Analysis Concept of Independence of the Sharia Supervisory Board in the Sharia Banking

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ABSTRACT

The Sharia Supervisory Board is obliged to direct, review, and supervise the activities of financial institutions so that it can be believed that they comply with Islamic sharia rules and principles, the fatwa of the Sharia Supervisory Board rules binding the Islamic financial institutions. The Shari'ah Supervisory Board has a heavy and strategic task so it takes a high professional to live it. The objectives of this research are: To find out the role of the Sharia Supervisory Board in supervising and handling the issue of Compliance with Islamic principles in Islamic Banking; To find out the obstacles faced by the Sharia Supervisory Board in upholding sharia economic principles in Sharia Banking; and to find out the steps shown by the Sharia Supervisory Board in upholding the principle of Independence in Sharia Banking. This research uses a conceptual approach that explains the concept of the independence of the Sharia Supervisory Board in carrying out sharia supervision activities in sharia banking. The result of this research is that Supervision in Sharia Banking is carried out to ensure the suitability of all bank operations with sharia principles and rules, namely by issuing fatwas, rules, and directives in fiqh issues which are used as guidelines for management in operating Islamic banks. With regard to independence, members of the Sharia Supervisory Board must not be part of the employees of the Islamic bank. Although he was appointed by the General Meeting of Shareholders, however, the matter of approval must come from the National Sharia Board. The Shari'ah Supervisory Board also has a work system and certain tasks as do other oversight bodies. The absence of influence from directors, commissioners and employees in Sharia Banking is able to shake the decision of the Sharia Supervisory Board in assessing fund distribution and internal audit activities in the Sharia compliance report in Sharia Banking.

Keywords: Sharia supervisory board, islamic banking, independence
ABSTRAK


Kata Kunci: Dewan pengawas syariah, perbankan syariah, independensi

A. Introduction

The Sharia Supervisory Board is a financial institution which is obliged to direct, review and supervise the activities of financial institutions so that it can be believed that they comply with the rules and principles of Islamic sharia, the fatwa regulations of the Sharia Supervisory Board are binding on these Islamic financial institutions. In the context of implementing compliance with sharia principles in sharia banks, the role of the sharia supervisory board must strictly refer to the principles and values of Islamic economics and business that have been implemented by the Prophet.¹

July 2004 concerning People's Credit based on Sharia Principles. (b). Bank Indonesia Regulation No.6/24/PBI/2004 dated 14 October concerning Commercial Banks that carry out business activities based on Sharia Principles which was then amended by Bank Indonesia Regulation No.7/35/PBI/2005 dated 29 September 2005 concerning Commercial Banks that carry out business activities based on Sharia Principles. (c). Bank Indonesia Regulation no. 8/3/PBI/2006 dated January 30 concerning changes in the business activities of Conventional Commercial Banks to become Commercial Banks that carry out business activities based on Sharia Principles and the Opening of Bank Offices that carry out business activities based on Sharia Principles by Conventional Commercial Banks. All Bank Indonesia Regulations (PBI) require that every Sharia Bank must have a Sharia Supervisory Board (DPS).

The role of the Sharia Supervisory Board is to spearhead strict supervision because it is related to the course of transactions in sharia banks, so that its supervision is truly in accordance with the sharia aspects (compliance with sharia principles) because it is free from usury. If the supervision of the role of the Sharia Supervisory Board is effective, it is not impossible that aspects of conformity/compliance with sharia banking principles will be optimal, because the operating model is based on profit sharing. This will also have a good impact when the profit sharing system runs efficiently, so growth and investment will lead to efficient projects. Of course, this will be realized with a Sharia banking compliance system if supervision by the Sharia Supervisory Board is fully implemented.

It must be acknowledged that sharia banking is very vulnerable to sharia errors. Demands for targets, better profit levels, and performance assessments at each sharia bank branch, which are still predominantly based on financial performance, will encourage opportunistic branch managers and practitioners to violate sharia provisions. This will be increasingly vulnerable to sharia banks with a low level of sharia supervision. Therefore, it is not surprising that there are still many violations of sharia aspects committed by sharia banking institutions, especially banks that have converted to sharia or opened sharia business units. However, it is very unfortunate that there are still Sharia Supervisory Boards that do not understand the economics of finance and banking. Apart from that, many of them also do not supervise and inspect contracts in sharia banking. In fact, according to its provisions, the Sharia Supervisory Board works independently and freely to review and analyze all contracts.

