ISSN: 2655-6251

Enterprise Operational Risk Management Of Zakat Organization In Surakarta

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Paper was presented at the 7th Indonesian Conference of Zakat (ICONZ) 2023
November 07-08, Muhammadiyah University Jakarta, South Tangerang, Indonesia

ABSTRACT

Zakat is a potential fund that is used to advance the general welfare of the whole community. In Indonesia, there are two zakat management institutions that are recognized by the government, namely National Amil Zakat Agency / Badan Amil Zakat Nasional (BAZNAS) and National Amil Zakat Institution / Lembaga Amil Zakat Nasional (LAZNAS), both of which receive legal regulation from the government. Based on the inaugural meeting of the International Working Group on Zakat Core Principles (IWGZCP) on August 29, 2014, it was agreed that risk identification in the management of zakat is very important because it will affect the quality of zakat management going forward. The purpose of this research is to determine the management of operational risk in Zakat Management Organizations in Surakarta. This research uses a qualitative method with a field research approach. The subjects of this research are in the four Zakat Management Organizations in Surakarta, namely BAZNAS Solo, Amil Zakat Institutions / Lembaga Amil Zakat (LAZ) Yatim Mandiri Solo, LAZ DT Peduli Solo, LAZ Nurul Hayat Solo. In collecting data, the author used observation, interview, and documentation techniques in November 2019. The results of the research found that the zakat management organization in Surakarta has done good operational risk management. Based on the scale of probability, the operational risk that has the greatest possibility of occurring in the zakat management organization in Surakarta is the operational risk in internal process failure. The operational risk that has the biggest impact and most vulnerable is the operational risk of failure in the IT system.

Keywords: *Risk Management, Operational Risk, Zakat*

INTRODUCTION

Zakat is one of the five basic pillars in Islam (Noor, 2012). In Law Number 38 of 1999 Article 1 paragraph 2, it is explained that zakat is an asset that must be set aside by a Muslim or an institutional body that is owned by Muslims in accordance with religious provisions to be given to those who are entitled to receive it. Zakat is specifically regulated by management in Law Number 23 of 2011 concerning Management of Zakat.

In Indonesia, there are two zakat management organizations that are recognized by the government, namely the National Amil Zakat Agency (BAZNAS) and the National Amil Zakat Institution (LAZNAS), both of which have legal protection from the government (Djazuli, 2002). The existence of BAZNAS and LAZNAS is one of the efforts of the Indonesian government to explore and develop the potential of zakat in Indonesia which has reached quite high figures, namely Rp. 217 trillions in 2010 representing 3.4

percent of total Gross Domestic Revenue (BAZNAS, 2017).

Based on the inaugural meeting of the International Working Group on Zakat Core Principles (IWGZCP) on August 29, 2014, it was agreed that risk identification in zakat management is very important because it will affect the quality of zakat management going forward. There are four types of risks identified: zakat must have a clear concept in mitigating those risks. First, the risk of reputation and loss of *muzaki*. Second, distribution risk, third operational risk, and the fourth is the risk of zakat transfer between countries (Triyani and Beik, 2017).

The Central Bureau of Statistics 2016 notes that Surakarta has a population of 514.171 and a poor community of 10,88%.

Population and civil registration service of Surakarta 2017, notes that the Muslims in Surakarta amounted to 440.245 as 78,3% of the population. It shows Surakarta has a great potential in the funding and distribution of Zakat, but the chairman of the agency of Amil Zakat Nasional (BAZNAS) Central Java province, Ahmad Daroji said "The potential of zakat civil state apparatus (Aparatur Sipil Negara/ASN) Surakarta has reached Rp 12 billion. However, until now the realization of the Association of Zakat reached Rp 522 million."

It can be concluded that funding and distribution of Zakat in Surakarta is not maximized. Based on the background above, the authors are interested in researching more on "Enterprise Operational Risk Management of Zakat Management Organization in Surakarta". From this research, the researcher wants to know the implementation of enterprise operational risk management of the zakat management organization in Surakarta.

