution, all while upholding Islamic principles.

A community in Alor Gajah, Melaka is selected for the purpose of this study. This community was selected based on a higher number of sacrificial animals compared to other communities in the same vicinity. In addition to local contributors, the management of this community's sacrificial offerings also regularly receives donations of qurban animals from individuals outside the community, including a neighboring country. In the recent qurban event, a total of 21 cows and six goats were sacrificed. This activity was completed in a total of six and a half hours. The first animal was slaughtered at 9:30 a.m., and the final animal was slaughtered at 12:50 p.m. The slaughtering was conducted simultaneously in two locations by a total of 66 personnel, each of whom was provided with a special T-shirt by the Mosque's administration. The distribution of qurban meat began at three o'clock in the afternoon and concluded successfully at four o'clock in the afternoon. Each identified underprivileged

received nine kilogrammes of qurban meat, while 3.5 kilogrammes of qurban meat was distributed to 250 nearby households.

**Result and Discussions**

Based on interviews conducted with the organizers of the Qurban activity, the Qurban manager, Qurban attendants, and several Qurban participants in the selected community, there are two main distribution methods for Qurban meat typically practiced in Malaysia. The first model (Model A) collects and weighs all of the extracted meat from the qurban animal before distributing it equally to the three categories of Qurban meat recipients. The second model, on the other hand, divides the beef's hindquarters, tenderloin, and internal organs such as the liver and spleen as contributions to the Qurban participants. These portions are regarded as constituting one-third of the distribution to participants. The surplus from this distribution is then allocated equally for those pre identified underprivileged category and members of the community. The focus of this study is the second model (Model B).

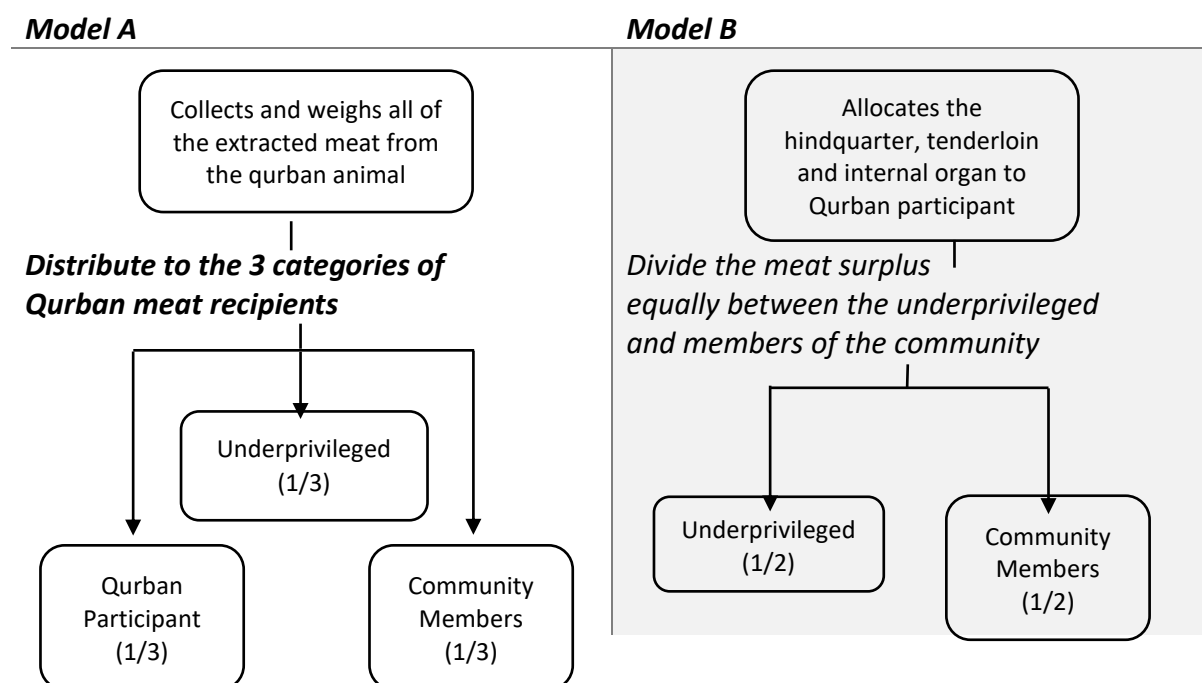


Figure 1: Two Common Models of Qurban Meat Distribution in Malaysia

Internal controls and risk management are the primary applications of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Applying it directly to Qurban activities, which are religious sacrifices made by Muslims during Eid al-Adha, may not be a typical application of the framework, but adapting some of its principles to ensure proper governance, control, and risk management in the context of organising and conducting Qurban activities, especially in dealing with qurban meat distribution, is a reasonable alternative. The following are the five elements of the COSO framework that have already been adapted to improve the efficacy of qurban activity management, specifically with regard to the correct distribution of qurban meat to the parties designated by syariah law.