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and transactions. The experience so far is that sharia banks in Indonesia appoint Sharia Supervisory Boards, namely people who are very well known in Islamic mass organizations or well known in Islamic science (not sharia), but who are not competent in the field of sharia banking and finance. On the one hand, this reality is beneficial for sharia banking management, because they are freer to do whatever they want, because supervision is very loose.

It is a fact that many members of the Sharia Supervisory Board are appointed due to their charisma and popularity in society, but not because of their scientific competence in the fields of sharia economics and banking. Apart from that, the Sharia Supervisory Board comes once a month or once a week and some even don't come to the sharia bank they are supposed to supervise for months. Therefore, it is not surprising that there are still many sharia banking practices that deviate from the provisions of Islamic sharia. This is the reality of what is happening in sharia banking institutions in Indonesia today. Based on the description above, the author feels it is necessary to conduct research entitled Increasing the Independence of the Sharia Supervisory Board in the Application of Sharia Principles in the Sharia Banking Environment

B. Research Methods

Research methods are a scientific way to obtain valid data with the aim of finding, proving and developing knowledge so that it can in turn be used to understand, solve and be able to identify problems.

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3 According to Dubai Islamic Banking, the important duties of DPS members are: 1) DPS is an expert (expert) who is a source and reference in the application of sharia principles including a reference source for fatwas. 2) DPS supervises the development of all products to ensure that there are no features that violate sharia. 3) DPS analyzes all unprecedented situations that are not based on fatwa in banking transactions to ensure compliance and conformity with sharia. 4) DPS analyzes all contracts and agreements regarding transactions in sharia banks to ensure compliance with sharia. 5) DPS ensures immediate correction of violations (if any) to comply with Sharia. If there is a violation, DPS members must correct the deviation immediately so that it conforms to sharia principles. 6) DPS provides supervision for sharia training programs for Islamic Bank staff. 7) DPS prepares an annual report on the balance sheet of sharia banks regarding their compliance with sharia. With this statement a DPS ensures the sharia banking financial statements are sharia. 8) DPS supervises the development and creation of sharia-compliant investments and innovative financing products. See the sharia economic and business magazine SHARING, edition 26 thn.III- February 2009, p. 45. Compare with the Functions and Duties of DPS in DSN Decree No.2 of 2000 concerning Household Guidelines for the MUI National Sharia Council Article 4.

4 Usamah, Peran Kompetensi Dan Model Pengorganisasian Dewan Pengawas Syariah Terhadap Pembiayaan Berbasis Bagi Hasil Pada Perbankan Syariah Di Indonesia, diakses pada laman http://eprints.undip.ac.id/9222/1/Usamah.PDF pada 21 Agustus 2018, pukul 01.15. WIB.

Based on the previous formulation of objectives, the research method used by the author in compiling this final assignment report uses a descriptive analytical method, namely a research method by revealing existing problems in sharia banking, processing data, analyzing, researching and interpreting as well as making conclusions and giving suggestions which then The discussion is structured systematically so that existing problems in the company can be understood.

The approach that can be used in conducting this research is a conceptual approach. The conceptual approach is to describe the facts that exist in the research object for analysis based on relevant theories.

C. Research Results

1. Research Results on DPS Bank Syariah Muamalat Cianjur Regency

Based on research conducted at Bank Muamalat Cianjur, the main role of DPS in sharia banking is as an affiliated body of Sharia Bank which has external and internal functions. The external function is to maintain public confidence in the operation of economic activities that are far from prohibited provisions. Meanwhile, the internal function of DPS is to supervise the sharia aspects of sharia banking which are organizationally related.

Regarding the challenges faced by DPS in carrying out its role, the interviewee said that the biggest challenge faced was to provide education to the public, because most people view sharia practices more on value preferences. For example, in the case of murabahah financing, the total value issued still has the same value as the value of conventional bank credit financing. The view that what is done by Islamic banks that have the same product value as conventional banks should be seen in the philosophical values that exist in muamalah activities. Therefore, DPS must be able to spread the word and straighten out these preferences so that the development of sharia finance can lead to a better direction.

