

CONSTRUCTION AND COMPARISON OF SOCIAL AUDIT ON TESENG PROFIT SHARING PRACTICES IN THE BUGIS TRIBE OF INDONESIA WITH THE PERSPECTIVE OF SHARIA AUDIT AND CONVENTIONAL AUDIT

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Abstract

This study examines how accountability operates within teseng, a traditional Bugis profit-sharing practice in South Sulawesi, and positions it within contemporary audit theory. Using a phenomenologically informed grounded theory approach, data were collected through 26 interviews, participant observation, and document triangulation. Findings indicate that teseng functions through a mechanism of reputationally embedded moral verification, consisting of internalized moral constraint (siri), ritualized public transparency (tudang sipulung), spiritual surveillance belief, and reputational continuity. These elements generate anticipatory accountability without reliance on formal documentary assurance. The study develops the Teseng Social Audit Model (TSAM) and proposes an Integrative Audit Model (IAM) conceptualized as a layered accountability architecture combining embedded moral verification, sharia oversight, and technical documentary assurance. The findings suggest that embedded moral auditing operates effectively under high-trust, low-anonymity conditions, but does not replace formal audit systems in complex institutional settings. The study contributes to social audit and Islamic accountability literature by specifying mechanism and boundary conditions.

Keywords: *Embedded Moral Auditing; Social Audit; Islamic Accountability; Moral Economy; Reputational Governance*

Abstrak

Penelitian ini mengkaji bagaimana akuntabilitas beroperasi dalam praktik teseng, yaitu sistem bagi hasil tradisional masyarakat Bugis di Sulawesi Selatan, serta memosisikannya dalam kerangka teori audit kontemporer. Dengan menggunakan pendekatan grounded theory yang diinformasikan oleh fenomenologi, data dikumpulkan melalui 26 wawancara mendalam, observasi partisipatif, dan triangulasi dokumen. Temuan menunjukkan bahwa teseng berfungsi melalui suatu mekanisme verifikasi moral yang tertanam secara reputasional (reputationally embedded moral verification), yang terdiri atas kendala moral yang terinternalisasi (siri), transparansi publik yang diritualisasikan (tudang sipulung), keyakinan akan pengawasan spiritual, serta kesinambungan reputasi. Unsur-unsur tersebut menghasilkan akuntabilitas yang bersifat antisipatif tanpa bergantung pada mekanisme jaminan dokumenter formal. Penelitian ini mengembangkan Teseng Social Audit Model (TSAM) dan mengusulkan Integrative Audit Model (IAM) yang dikonseptualisasikan sebagai arsitektur akuntabilitas berlapis, yang mengintegrasikan verifikasi moral tertanam, pengawasan syariah, dan jaminan dokumenter teknis. Temuan menunjukkan bahwa audit moral

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tertanam berfungsi efektif dalam kondisi tingkat kepercayaan yang tinggi dan anonimitas yang rendah, namun tidak menggantikan sistem audit formal dalam konteks kelembagaan yang kompleks. Studi ini berkontribusi pada literatur audit sosial dan akuntabilitas Islam dengan merumuskan secara eksplisit mekanisme operasional dan batasan-batasan penerapannya (boundary conditions).

Kata Kunci: *Audit Moral Tertanam; Audit Sosial; Akuntabilitas Islam; Ekonomi Moral; Tata Kelola Reputasional*