LITERATURE REVIEW

Theoretical Basis

Operational Risk is the risk caused by inadequate or malfunctioning of internal processes, human error, system failure, or the presence of external problems that affect operations (Hanafi, 2016). Risk identification in Amil Zakat Institution with Committee of Sponsoring Organization Enterprise Risk Management (COSO ERM) modifications are divided into 11 (eleven) kinds of risk, and which can be further elaborated to 36 (thirty six) types of risks, then eventually identified 405 (four hundred and five) risks. Amil Zakat Institution risks can be categorized into five risk categories, namely strategic, educational, operational, reporting, and compliance. Each risk category consists of several types of risks.

Risk Management Measurement Criteria In Zakat Institutions

This research aims to learn how to manage operational risk in OPZ Surakarta based on the Risk Management Zakat book from BAZNAS and BI. Accordingly, in measuring the risk of zakat institutions, the assessment criteria for the level of risk in this research are based on likelihood (L), impact (I), vulnerability (V) and speed of onset (S).

Table 1. Likelihood Scale

Likelihood of Risk		
1	Extraordinary	Will almost certainly not happen.
2	Very rare	Very rare
3	Rare	Rare
4	Unlikely	May not occur.
5	Possible	May occur.
6	Likely	Very possible.
7	Almost certain	Will almost certainly happen.

Source: Zakat Risk Management Book (2018)

Table 2. Impact Scale

Impact of Risk		
1	Insignificant	Has no impact on OPZ
2	Very minor	The impact is very low on the OPZ – minor problems can be done by routine management.

3	Minor	The impact is low - can be done by routine management.
4	Moderate	The impact is medium – prevents the company from reaching its goals over a certain period.
5	Major	The impact is high - means the OPZ cannot reach many of its objectives over the long term.
6	Very Major	The impact is very serious - the OPZ cannot reach most of its long-term objectives.
7	Catastrophic	The impact is catastrophic - the OPZ cannot reach any of its objectives in the long term, which leads to bankruptcy,death, or criminal punishment.

Source: Zakat Risk Management Book (2018)

Table 3. Vulnerability Scale

Vulnerability Scale		
1	Very Low	OPZ has the capability for very good risk mitigation through a real step in every condition scenario: the possibility of success is very high in several extreme problems.
2	Low	OPZ has the capability for good risk mitigation; the possibility of success is high, apart from in certain extreme problems.
3	Medium	OPZ has the capability for sufficient mitigation risk; the possibility of success is medium, because several solutions are effective, while others are not.
4	High	OPZ has the capability for below average risk mitigation; the possibility of success is low because various solutions are yet to be effective.
5	Very High	OPZ has the capability for poor mitigation risk and has no real step for every condition scenario; the possibility of success is low because the solutions are not effective.

Source: Zakat Risk Management Book (2018)

Table 4. Speed on Onset Scale

Speed of Onset Scale		
1	Very Low	Very slow to happen; occurs over a year or more.
2	Low	Happens over a few months.
3	Medium	Happens within a month.
4	High	Happens in a few days or weeks.
5	Very High	Happens very quickly, without warning

Source: Zakat Risk Management Book (2018)

Previous Research

The research studies and analysis about the operational risk management of Zakat Management Organization are still hard to find. In this section, some previous research discusses the risk management and operational of Zakat Management Organization so as to add a reference to the author in writing this thesis. The following author will expose some previous research:

Fitrahuddin studied in "Operational Risk Management at National Zakat Institution (Case Study at National Zakat Institution Having Head Office in Surabaya)". Purposes of the study is to know how the national zakat institution manages their operational risk. This research uses a qualitative method with case study approach. After the interview, the results of research were analyzed using descriptive data analysis techniques. The result of the research is that operational risk management has been done by three national zakat institutions in the form of identification and facing risk. There are 14 identified risks. At the stage of risk measurement and evaluation, Yatim Mandiri has the greatest probability and severity at operational risk impacts of system failure and internal failure, YDSF has the greatest probability and severuty at risk impact of outside threats and the largest failure to manage humans. Almost all risk handling uses a preventive strategy, only one risk using a mitigation strategy (Fitrahuddin, 2018).