Regarding ethics, DPS may supervise 5 company institutions. However, the core is allied. For example, if DPS only has level 1 certification, then it can only carry out sharia supervision in industrial areas. If he has certification level 2, then he can carry out sharia supervision on non-bank sharia financial activities. However, if he has level 3 certification, then he can carry out sharia supervision in sharia banking. If we look at the principle of professionalism, this is a good actualization considering that it is felt that DPS must have scientific standards and needs to increase the strengthening of insight and understanding in accordance with their field.
2. **Research Results on DPS Bank Syariah Mandiri Cianjur Regency**

The Sharia Supervisory Board has a role in supervising Sharia Banks. This refers to the certification qualifications that have been carried out. DPS does not only exist in Sharia banking, but it also exists in companies that implement Sharia principles and non-bank financial institutions. This is in accordance with the certification standards. For Sharia banking, DPS qualifications must meet rather complex requirements. He must really understand banking operations and be able to combine them with Islamic values.

In an effort to carry out supervision, DPS must at least have good Islamic insight and expertise in the field of economics. Islamic expertise consists of ushul fiqh expertise and fiqh rules. Expertise in ushul fiqh knowledge for the Sharia Supervisory Board is a must. This is intended so that the Sharia Supervisory Board is able to provide explanations based on sharia regarding the existence of sharia economic activities that do not have explicit arguments.

The second skill in the sharia aspect is the qawaid fiqhiyah skill. Qawaid Fiqhiyah are statements formulated in accurate legal form that illustrate the general picture of the nature, spirit, philosophy and objectives of Islamic law. Qawaid Fiqhiyah is a skill used to control the dynamics of sharia financial products. The conclusion expected from this expertise is to formulate whether varied and innovative sharia financial products are in accordance with the nature, spirit, philosophy and objectives of Islamic law.

In maintaining the independence of DPS, matters relating to personal interests must always be avoided in decision making. The Sharia Supervisory Board must always focus on carrying out supervision in accordance with existing regulations. This is also in line with the professional ethics contained in the POJK which discusses the role of DPS in sharia banking.

There is almost certainly no intervention in decision making for DPS considering that there is no instructional link between DPS and Sharia Banking. The output in taking DPS opinions also always leads to conservative policies in the implementation of Islamic values. So getting profit from banking business is not something that is considered.

3. **Research Results at DSN MUI**

The Sharia Supervisory Board is a representative of DSN-MUI who is placed in Sharia Financial Institutions (LKS), both banks and non-banks. Provisions regarding the placement of the Sharia Supervisory Board (DPS) in sharia financial institutions are regulated by Law Number 40 of 2007 concerning Limited Liability Companies Article 109 and Law No. 21 of 2008 concerning Sharia Banking Article 32 paragraph (1) XXVII DPS has three important
roles, namely, first, as an advisor and provider of advice to the board of directors, heads of sharia business units, and heads of sharia branch offices regarding matters relating to suitability. operational financial institutions with sharia principles. Second, as a supervisor who ensures that the operational systems of sharia financial institutions comply with the provisions of the DSN-MUI fatwa as the authority for determining sharia principles in the fields of sharia economics and finance. Third, as a mediator between sharia financial institutions and DSN-MUI in recommending the development of financial institution products and services that require DSN-MUI fatwa.

Examining DSNMUI's fatwas, especially those related to normative foundations, it seems that DSNMUI consistently applies the methodology for determining fatwas as above. Like the stipulation of multi-agreement legality fatwas (al-aqdal murakkabah), the tendency for DSN-MUI fatwas to adhere to the tarjih method. The source of the arguments that form the normative basis for the DSN-MUI fatwa is adhering to agreed arguments, such as the Koran, hadith, ijma', and qiyas. In addition, DSN-MUI fatwas often rely on arguments that are disputed among ushul scholars, such as istihsaan, maslahah murlah, 'urf, and sad al-zari'ah.

Bank Indonesia Regulations (PBI) and Sharia Banking Product Codification originate from the DSN-MUI fatwa. These two sources of law become Product Operational Standards (SOP) in sharia banking. The legality of sharia banking financial products must be based on a contract. Financial transactions in sharia banking are considered legitimate if they have a transaction base, namely a contract. The provisions of sharia banking contracts are a legal domain that combines Islamic contract law and civil law. In general, the DSN-MUI fatwa is a transformation of contracts in Islamic law into the realm of modern financial transaction activities (mu'amalah maaliyah - mu'asirah) such as sharia banking.