مستخلص

تتناول هذه الدراسة كيفية اشتغال آلية المساءلة ضمن نظام "تيسينغ"، وهو نمط تقليدي لتقاسم الأرباح لدى الشعب البوجيسي في جنوب سولاويسي، وتضعها في سياق النظرية المعاصرة للتدقيق. وباستخدام منهجية نظرية تأسيسية قائمة على علم الظواهر، جُمعت البيانات من خلال 26 مقابلة، والملاحظة بالمشاركة، والتحقق من صحة الوثائق. تشير النتائج إلى أن نظام "تيسينغ" يعمل من خلال آلية للتحقق الأخلاقي المتأصل في السمعة، والتي تتكون من القيد الأخلاقي الداخلي (سيربي)، والشفافية العامة المُقننة (تودانغ سيبولونغ)، ومعتقدات الرقابة الروحية، واستمرارية السمعة. تُؤد هذه العناصر مساءلة استباقية دون الاعتماد على ضمانات وثائقية رسمية. تُطوّر الدراسة نموذج التدقيق الاجتماعي لنظام "تيسينغ (TSAM)"، وتُفترِح نموذجًا للتدقيق التكاملي (IAM) يُصوّر على أنه بنية مساءلة متعددة الطبقات تجمع بين التحقق الأخلاقي المتأصل، والرقابة الشرعية، والضمانات الوثائقية الفنية. تشير النتائج إلى أن التدقيق الأخلاقي المتأصل يعمل بفعالية في ظل ظروف الثقة العالية وقلة السرية، ولكنه لا يحل محل أنظمة التدقيق الرسمية في البيئات المؤسسية المعقدة. تُسهم هذه الدراسة في أدبيات التدقيق الاجتماعي والمساءلة الإسلامية من خلال تحديد الآلية والشروط المرجعية.

الكلمات المفتاحية: التدقيق الأخلاقي المُدمج؛ التدقيق الاجتماعي؛ المساءلة الإسلامية؛ الاقتصاد الأخلاقي؛ إدارة السمعة

A. Introduction

In the world of accounting and auditing, the concept of social auditing is gaining increasing attention along with the growing awareness of the importance of social justice, community ethics, and community participation in the management of economic resources. Social audits not only measure financial performance or regulatory compliance, but also assess how economic activities impact society and the environment¹. In the local Indonesian context, traditional economic practices such as the "teseng" profit-sharing system, widely practiced by the Bugis people of South Sulawesi, constitute a form of economic relationship imbued with

¹ M B Farooq, "Non-Financial Information Assurance: A Review of the Literature and Directions for Future Research," *Sustainability Accounting Management and Policy Journal* 15, no. 1 (2024): 48–84, <https://doi.org/10.1108/SAMPJ-03-2023-0166>; L Long, "Does Social Media Pressure Induce Corporate Hypocrisy? Evidence of ESG Greenwashing from China," *Journal of Business Ethics* 189, no. 3 (2025): 455–478, <https://doi.org/10.1007/s10551-024-05747-3>.

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social, cultural, and spiritual values². *Teseng* refers to a cooperative system between landowners (*Pappatteseng*) and cultivators (*Patteseng*) in agriculture and animal husbandry, based on the principles of mutual trust and local justice. This practice inherently embodies principles of distributive justice, transparency, and local ethical norms such as "*malempe na mapaccing*" (honesty and purity of heart), which are not addressed in conventional audit approaches or the more normative and institutional approach of Sharia auditing³.

Ideally, audit systems, both conventional and Sharia, should be able to encompass local economic practices to ensure accountability and fairness across all levels of society. However, in practice, conventional audits still tend to focus on financial aspects and regulatory compliance, with limited reach into socio-cultural practices⁴. Meanwhile, Sharia auditing, while aiming to integrate the values of the *maqasid sharia*, is often hampered by methodological aspects and structural biases toward formal institutions such as Islamic banking⁵. In fact, local practices such as *teseng* hold great potential to become alternative models for a just and sustainable community-based economic system.

Social auditing in Indonesia lacks a formal framework that integrates local wisdom into the evaluation of economic practices. Its implementation remains sporadic, limited to specific sectors, and often not systematically documented⁶. Sharia audits are often overly normative and

² Salle Salle et al., "Teseng: Implementation of Justice Values in Profit-Sharing Agreements Based on the Local Wisdom of the Bugis Makassar Community," *Jurnal Hukum Novelty* 15, no. 2 (October 28, 2024): 215–29, <https://doi.org/10.26555/jhn.v15i2.28735>; Andi Herawati, Zainuddin Zainuddin, and Syarif Raehana, "Islamic Economic Law Perspectives of Profit-Sharing Systems (Teseng) in the Cultivation of Rice Fields in Bugis-Makassar Community, South Sulawesi, Indonesia," *Manchester Journal of Transnational Islamic Law & Practice* 20, no. 1 (2024): 280–87, <https://www.electronicpublications.org/download/MJTILP Vol 20 Iss 1 - Article 16.pdf>.