*Control Environment*

The Qurban Event Organising Committee must establish a robust organisational structure for Qurban activities, with clear roles and responsibilities for all volunteers. To ensure that the sacrifices are conducted in accordance with religious and legal standards, it is also essential for the Committee to foster a culture of accountability and morality among all parties involved.

*Risk Assessment*

Identify and evaluate potential risks related to Qurban activities. This could include animal welfare, health and safety, financial management, and regulatory compliance risks. For the purposes of this research objective, only the risk of incorrect distribution of qurban meat has been deemed relevant and incorporated into the proposed scorecard.

Table 2

*Control Environment of Qurban Meat Distribution Scorecard*

<b>A: CONTROL ENVIRONMENT</b>	<b>YES</b>	<b>NO</b>
<b>A1</b> <i>The Qurban Event Organizing Committee educates the members of the community on Qurban, especially regarding the law of Qurban meat distribution before the implementation of the Qurban event.</i>		
<b>A2</b> <i>Qurban event Organizing Committee resolves that the Qurban meat or any part of the Qurban animal will not be given as rewards to the workers/assistants or committee members.</i>		
<b>A3</b> <i>The Qurban event Organizing Committee appoints a qualified and reliable Qurban Manager to oversee the Qurban event's implementation.</i>		
<b>A4</b> <i>The Qurban Manager selects skilled and competent workers/assistants to carry out Qurban event activities with trustworthiness and integrity.</i>		
<b>A5</b> <i>The Qurban Manager appoints a list of section leaders and their respective workers/assistants for each significant task, such as slaughtering, skinning, weighing, packaging, and distributing Qurban meat.</i>		
<b>A6</b> <i>The Qurban Manager appoints specific Qurban Animal Caretakers for each Qurban animal to supervise the slaughtering and distribution of the meat to the respective Qurban participants.</i>		

Table 3

*Risk Assessment of Qurban Meat Distribution Scorecard*

<b>B: RISK ASSESSMENT</b>	<b>YES</b>	<b>NO</b>
<b>B1</b> <i>The Qurban Manager conducts a risk assessment to prevent unauthorised removal of any portion of the Qurban animal by any party, including Qurban participants, appointed workers/assistants, and Qurban event committee members.</i>		
<b>B2</b> <i>The Qurban Manager conducts a risk assessment to prevent the likelihood of inadequate distribution of Qurban meat to the Qurban participants according to the appropriate portion.</i>		

**B3** *The Qurban Manager conducts a risk assessment to prevent the likelihood of inadequate distribution of Qurban meat to the underprivileged according to the appropriate portion.*

**B4** *The Qurban Manager conducts a risk assessment to prevent the likelihood of inadequate distribution of Qurban meat to the members of the community according to the appropriate portion.*

#### *Control Activities*

Control activities can typically refer to the implementation of specific controls to mitigate identified risks. For example, ensure that the animals are healthy and well-cared for, and that the slaughtering process complies with religious and legal requirements. Since the focus of this study is on the distribution of qurban meat, all of the observations and recommendations are centred on minimising the risk of qurban meat distribution errors.

Table 4

#### *Control Activities of Qurban Meat Distribution Scorecard*

<b>C: CONTROL ACTIVITIES</b>	<b>YES</b>	<b>NO</b>
<b>C1</b> <i>The Qurban Event Organizing Committee verifies the official Qurban meat distribution list of underprivileged as well as community members.</i>		
<b>C2</b> <i>Prior to the beginning of the Qurban event, the Qurban Manager provides a special briefing to the appointed workers/assistants, in which they are reminded to perform their duties with integrity, including the fact that the Qurban meat or any part of the Qurban animal will not be given as rewards to the appointed workers/assistants or committee members.</i>		
<b>C3</b> <i>Before each slaughter is carried out, the Slaughtering &amp; Skinning Section Leader will announce the appointed Qurban Animal Caretaker's name to all present.</i>		
<b>C4</b> <i>Qurban Animal Caretakers ensures the meat designated for Qurban participants are sent to the Packaging &amp; Distribution Section Leader for direct distribution to the Qurban participants.</i>		
<b>C5</b> <i>Prior to its placement in the packaging area, the Meat Cutting &amp; Weighing Section Leader weighs and records the amount of meat that has been cut.</i>		
<b>C6</b> <i>Once the total weight of Qurban meat is determined, the Qurban Manager will consult with the head of the Qurban Event Organizing Committee to determine the weight of the Qurban meat packs for the underprivileged and community members.</i>		
<b>C7</b> <i>The Packaging &amp; Distribution Section Leader initiate the packaging process once the weight of each Qurban meat pack has been determined.</i>		
<b>C8</b> <i>The Qurban Managers deliver the Qurban meat packs to the Distribution Leaders based on a list of names approved by the Qurban Event Organising Committee.</i>		