Sociologically, economic and financial activities tend to follow developments and accommodate people's desires regarding their financial transactions. On the other hand, DSN-MUI tends to adhere to the passive characteristics of fatwas, namely waiting for cases and legal issues, then deciding on legal solutions. Meanwhile, economic and financial activities are increasingly developing and complex, therefore, a responsive DSN-MUI fatwa is needed, namely finding new solutions to increasingly complex financial transactions.

The products of classical economic jurisprudence cannot all be applied in the context of different times and places without taking into account the socio-cultural conditions of today's modern society. Therefore, the ijtihad process and DSN-MUI methodology which are only
based on one scientific discipline need to be reviewed. In fact, the DSN-MUI fatwa determination process takes into account scientific disciplines related to economics and finance or is based on an interdisciplinary and multidisciplinary approach to obtain comprehensive legal decisions.

In principle, economic and financial activities are part of the mu'amalah aspect, in principle mu'amalah activities pay attention to the substance and illat. Therefore, muamalah law or sharia economics and finance tends to follow the wishes of society and the development of economic and financial activities which develop along with the development of modern financial transactions. However, this development must still pay attention to the basic principles of muamalah outlined in the Qur'an and sunnah.

The output of the DPS's views on problems that exist in sharia financial institutions must always be reported to the DSN MUI in order to receive feedback in the form of recommendations or legal direction based on sharia principles.

The role of DPS is only as a form of supervision that is followed up with a comprehensive view of an activity that is deemed wrong or contrary to sharia economic aspects. These views must be forwarded to the MUI DSN in order to obtain follow-up.

4. Research Results at DPS Bank Muamalat Central Jakarta

Based on the results of the researcher's interviews with sources, it was explained that the role of the Supervisory Board has been regulated in statutory regulations starting from the Sharia Banking Law, Cooperatives, and also in several government regulations. DPS has a role as an advisor on matters relating to the upholding of sharia principles in sharia banking. These advice and recommendations are conveyed to the board of directors and leadership of sharia banks. Apart from that, DPS also has a role as an intermediary between banks and the National Sharia Council in developing product and service innovations that will be provided by the bank. This was done in order to obtain general views and fatwas from the National Sharia Council. DPS is also part of the National Sharia Council which has the authority to consider sharia in banking units.

Regarding this role, the resource person also added that DPS has the right to know in depth the implementation of sharia finance. Therefore, DPS cannot be considered as a subordinate to the commissioner of Sharia Bank. DPS has an equal position to the board of commissioners in sharia banking, however DPS does not have an instructional role in the administration of sharia banking.
DPS in sharia banking in carrying out supervisory activities is required to always prioritize academic norms. There is no responsibility for managing financial profits or losses in sharia banking, its role is only to provide advice and provide an overview of the implementation of sharia compliance in sharia banking.

The interviewee also stated that DPS is referred to as an affiliated party, or independent party which has the authority to state whether the implementation of sharia finance is right or wrong from a sharia perspective. So that in implementing the principle of independence, DPS in sharia banking must always focus on positioning itself as a recipient of the mandate of the laws and regulations that have been stipulated by the government. However, if there is tension between the DPS and the banking component, this is normal. In decision making and reporting mechanisms, DPS must always operate outside of conflicts of interest, so you cannot be active as an employee at a bank, except for cooperatives. Opinions should not depend on conflict of interest. The provisions for the independence of DPS as an affiliate of sharia banking have been stated in the POJK implementing regulations, which are known as good governance.

The correct steps in supervision must also be understood and carried out as they should. To facilitate this, DPS can ask committees under the commissioner to provide an overview of the implementation of sharia financial services for assessment and supervision. Even to become a DPS, someone cannot apply. The name must come from a recommendation given by a sharia bank to be further filtered by DSN.

DPS supervision of Sharia Banks is carried out at least once a month. This is of course different from what the DPS does for non-bank financial institutions, where supervision is carried out at least twice a year, even though there are non-bank institutions that have internal regulations that stipulate mandatory supervision every month.