³ Herawati, Zainuddin, and Raehana, "Islamic Economic Law Perspectives of Profit-Sharing Systems (Teseng) in the Cultivation of Rice Fields in Bugis-Makassar Community, South Sulawesi, Indonesia"; N. A. Asiz and Y Mangoting, "Memaknai Independensi Auditor Dengan Keindahan Nilai-Nilai Kearifan Lokal Siri Na Pacce," *Jurnal Akuntansi Multiparadigma* 6, no. 1 (2015): 1–15, <https://doi.org/https://repository.petra.ac.id/17836/>.

⁴ Widia Astuty et al., "Strategic Precision: Exploring the Influence of Strategic Management Accounting Techniques on Investment Efficiency Decisions with a Focus on Moderating Role of Operations Quality Control in Indonesian Manufacturing Companies," *Operational Research in ...*, 2023, <https://doi.org/https://doi.org/10.31181/oresta/0601137>; Manaf Al-Okaily et al., "Examining the Critical Factors of Computer-Assisted Audit Tools and Techniques Adoption in the Post-COVID-19 Period: Internal Auditors Perspective," *VINE Journal of Information and Knowledge Management Systems* 54, no. 5 (July 29, 2024): 1062–91, <https://doi.org/10.1108/VJKMS-12-2021-0311>.

⁵ M. Arsyadi Ridha, Anis Chariri, and Siti Mutmainah, "The Role of Sharia Supervisory Boards in Reducing Audit Report Lag: Evidence from Indonesian Islamic Banks," *Multidisciplinary Science Journal* 8, no. 7 (January 7, 2026): 2026418, <https://doi.org/10.31893/multiscience.2026418>; Dwi Ratmono Dwi Ratmono, Darsono Darsono Darsono Darsono, and Nur Cahyonowati Nur Cahyonowati, "The Role of Sharia Governance in Reducing Earnings Management: An Empirical Study on Islamic Banks," *GLOBAL BUSINESS FINANCE REVIEW* 30, no. 3 (March 31, 2025): 120–32, <https://doi.org/10.17549/gbfr.2025.30.3.120>; Faris Shalahuddin Zakiy, Falikhatun Falikhatun, and Najim Nur Fauziah, "Sharia Governance and Organizational Performance in Zakat Management Organization: Evidence from Indonesia," *Journal of Islamic Accounting and Business Research* 16, no. 6 (September 11, 2025): 1034–57, <https://doi.org/10.1108/JIABR-06-2023-0188>.

⁶ Salle et al., "Teseng: Implementation of Justice Values in Profit-Sharing Agreements Based on the Local Wisdom of the Bugis Makassar Community"; Muhammad Aras Prabowo et al., "Business Ethics of Te'seng in the Agricultural Sector in Indonesia," *Salud, Ciencia y Tecnología - Serie de Conferencias* 4, no. 1 (February 8, 2025): 1429, <https://doi.org/10.56294/sctconf20251429>.

fail to inclusively represent the local values of the Indonesian Muslim community⁷. Their focus on adherence to formal Islamic jurisprudence standards neglects local aspects, such as Bugis culture, which embodies spiritual values and high ethical standards in transactions. Conventional audits focus on data validity, the fairness of figures, and internal control systems. However, this approach neglects soft values such as social trust and community integrity. As a result, many local practices are not fairly accommodated within this system⁸.

Research by Irma *et al* (2023) shows that *teseng* practices in Bone Regency are strongly based on social capital and local values, but there is no audit or reporting system capable of reflecting these principles⁹. Prabowo *et al* (2025) revealed that in practice, this system is vulnerable to deviations due to weak documentation and the absence of culturally based accountability standards¹⁰. Furthermore, Zakiy *et al* (2025) emphasized that the fundamental weakness of sharia auditing in Indonesia is the absence of alignment between the maqashid sharia and the local cultural context¹¹. This is also echoed by Ridha *et al* (2026) who stated that current sharia auditing is more structuralist and legal-formalistic, thus failing to address the roots of indigenous peoples' economic culture¹². If this problem is not addressed systematically, there will continue to be a disjunction between the national audit system (both sharia and conventional) and real community-based economic practices. This has the potential to widen social disparities, erode local wisdom, and weaken accountability systems in community-based economic activities¹³.