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- C9** *The Distribution Leaders distribute Qurban meat packs to the respective recipients whose names appear on the Qurban Event Organising Committee-approved list..*
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- C10** *The Distribution Leaders update the Qurban Manager on each recipient's distribution status.*
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#### *Information and Communication*

This fourth element of the COSO framework is concerned with communicating guidelines and instructions to all parties involved, including the proper procedures for conducting Qurban activities, in order to ensure the proper distribution of qurban meat in accordance with the pre-identified and approved name list. It includes the use of pertinent information and the ability to convey pertinent information to all relevant parties involved in qurban activities.

#### *Monitoring and Reporting*

The final component of the COSO framework is the regular monitoring and evaluation of Qurban activities to ensure compliance with established controls and regulations. It also pertains to the maintenance of records of Qurban participants, with an emphasis on the recipients of qurban meat and any incidents or problems that may have occurred. In addition to promptly reporting non-compliance or incidents, appropriate corrective action should be taken as required.

Table 5

#### *Information and Communication of Qurban Meat Distribution Scorecard*

<b>D: INFORMATION AND COMMUNICATION</b>	<b>YES</b>	<b>NO</b>
<b>D1</b> <i>The community is regularly updated on any changes to the Qurban tentative and programme by the Qurban Event Organizing Committee.</i>		
<b>D2</b> <i>Community members who are interested in planning for qurban can get information from the Qurban Event Organizing Committee.</i>		
<b>D3</b> <i>Qurban Meat Distribution Report is communicated to the Qurban participants and members of the community.</i>		
<b>D4</b> <i>The Qurban Meat Distribution Report specifies the portion of the meat distribution that is given to the underprivileged.</i>		
<b>D5</b> <i>The Qurban Meat Distribution Report is displayed on the Mosque/Surau notice board.</i>		

Table 6

#### *Monitoring of Qurban Meat Distribution Scorecard*

<b>E: MONITORING</b>	<b>YES</b>	<b>NO</b>
<b>E1</b> <i>If the initial qurban meat pack delivery fails, the Qurban meat will be resubmitted to the Qurban Manager for temporary storage for later self-collection or redelivery.</i>		
<b>E2</b> <i>The Qurban Manager shall write a full report on the distribution of meat, including an evaluation and suggestions for future Qurban events.</i>		
<b>E3</b> <i>The comprehensive report prepared by the Qurban Manager is presented to the Qurban Event Organising Committee at a special post-mortem meeting.</i>		



### **Conclusion**

Consider that the COSO framework was created for business and organisational processes, so it may not directly align with the religious and spiritual aspects of Qurban activities. Nonetheless, by adapting its principles, the qurban manager can ensure that Qurban activities are conducted with transparency, accountability, and in accordance with applicable regulations, while preserving the religious significance of the practise. The Qurban Meat Distribution Scorecard for Qurban Manager, which was created under the influence of the COSO model's internal control principles, is believed to have contributed to the enhancement of the rules and regulations governing qurban activities in Malaysia.

This research contributes to the existing theoretical framework and scholarly discourse on the model of qurban meat distribution through its examination of the qurban manager's accountability as a member of the qurban organising committee. The suggested Qurban Meat Distribution Scorecard for Qurban Manager functions as a framework that provides significant insights that contribute to improvements in qurban accountability. These insights are derived from five fundamental internal control principles that have been modified from the COSO framework. This aspect is noticeably absent in the present implementation of qurban, and the governing bodies fail to sufficiently attend to it. Likewise, this research offers suggestions to pertinent governing bodies, specifically local government and religious authorities, regarding the development of more effective policies and guidelines concerning the management of qurban activities. Specifically, it emphasises the need for accountable distribution of qurban meat to the designated parties in accordance with shariah law.

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