Meanwhile, Rahmatika and Hariono examined “Risk Management of Zakat Maal Supervision in the Fintech Era based on Literature Review”. This research discusses in detail how to overcome and overcome the risks that exist in the use of technology to implement the obligations of zakat maal. This research uses a qualitative approach by applying library research methods commonly referred to as library research. The data used in this research are secondary data, namely books, magazines and documents. In addition to those already mentioned, this research also uses article articles taken from research journals related to this research The conclusion of this research is an application that aims to reduce the possibility of risk that will occur. The risk raised in this research is the operational risk that the author considers as the main reference in this research. Because of all the risks that exist, the operational risk that underlies the existence of an application whose function is to reduce / mitigate risk (Rahmatika and Hariono, 2018).

Masruroh studied in “Implementation of Risk Management in Zakat Fund Management: A Case Study of the Indonesian Zakat Initiative, Special Region of Yogyakarta (IZI DIY)”. This research aims to analyze the implementation of risk management in IZI DIY zakat institutions. In addition, this research aims to find out the management of IZI DIY zakat funds. The research uses a qualitative approach that aims to collect in-depth information descriptively. The data were collected by way of observation, interview, and documentation methods for a conclusion. Based on the analysis, it is revealed that the implementation of risk management conducted by IZI DIY is not optimal because risk management is only discussed during the annual work meeting but it is not included in the budgeted work program (Masruroh, 2018). Next research conducted by Husniah with the title “Risk Management Analysis of Amil Zakat Institutions towards Zakat Fund Management (Case Study of PT. PLN Persero NTB Region)”. This research aims to determine the management system used by the Amil Zakat Institute (LAZIS) of PT. PLN Persero in managing zakat funds. In addition, this research aims to determine the efforts made by the Amil Zakat Institute (LAZIS) in minimizing the risks that occur at LAZIS PLN. The research method used in this research is a qualitative approach that aims to collect descriptive data that describe the research object in detail and in depth. The results of this research indicate that the application of risk management by LAZIS PLN is still not optimal (Husniah, 2017).

Other research by Roshila Dewi with the title "Analysis of the Implementation of Financing Risk Management (Study at BMT Al-Hasanah Jati Mulyo Branch South Lampung)”. This research is field research conducted in actual circumstances. Data obtained from interviews with the Head of Branch and Account Officer in Al-Hasanah BMT Jati Mulyo Branch South Lampung. The results of this research explain that in the Islamic concept of risk management in BMT Al-Hasanah has not been fully implemented properly, this is because the implementation does not run effectively, so the number of congestion every year is getting increased (Dewi, 2017).

From the previous research above, the authors believe that research focused on enterprise operational risk management of Zakat Management Organization is still very rarely found. And this research has some differences with previous studies. Previous studies have only studied the identification and mitigation of risks but no one has used an assessment of the scale of likelihood, impact, vulnerability and speed on onset of the risk. Then in this research, the author will analyze how operational risk management in zakat management organizations uses four rating scales.

DATA AND METHODOLOGY

Research Types and Approaches

The approach used in this research is a qualitative approach. The reason for this research using qualitative approach is because in this research, the data produced in the form of descriptive data are obtained from the data in the form of interview, written, words and documents derived from sources or informants who studied and can be trusted. Type of research used in this research is field research. Field Research is research with direct observation of the object under study in order to obtain relevant data (Sugiyono, 2018).

The type of data used in this research is primary and secondary data. Primary data used in this research were collected from the result of an interview from the informant at Zakat Management Organization in Surakarta. Secondary data used in this research were collected from the documents of Zakat Management Organization which can be seen from the official website of each institution. There are 4 (four) Zakat Management Organization be subjected, namely:

1. *Badan Amil Zakat Nasional Solo*
2. *Lembaga Amil Zakat Yatim Mandiri*
3. *Lembaga Amil Zakat* Daarut Tauhid Peduli
4. *Lembaga Amil Zakat* Nurul Hayat Solo

The subject of research uses 4 (four) Zakat Management Organization, namely BAZNAS Solo and three Amil Zakat Institutions that have been officially registered as the National Amil Zakat Institution, and already have a published Annual Report. Using 4 Zakat Management Organization as the subject, it is expected that the research result will be better able to understand the actual condition of the Zakat Management Organization in Surakarta.