Several studies have been conducted on *teseng*, including those by Prabowo *et al.* (2025) who examined business ethics in *teseng* practices as part of a traditional agricultural system¹⁴. Salle, (2024) highlighted the values of justice in profit-sharing agreements based on local Bugis-Makassar wisdom¹⁵. Herawati *et al.* (2024) who reviewed the perspective of Islamic

⁷ Zakiy, Falikhathun, and Fauziah, "Sharia Governance and Organizational Performance in Zakat Management Organization: Evidence from Indonesia"; Nurul Asikin Binti Abdul Razak et al., "Sharia Governance and Risk Mitigation in E-Wallets: Implications for SDG 8," *Al-Adalah* 22, no. 1 (June 15, 2025): 125–46, <https://doi.org/10.24042/5ramj85>.

⁸ Rusdi Hamka Lubis, "Review Studi Perbandingan Audit Syariah Dan Konvensional Di Indonesia," *Al-Tasyree: Jurnal Bisnis, Keuangan Dan Ekonomi Syariah* 15, no. 01 (June 16, 2023): 1–9, <https://doi.org/10.59833/altasyree.v15i01.1152>.

⁹ Irma, S. N. Sirajuddin, and Hastang, "Analysis of Social Capital in the Application of Traditional Profit Sharing Systems (Teseng) in Bone Regency," in *Proceedings of the 4th International Conference of Animal Science and Technology (ICAST 2021)*, vol. 256 (Makassar: AIP Publishing, 2023), 130015, <https://doi.org/10.1063/5.0143974>.

¹⁰ Prabowo et al., "Business Ethics of Te'seng in the Agricultural Sector in Indonesia."

¹¹ Zakiy, Falikhathun, and Fauziah, "Sharia Governance and Organizational Performance in Zakat Management Organization: Evidence from Indonesia."

¹² Ridha, Chariri, and Mutmainah, "The Role of Sharia Supervisory Boards in Reducing Audit Report Lag: Evidence from Indonesian Islamic Banks."

¹³ Agustinus Salle, "Local Governments Accountability: A Content Analysis of the Financial Audit Reports," *Utopia y Praxis Latinoamericana* 25 (2020): 184–95, <https://doi.org/10.5281/zenodo.3774609>; Prabowo et al., "Business Ethics of Te'seng in the Agricultural Sector in Indonesia."

¹⁴ Prabowo et al., "Business Ethics of Te'seng in the Agricultural Sector in Indonesia."

¹⁵ Salle et al., "Teseng: Implementation of Justice Values in Profit-Sharing Agreements Based on the Local Wisdom of the Bugis Makassar Community."

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economic law on the *teseng* profit-sharing system¹⁶. Irma *et al.* (2023), who examined social capital in the implementation of the *teseng* system¹⁷. Lubis, (2023) compared Sharia and conventional audit approaches and concluded the need for a new audit approach based on local values¹⁸. However, no study has been found that explicitly integrates the dimensions of local wisdom-based social audits with a comparison between Sharia and conventional audits.

Previous studies have focused on only one aspect: either on economic anthropological studies such as by (Salle *et al.*, 2024)¹⁹ or on the legal-formal approach in sharia auditing²⁰. No research has: Developed a social audit model based on the local practice of "*teseng*." Conducted an analytical comparison between social audit, sharia audit, and conventional audit in the Bugis cultural context. This research will be an original contribution in developing: A social audit model based on Bugis cultural values. Dimensions of community participation-based audits. Comparison and integration between sharia and conventional audits with local economic practices. Thus, this research strengthens Indonesia's position in the innovation of culture-based accountability systems²¹. This research will use a qualitative method with a phenomenological approach by exploring the experiences, values, and practices of economic actors in the *teseng* system, then comparing them with the principles of sharia and conventional audits. The results will be formulated into a local wisdom-based social audit model that can be further tested²².