Meanwhile, if there is a dissenting opinion among the Sharia Supervisory Board in reporting sharia compliance and internal audits of sharia banks, this matter will be submitted to the DSN.

D. Analysis And Discussion

1. The role of the Sharia Supervisory Board in Supervising and Handling Compliance with Islamic Economic Principles in Sharia Banking.

Supervision is carried out on all operations related to sharia compliance, but does not deviate from the principles of Corporate Good Governance. This has also been regulated in...
the 2003 law regarding DPS. Thus, the governance and working methods of DPS in sharia banking must not deviate from these regulations.

In essence, DPS makes sharia opinions regarding the products run by Sharia Banks. The sharia opinion issued is binding on the DPS opinion regarding the level of sharia of a business transaction, which is related to the company's products, in this case the Sharia Business Unit (UUS). Sharia opinion is made based on Financial Services Authority (OJK) circular no. 36 of 2016. Concerning the products and activities of Sharia Commercial Banks (BUS). In essence, what are the product characteristics, business space, structure of the contract and product, product alignment, and the rules that Bank Indonesia considers.

The sharia opinion is issued after a study for the sustainability of the contract. In its study, DPS is tasked with providing considerations by reviewing fatwas and the basics of sharia before the bank implements them. Matters relating to the application of products in sharia banks are discussed at board of directors meetings and special DPS meetings. This meeting is held at least once a month. The following is the mechanism for submitting a sharia opinion:

1. The bank submits a product design to the DPS to study and analyze the product that will be issued by the sharia bank.
2. DPS holds an internal meeting to discuss whether or not the contract can be continued, with a number of recommendations that must be implemented by both the customer and the bank.
3. Internal meeting as well as ratification of the sharia opinion issued by DPS.
4. Sharia Bank operates its products based on DPS recommendations.

The DPS's duties are not limited to issuing sharia opinions which are then carried out by sharia banks as a reference only. Don't let go when the agreed product has been implemented. The contract can only be executed when there is a decision from the DPS, there is an opinion providing recommendations on the permissibility of sharia transactions at the institution, not seen from the aspect of a business feasibility study alone, but the main point must be in accordance with the sharia aspect. Continue to be monitored, evaluated again, reviewing whether you consistently carry out what you have decided, don't justify the means and ignore the fatwa.

Evaluation of the contract carried out is not only based on reports/data submitted by the bank, but also by going to the location. Site visits, or what are called sampling tests, are
carried out to match the reports received with the facts in the field. Were the agreements during the contract carried out correctly, or did they deviate from the proper sharia? Such as financing, what cooperatives do. There must be pillars that are implemented, whether they are principles, because during the evaluation they are asked about the development of the business, whether it adheres to the contract.

Testing is an important task for DPS because this evaluation is carried out not only to look at product suitability standards, but also as a consideration for DPS if undesirable things happen in the future, and could be detrimental. Even though the audit is aimed at ensuring the suitability of the contract, in fact this review is not often carried out. Visits are only once every three months, or every six months depending on the urgency of the case. It cannot be scheduled, it needs to be done suddenly so that sharia financial processes and activities run naturally.

In other institutions, the activities of companies and institutions are monitored periodically and routinely. There is no significant difference in duties between members and chairman of the Sharia Supervisory Board. The use of this position is just a formality effort so that coordination between them remains good. Meanwhile, in supervision and meetings, both the chairman and members have equal positions in making decisions.

From the information of the two informants, the performance of DPS in the Bandung City and Regency areas is always guided by regulations issued by the Government and companies. These rules can come from statutory regulations, regulations issued by Bank Indonesia, the Financial Services Authority or corporate governance.