Data Collection Techniques

In this research, the author used triangulation techniques in data collection. Triangulation is a data collection technique that combines various data collection techniques and existing data sources. Therefore, by using triangulation techniques in data collection, the data obtained will be more consistent, complete and certain (Sugiyono, 2016). The techniques used are:

a. Observation
   In observation activities, the researcher acts as an observer and interviewer who jumps directly into the field to meet with informants. In this case, the observations were made by researchers at the Zakat Management Organization which has a branch office in the city of Surakarta.which has a branch office in the city of Surakarta.
b. Interview
   Interviews in this study were conducted with managers and staff at the fund and distribution of zakat at the Zakat Management Organization in Surakarta
c. Documentation
   This method is used to search historical data. The method is carried out by way of seeing the official such as letters, diary notes, souvenirs, reports, etc.

2. Data Analysis Techniques

To present the data for easy understanding, the steps of data analysis used in this research is Interactive Model Analysis from Miles and Huberman. Data analysis in qualitative research is done at the time of data collection as proposed by Sugiyono (2016) that activity in qualitative data analysis is done interactively and continuous progress until complete, then the data is saturated. Activities in analyzing qualitative data are:

a. Data Reduction
b. Data Display
c. Conclusion Drawing/Verificat

RESULT AND DISCUSSION

This research aims to find out how enterprise operational risk management in OPZ Surakarta. This risk management assessment is based on several assessment criteria in Zakat Management Risk, namely the likelihood scale (L), impact (I), vulnerability (V) and speed of onset (S). Based on the data processing result, the researcher identified that Zakat Management Organization in Surakarta has the following operational risks:

Table 5. Operational Risk of Internal Process Failure

Indicator	BAZNAS				Yatim Mandiri				DT Peduli				Nurul Hayat			
	L	I	V	S	L	I	V	S	L	I	V	S	L	I	V	S
The zakat collection plans are too optimistic.	5,5	4,7	3	3	5,3	4,5	3	3	5,3	4,5	3	3	5,1	4,5	2	3
The amounts intended for lawful recipients are relatively small.	3,5	3,2	2	3	3,5	3,2	2	3	3,5	3,2	2	3	3,5	3,2	2	3
Zakat funds are distributed unfairly to lawful recipients.	2,4	3,9	2	2	2,4	3,9	2	2	2,4	3,9	2	2	2,4	3,9	2	2
Delays on distributing zakat funds to the mustahik.	2,6	2,9	2	2	2,6	2,9	2	2	2,8	3,1	2	2	2,1	2,4	2	2
Zakat funds are kept for too long, and not distributed immediately.	1,7	3,2	2	2	1,7	3,2	2	2	1,7	3,2	2	2	1,7	3,2	2	2
The cost for developing a new product is relatively expensive.	4,1	4,4	3	2	3,9	4,2	3	2	3,5	3,8	2	2	3,3	3,6	2	2
Insufficient funds for OPZ operations.	3,9	3,7	3	2	3,9	3,7	3	2	3,5	3,3	2	2	2,9	2,7	2	2

Sources: Primary data process, 2019

Based on the table above the risk of internal process failure is a risk that may occur in work operations at the Zakat Management Organization in Solo and has a medium impact, but the Zakat Management Organization in Solo has mitigated this risk. In response to the first risk, LAZ DT Peduli Solo made plans at the end of the year for the following year. This plan was formed based on an evaluation of the previous year's draft.

Unlike LAZ DT Peduli Solo, LAZ Nurul Hayat Solo has a section called ZA (Zakat Advisor) in charge of finding new donors. Zakat Advisor has several levels, starting from the lowest level with a target of Rp.975,000.00, then the silver, gold, and the highest level is the platinum level. LAZ Nurul Hayat Solo has a ZA team consisting of five) people. Every 3 months evaluation will be carried out, then if ZA reaches the target it will level up, and so should. In the first three months the funds from donors will still be taken by ZA, but for the following months will be taken by FR (Fund-Raising). Fundraising has the duty to collect funds from permanent donors, although FR also has the opportunity to obtain new donors or fresh data in its own way. This strategy makes LAZ Nurul Hayat Solo's performance in raising funds always increase. Based on the table above the risk of collecting funds is a risk that may occur in work operations at the Zakat Management Organization in Solo and has a medium impact, but the Zakat Management Organization in Solo has mitigated this risk. The risk of collecting zakat funds is the risk that arises from the legality of funds following Sharia (halal) principles. This risk is related to overly optimistic zakat collection planning and non-halal funds in zakat. In response to the first and second risks, LAZ DT Peduli Solo made plans at the end of the year for the following year. This plan was formed based on an evaluation of the previous year's draft.