The role of DPS as an official supervisory institution is of course the full obligation to ensure that all financial activities and strategy determination do not conflict with the sharia system. This is the basic principle in supervision, namely:

6 a. Jalbul mashali is an effort made to protect and optimize good values consisting of moral, religious, property, lineage and reputation elements.

b. Dar‘ul mafasid, is a principle that seeks to avoid oneself and others from things that can cause material and moral harm/disadvantage.

c. Saddudz dzar‘ah, is a principle that seeks to avoid, prevent things from happening

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6 Anik Arofah, The Role of the Sharia Supervisory Board in Supervising Sharia Aspects in Baitul Mal Watamwil (BMT), (Faculty of Law, Sebelas Maret University, Surakarta, 2008), p.43.
Sharia supervision must be carried out thoroughly and continuously so that various possible violations can be detected early. Comprehensive supervision includes:

Sharia supervision activities should be carried out universally and have optimal sustainability so that every potential business activity is protected from various tedious things that are contrary to sharia. What is meant by universal supervision is that it has the following values:

a. *Riqabah musbaqah*, namely supervision that relies on strategies to prevent/avoid things that are forbidden in every innovation or product.

b. *Riqabah lahiqah*, namely supervision of every operationalization of sharia business agreements/agreements. In this concept, efforts are made to ensure that a product is halal and well maintained.

c. *Riqabah a'mal*, or supervision of financial aspects and management behavior.

d. *Riqabash dzatiyah*, or moral-based supervision of the individual aspects of the administrators and managers of the business.\(^7\)

2. **Obstacles of Sharia Supervisory Board in enforcing Islamic Economic principles in Sharia Banking.**

The step to optimize the role and function of DPS in internal sharia supervision is to improve the external and internal environment of DPS. Improving the external environment of DPS is Bank Indonesia's main responsibility as a regulator, namely creating an effective and efficient sharia supervision mechanism so that healthy, efficient and sharia-compliant sharia banking is formed. Meanwhile, the responsibility for improving the internal environment of DPS is the responsibility of DPS and sharia bank management to create an effective and efficient sharia compliance guarantee system to build public trust in sharia banks.

The task of the Sharia Supervisory Board is a very difficult task, namely to supervise bank business activities so that they are always in line with sharia principles. This is different from the Commissioner who is always burdened with efforts to ensure that the bank always makes a profit. In carrying out these duties, DPS needs to be equipped with sufficient authority and must make detailed regulations regarding its position. This will make the principles of Good Corporate Governance easier to implement in DPS.\(^8\)

\(^7\) Anik Arofah, *The Role of the Sharia Supervisory Board in Supervising Sharia Aspects in Baitul Mal Watamwil (BMT)*, (Faculty of Law, Sebelas Maret University, Surakarta, 2008), p.44.

\(^8\) Based on the results of the author's interview conducted with the Sharia Supervisory Board of Bank Syariah Mandiri, on August 22 2019.
In connection with the lack of resources in Sharia Supervision in Sharia Banking, the most concrete step that can be taken is to carry out additional regulations, or the cadre of Sharia Supervisors carried out by the MUI DSN. The cadre or recruitment of the Sharia Supervisory Board must of course look at academic quality which refers to a sharia-based curriculum and Islamic economics.

In the last issue, the author sees that one of the weaknesses in sharia supervision in sharia banking is that DPS is unable to supervise sharia banking activities at all times. This is caused by the dual role played by DPS in carrying out their profession. We should be grateful that the majority of DPS have academic backgrounds in universities, but on the other hand, the absence of DPS for a long period of time can provide an opportunity for violations of sharia principles in Sharia Banking.

3. Principle of Independence of the Sharia Supervisory Board in Sharia Banking

Independence is a state of being free from influence, not controlled by other parties, not dependent on other people.9 "Independent, meaning not easily influenced, because he carries out his work in the public interest. Thus, he is not permitted to take sides in anyone's interests because no matter how perfect his technical skills are, he will lose his impartiality, which is very important to maintain his freedom of opinion.

Independence is a qualitative standard required by a public accounting firm to act with integrity and objectivity in carrying out its professional duties. There are at least 3 types of independence, namely independence in fact (actual independence), independence in appearance (independence in appearance), and independence in competence (independence from the point of expertise).

Assessment by the public is very important because if independent auditors fail to maintain their independent attitude then this could possibly result in the public believing that all auditors are not independent, so that public trust in the independent auditor profession will decrease or disappear.

The Sharia Supervisory Board "as an independent internal sharia supervisory institution must consist of sharia experts who have knowledge of positive commercial law and are familiar with business contracts. According to AAOIFI in GSIFI No. 1 that DPS members are people who are experts in muamalah jurisprudence and have an understanding in the field of sharia financial institutions. To maintain the independence of the DPS, DPS members must

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not be bank staff, appointed by the GMS, and have certain work systems and duties like other supervisory bodies.

Apart from that, the principle of independence is also realized by the absence of influence from directors, commissioners or employees in Sharia Banking who are able to sway the decisions of the Sharia Supervisory Board in assessing fund distribution activities and internal audits in Sharia compliance reports in Sharia Banking.

There are a number of “fundamental similarities between the roles of DPS and public accountants. Both issue reports that verify financial statements that fairly result from an organization's operations. The DPS guarantees whether the bank's operational activities, as reflected in the financial reports, are in accordance with sharia while the external auditor confirms whether the financial reports are fair regarding the bank's financial position and the results of its activities. Both DPS and public accountants must be assessed independently by report users so that the credibility of the reports they issue is not in doubt.”

Independence “includes two aspects, namely independence of mental attitude and independence of appearance. Independence of mental attitude means that the accountant has honesty in considering the facts and objective, impartial considerations in formulating and expressing his opinion. Meanwhile, independence in appearance means that there is an impression among the public that public accountants act independently, so that public accountants must avoid situations or factors that could cause the public to doubt their independence.¹⁰ In this case, DPS is required to act independently both mentally and in appearance.

The nature of DPS independence focuses on institutional loyalty to Islamic teachings and commitment to Islamic business principles, so it is hoped that it will not depend on pressure from management. Of course, the commitment to religious values and religious obligations stimulates DPS members to be independent. On the other hand, this does not mean that tensions between management and DPS cannot exist. Of course, this may be the case if management tends to place more emphasis on the financial aspects of the economy than on the religious aspects.”

The economic factor referred to in the research is the fee received by DPS. Professionals as DPS members will receive a fee from their work. What is meant by DPS "fee" here is the payment received by DPS members as compensation for Sharia Bank inspection services regarding the bank’s operational compliance with sharia principles. Because DPS works at a Sharia Bank and his job is a profession, it could be that DPS's profession is his main job and the fees earned by DPS will be used to meet his and his family's daily needs. A person's motivation to do something is related to their psychological condition. If someone carries out an economic activity, such as working, the motivation that drives him to carry out that activity can be economic. DPS members receive a fee from the bank management who recommends them, even though their position as a DPS member is the result of a decision from the DSN."

The second factor is religiosity. Religiosity in Islam does not only occur when someone performs worship

E. Conclusions

The role of the Sharia Supervisory Board in carrying out Supervision in Sharia Banking is carried out to ensure the conformity of all bank operations with sharia principles and rules, namely by issuing fatwas, rules and directives in matters of fiqh which are used as guidelines for management in operating sharia banks. Supervision is also carried out to prevent sharia banks from entering into contracts that violate sharia principles and to trace activities and financial sources of sharia banks that are not in accordance with sharia principles. Supervision can also be carried out by carrying out quotation tests on financing documents so that they comply with the MUI DSN Fatwa. Another aim of the inspection is also to ensure that zakat on all businesses related to the results of sharia bank operations has been calculated and paid correctly by the sharia bank management.

The task of the Sharia Supervisory Board is a very difficult task, namely as a supervisor of bank business activities, so that they are always in line with sharia principles. This is different from the Commissioner who is always burdened with efforts to ensure that the bank always makes a profit. In carrying out these duties, DPS needs to be equipped with sufficient authority and must make detailed regulations regarding its position. This will make the principles of Good Corporate Governance easier to implement in DPS. Another thing that concerns sharia banking supervision is that there are still very few DPS with level
3 standards in Indonesia. So the supervisory task still has to be covered by a small number of human resources.

The Sharia Supervisory Board "as an independent internal sharia supervisory institution must consist of sharia experts who have knowledge of positive commercial law and are familiar with business contracts. According to AAOIFI in GSIFI No. 1 that DPS members are people who are experts in muamalah jurisprudence and have an understanding in the field of sharia financial institutions. To maintain the independence of the DPS, DPS members must not be bank staff, appointed by the GMS, and have certain work systems and duties like other supervisory bodies. Apart from that, the principle of independence is also realized by the absence of influence from directors, commissioners or employees in Sharia Banking who are able to sway the decision of the Sharia Supervisory Board in assessing fund distribution activities and internal audits in Sharia compliance reports in Sharia Banking.

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