Unlike LAZ DT Peduli Solo, LAZ Nurul Hayat Solo has a section called ZA (Zakat Advisor) in charge of finding new donors. Zakat Advisor has several levels, starting from the lowest level with a target of Rp.975,000.00, then the silver, gold, and the highest level is the platinum level. LAZ Nurul Hayat Solo has a ZA team consisting of five) people. Every 3 months evaluation will be carried out, then if ZA reaches the target it will level up, and so

should. In the first three months the funds from donors will still be taken by ZA, but for the following months will be taken by FR (Fund-Raising). Fundraising has the duty to collect funds from permanent donors, although FR also has the opportunity to obtain new donors or fresh data in its own way. This strategy makes LAZ Nurul Hayat Solo's performance in raising funds always increase.

In mitigating the second and third risks, before the distribution of zakat, the Zakat Management Organization in Surakarta conducted a survey to *mustahiq*. So, the zakat funds provided adjust the *mustahiq* needs, as well as the program. The fourth and fifth risks relate to amil's performance. Amil's performance in this risk relates to delays in the provision of zakat funds to *mustahiq* and zakat funds kept for too long. In order to avoid this risk, the Zakat Management Organization in Surakarta requires reporting after an activity or program. This is done to avoid delays in the distribution and storage of zakat funds for too long. LAZ Yatim Mandiri Solo gives a maximum report time of two days after the activity and LAZ Nurul Hayat Solo seven days after the activity. LAZ Nurul Hayat Solo also conducts an ATMization to avoid this risk, then for permanent *mustahiq* LAZ Nurul Hayat Solo provides zakat funds through an ATM with a CIMB Niaga Syariah Account. LAZ Nurul Hayat Solo uses a CIMB Niaga Syariah account because CIMB Niaga Syariah does not incur operational transfer fees and can make mass transfers.

The Amil Zakat Institution in Surakarta in mitigating the sixth and seventh risk follows the center’s activities, but the branch office can create new programs that adjust environmental and community conditions. The program budget has been determined at the annual meeting when making RKAT (Rancangan Kegiatan dan Anggaran Tahunan). In BAZNAS Solo program development is very dependent on the existing collection. So, BAZNAS cannot create a program if the collection is not yet optimal.

Operational Risk of Failure in IT System

Table 6. Operational Risk of Failure in IT System

Indicator	BAZNAS				Yatim Mandiri				DT Peduli				Nurul Hayat			
	L	I	V	S	L	I	V	S	L	I	V	S	L	I	V	S
The IT systems are disabled or even damaged.	4,5	4,4	3	4	4,2	4,1	2	4	4,2	4,1	2	4	4,2	4,1	2	4
The absence of a standard IT system that supports the work of zakat institutions.	3,8	4,3	3	3	3,8	4,3	3	3	3,8	4,3	3	3	3,8	4,3	2	3
The quality of networks is poor or the technology is very old.	3,7	4,1	2	2	3,7	4,1	2	2	3,7	4,1	2	2	3,7	4,1	2	2
Underperforming operational management, networks, and database systems.	3,5	4,2	3	3	3,1	4,2	2	3	3,3	4,2	2	3	3,3	4,2	2	3
Data loss due to computer viruses.	3,1	4,2	3	4	3,1	4,2	3	4	3,1	4,2	3	4	3,1	4,2	3	4

Sources: Primary data process, 2019

Based on the table above, IT risk is a risk that rarely occurs in work operations at the Zakat Management Organization in Solo and has a moderate impact. IT risk is the risk associated with technology, systems and networks. To prevent the first, third, fourth and fifth risks, the Zakat Management Organization in Solo has an IT Team tasked with processing, improving and controlling the existing system. In addition, LAZ Yatim Mandiri Solo also performs data backups, namely at branches and centers. This is done to maintain the completeness of the data.

The second risk is about IT standards that support the performance of Zakat Management Organizations. In its activities, the Zakat Management Organization in Surakarta uses different IT systems. BAZNAS Solo uses SIMBA (Sistem Informasi Manajemen Zakat). LAZ Yatim Mandiri Solo uses IGS (Integra Global Solusi) and Ordo. LAZ Daarut Tauhid Peduli Solo uses Zein software for its activities and PSAK for financial performance. LAZ Nurul Hayat Solo uses cyber, spreenshit and dashboard.

Operational Risk of Failure in Managing Human Resource

Table 7. Operational Risk of Failure in Managing Human Resource

Indicator	BAZNAS				Yatim Mandiri				DT Peduli				Nurul Hayat			
	L	I	V	S	L	I	V	S	L	I	V	S	L	I	V	S
Imbalance in amilsatisfaction in the form of reward and punishment.	3,9	4,1	3	2	3,9	4,1	3	2	3,9	4,1	3	2	2,9	3,1	2	2
Ineffective remuneration structure	3,7	4,3	3	2	3,7	4,3	3	2	3,7	4,3	3	2	3,1	3,7	2	2
Failure to ensure and maintain OPZ productivity and efficiency.	3,5	4,2	2	2	3,5	4,2	2	2	3,5	4,2	2	2	3,5	4,2	2	2
Zakat administrators’ idealism fades.	2,9	4,6	3	2	2,5	4,2	2	2	2,7	4,4	3	2	2,1	3,8	2	2
There could be the risk of not being able to recruit, retain and manage human resources.	3,3	4,1	2	2	3,3	4,1	2	2	3,3	4,1	2	2	3,1	3,9	2	2

Sources: Primary data process, 2019

Based on the table above, leadership risk is a risk that rarely occurs and has a moderate impact on institutions, but the Zakat Management Organization in Solo has done good mitigation of this risk. Leadership Risk is the risk associated with Human Resource Management, such as recruitment, remuneration, compensation, maintenance, and employee development. To mitigate the risk first, at LAZ Nurul Hayat has various forms of compensation such as attendance allowance, ISO allowance and also GIS (Gerakan Ihyau Sunnah), then employee compensation is based on the value of each criterion. LAZ Nurul Hayat has a free Umrah reward for ten employees every year.

The second risk is related to employee remuneration. BAZNAS Solo, LAZ Yatim Mandiri Solo and LAZ DT Peduli Solo provide remuneration of 12.5%, as amil rights that have been stated in the Qur'an. At BAZNAS Solo, all managers get nothing from Amil's rights except the leadership. The Branch Manager gets a salary from the regional budget.

LAZ Nurul Hayat Solo in providing remuneration and compensation using profits from Nurul Hayat's business units such as aqiqah, printing, Hajj, and Umrah travel, printing, schools, and also property. This is done so that the funds from the donors 100% will be channeled to support the Nurul Hayat social service program. Remuneration in Nurul Hayat fourteen times. Twelve times the required salary each month, once the THR (Tunjangan Hari Raya) and once the operating profit salary. Operating profit salary is the distribution of profits from the Nurul Hayat business unit, this salary is distributed at the end of the year.

The third risk is about institutional productivity and efficiency. In this case, the Zakat Management Organization in Surakarta conducts routine evaluations, both per institution evaluation or joint evaluation. At LAZ Nurul Hayat attendance assessment, Key Performance Indicator (KPI), and Gerakan Ihyau Sunah (GIS) is one way to measure employee productivity and efficiency. LAZ Nurul Hayat also evaluates the personality of each employee by means of an assessment conducted by other employees.

The fourth risk is the idealism of the Zakat Administrator or about the maintenance and development of the Zakat Administrator. LAZ Nurul Hayat Solo conducts studies and memorization of the Qur'an every Monday morning. They study *Nasoihul 'Ibad* book by Imam Nawawi, besides that every Thursday LAZ Nurul Hayat Solo also holds *tahsinul qiroah*. LAZ Yatim Mandiri Solo conducts training in the form of studies, motivational seminars, and also upgrading skills for Zakat administrators. This was done to maintain the stability of the idealism and zeal of the Zakat Administrators at LAZ Yatim Mandiri Solo. This coaching is done once a month.

For the last risk, namely employee recruitment, BAZNAS and LAZ Daarut Tauhid Peduli Solo include recruitment information in media such as newspapers, while LAZ Nurul Hayat Solo informs through posters, social media and brochures. LAZ Nurul Hayat Solo in recruiting santri khidmat prioritized graduates of Nurul Hayat's Entrepreneur Quran Recitation Entrepreneur. This is done because they already have the skills, memorizing the Qur'an at least twenty juz and have a strong emotional bond with Nurul Hayat then they have high loyalty. In contrast to LAZ Nurul Hayat Solo, LAZ Yatim Mandiri and Daarut Tauhid there are several tests in the selection stage such as interviews, reading Al-Qur'an and psychological tests.

Operational Risks From External Threats

Table 8. Operational Risks From External Threats

Indicator	BAZNAS				Yatim Mandiri				DT Peduli				Nurul Hayat			
	L	I	V	S	L	I	V	S	L	I	V	S	L	I	V	S
Rivalry between OPZs over program popularity.	3,1	2,5	2	3	3,1	2,5	2	3	3,1	2,5	2	3	3,1	2,5	2	3
The mustahik misuse zakat funds(for example, to buy cigarettes)	4,1	3,2	2	3	4,1	3,2	2	3	4,1	3,2	2	3	4,1	3,2	2	3
Zakat institution partners who misuse zakat funds.	3,4	4,5	2	3	3,4	4,5	2	3	3,4	4,5	2	3	3,4	4,5	2	3
Zakat administrators embezzle the zakat funds directly obtained from the obliged zakat payers.	3,3	4,3	2	3	3,3	4,3	2	3	3,3	4,3	2	3	3,3	4,3	2	3
Overlapping distribution of zakat funds with other OPZs.	5,1	2,8	2	2	5,3	3	2	2	5,3	3	2	2	5,1	2,8	2	2

Sources: Primary data process, 2019

The Zakat Management Organization in Solo does not feel competition between themselves or other social organizations, because LAZ is an Islamic institution that is obliged to help one another. In maintaining relations between LAZ, FOZ (Forum Organisasi Zakat) was formed to maintain communication. To overcome the second risk, the Zakat Management Organization in Surakarta conducts interviews and surveys to ensure that the *mustahiq* provided with zakat funds are truly feasible in terms of meeting the requirements and can be trusted in their use. Interviews and surveys are conducted to *mustahiq* candidates, neighbors, *ta'mir* and even the local government. For the *Ibnu Sabil* category, BAZNAS Solo and the Indonesian Zakat Management Organization created a Whatsapp group to avoid fraud. This was done because of seeing the many frauds related to this matter. BAZNAS Solo will provide advice and education on fraud perpetrators. In addition, LAZ Yatim Mandiri also provides education to *mustahiq* in order to make the best use of zakat funds.

For the third risk, the Zakat Management Organization in Surakarta requires reporting after an activity or program. This is done to avoid the misuse of zakat funds by zakat institution partners. For the fourth risk, in terms of supervision of LAZ Yatim Mandiri Solo zakat administrators, LAZ Nurul Hayat Solo and LAZ DT Peduli Solo require making reports, both financial statements, and related documentation. LAZ Nurul Hayat Solo gave a maximum of seven days after the activity, while LAZ Yatim Mandiri Solo gave a maximum reporting time of two days after the activity. In addition to reports, for the prevention of the Administrator's dishonesty, LAZ Yatim Mandiri Solo conducts selective recruitment and provides guidance, studies, and motivation about zakat.

In order to reduce this risk, LAZ Nurul Hayat Solo minimizes the provision of zakat funds through zakat partners or administrators. This is done by using an ATM, so several programs such as the Empowerment of TPQ Teachers and Orphans use ATMs with a CIMB Niaga Syariah Account. LAZ Nurul Hayat uses this account because the CIMB Niaga Syariah account does not incur operational transfer fees.

Based on the results above, the researcher found the following research:

Table 9. The Average Each Risk

Sources: Primary data process, 2019

Operational Risk of Internal Process Failure

Risk	L				Average	Risk	I				Average	Risk	V				Average
a	5,5	5,3	5,3	5,1	5,3	a	4,7	4,5	4,5	4,5	4,55	a	3	3	3	2	2,75
b	3,5	3,5	3,5	3,5	3,5	b	3,2	3,2	3,2	3,2	3,2	b	2	2	2	2	2
c	2,4	2,4	2,4	2,4	2,4	c	3,9	3,9	3,9	3,9	3,9	c	2	2	2	2	2
d	2,6	2,6	2,8	2,1	2,525	d	2,9	2,9	3,1	2,4	2,825	d	2	2	2	2	2
e	1,7	1,7	1,7	1,7	1,7	e	3,2	3,2	3,2	3,2	3,2	e	2	2	2	2	2
f	4,1	3,9	3,5	3,3	3,7	f	4,4	4,2	3,8	3,6	4	f	3	3	2	2	2,5
g	3,9	3,9	3,5	2,9	3,55	g	3,7	3,7	3,3	2,7	3,35	g	3	3	2	2	2,5
Average					**3,239286**	**Average**					**3,575**	**Average**					**2,25**

Operational Risk of Failure in IT System

Risk	L				Average	Risk	I				Average	Risk	V				Average
a	4,5	4,2	4,2	4,2	4,275	a	4,4	4,1	4,1	4,1	4,175	a	3	2	2	2	2,25
b	3,8	3,8	3,8	3,8	3,8	b	4,3	4,3	4,3	4,3	4,3	b	3	3	3	2	2,75
c	3,7	3,7	3,7	3,7	3,7	c	4,1	4,1	4,1	4,1	4,1	c	2	2	2	2	2
d	3,5	3,1	3,3	3,3	3,3	d	4,2	4,2	4,2	4,2	4,2	d	3	2	2	2	2,25
e	3,1	3,1	3,1	3,1	3,1	e	4,2	4,2	4,2	4,2	4,2	e	3	3	3	3	3
Average					**3,635**	**Average**					**4,195**	**Average**					**2,45**

Operational Risk of Failure in Managing Human Resource

Risk	L				Average	Risk	I				Average	Risk	V				Average
a	3,9	3,9	3,9	2,9	3,65	a	4,1	4,1	4,1	3,1	3,85	a	3	3	3	2	2,75
b	3,7	3,7	3,7	3,1	3,55	b	4,3	4,3	4,3	3,7	4,15	b	3	3	3	2	2,75
c	3,5	3,5	3,5	3,5	3,5	c	4,2	4,2	4,2	4,2	4,2	c	2	2	2	2	2
d	2,9	2,5	2,7	2,1	2,55	d	4,6	4,2	4,4	3,8	4,25	d	3	2	3	2	2,5
e	3,3	3,3	3,3	3,1	3,25	e	4,1	4,1	4,1	3,9	4,05	e	2	2	2	2	2
Average					**3,3**	**Average**					**4,1**	**Average**					**2,4**

Operational Risks From External Threats

Risk	L				Average	Risk	I				Average	Risk	V				Average
a	3,1	3,1	3,1	3,1	3,1	a	2,5	2,5	2,5	2,5	2,5	a	2	2	2	2	2
b	4,1	4,1	4,1	4,1	4,1	b	3,2	3,2	3,2	3,2	3,2	b	2	2	2	2	2
c	3,4	3,4	3,4	3,4	3,4	c	4,5	4,5	4,5	4,5	4,5	c	2	2	2	2	2
d	3,3	3,3	3,3	3,3	3,3	d	4,3	4,3	4,3	4,3	4,3	d	2	2	2	2	2
e	5,1	5,3	5,3	5,1	5,2	e	2,8	3	3	2,8	2,9	e	2	2	2	2	2
Average					**3,82**	**Average**					**3,48**	**Average**					**2**

From the table above, the researcher found that the operational risks from external threats is the most likely risk in the operational activities of the Zakat Management Organization in Surakarta with a score of 3,82. Operational risk of failure in IT systems is the risk that has the biggest impact and most vulnerable compared to other risks. This was reinforced by Masruroh (2018) who stated that operational risks that occur when managing zakat funds are caused by IT (Information Technology) used in managing zakat funds that are less accountable, which can result in the closing of amil zakat.

CONCLUSION AND RECOMMENDATION

This research aims to know and analyze the implementation of enterprise operational risk management of Zakat Management Organization in Surakarta. This research uses primary and secondary data obtained from observation, interview, and documentation of the subject research. Based on the research it can be concluded that, Zakat Management Organization in Surakarta has implemented enterprise operational risk management. In their activities, the risk that is very likely to occur in the operations of zakat management organizations is operational risks of internal process failure and the risk which has the biggest impact and most vulnerable in the operation of zakat management organizations is operational risks of failure in the IT system.

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