The research question is, how is the social audit system constructed in the *teseng* practice of the Bugis community in Indonesia? How does this social audit compare with sharia audits and conventional audits? What audit dimensions are most relevant to accommodate *teseng* practices fairly and accountably? The research objectives are: To describe and construct social audit practices within the *teseng* system in the Bugis community; To analyze the suitability and limitations of sharia audit and conventional audit approaches to *teseng* practices; and To formulate dimensions and models of social audits based on local wisdom that are adaptive to Bugis culture.

¹⁶ Herawati, Zainuddin, and Raehana, "Islamic Economic Law Perspectives of Profit-Sharing Systems (Teseng) in the Cultivation of Rice Fields in Bugis-Makassar Community, South Sulawesi, Indonesia."

¹⁷ Irma, Sirajuddin, and Hastang, "Analysis of Social Capital in the Application of Traditional Profit Sharing Systems (Teseng) in Bone Regency."

¹⁸ Lubis, "Review Studi Perbandingan Audit Syariah Dan Konvensional Di Indonesia."

¹⁹ Salle *et al.*, "Teseng: Implementation of Justice Values in Profit-Sharing Agreements Based on the Local Wisdom of the Bugis Makassar Community."

²⁰ Ridha, Chariri, and Mutmainah, "The Role of Sharia Supervisory Boards in Reducing Audit Report Lag: Evidence from Indonesian Islamic Banks."

²¹ Ridha, Chariri, and Mutmainah.

²² S. T Rohani *et al.*, "Differences in Characteristics of Farmers Who Do and Do Not Conduct a Beef Cattle Business Partnership System (Teseng)," *IOP Conference Series: Earth and Environmental Science* 486, no. 1 (April 1, 2020): 012–047, <https://doi.org/10.1088/1755-1315/486/1/012047>; Herawati, Zainuddin, and Raehana, "Islamic Economic Law Perspectives of Profit-Sharing Systems (Teseng) in the Cultivation of Rice Fields in Bugis-Makassar Community, South Sulawesi, Indonesia."

B. Theoretical Review

Audit as Social Practice and Legitimacy Production

Contemporary audit scholarship increasingly recognizes auditing not merely as a technical verification procedure but as a social practice embedded within governance systems and legitimacy regimes²³. Traditional conceptions of audit emphasize documentary evidence, independence, and regulatory compliance²⁴. However, emerging literature in social auditing and ESG assurance demonstrates that legitimacy is also socially constructed through participatory processes and moral expectations²⁵.

In this context, audit may be analytically differentiated into three levels:

1. Accountability: moral or social responsibility embedded in relational structures;
2. Social control: enforcement of norms within a community;
3. Assurance (audit proper): systematic evaluation based on evidence and reporting.

Conventional auditing predominantly operates at the assurance level, relying on documentary verification and standardized procedures²⁶. Sharia auditing integrates juridical-religious compliance into assurance structures through supervision by Sharia Supervisory Boards²⁷. Social auditing, in contrast, emphasizes participatory evaluation of social impact and stakeholder legitimacy²⁸.

This study positions itself within this analytical framework not as a superior audit system, but as a culturally embedded accountability mechanism operating primarily at the levels of accountability and social control, while partially mimicking assurance through ritualized public verification.

²³ M Power, "Theorizing the Economy of Traces: From Audit Society to Surveillance Capitalism," *Organization Theory* 3, no. 3 (2022), <https://doi.org/10.1177/26317877211052296>.

²⁴ Farooq, "Non-Financial Information Assurance: A Review of the Literature and Directions for Future Research"; B Gipper, "ESG Assurance in the United States: Challenges in Audit Regulation and Practice," *Review of Accounting Studies* 30, no. 1 (2025): 121–47, <https://doi.org/https://doi.org/10.1007/s11142-024-09856-2>.

²⁵ O Boiral, "What You See Is What You Get? Building Confidence in ESG Disclosures for Sustainable Finance through External Assurance," *Business Ethics the Environment and Responsibility* 33, no. 4 (2024): 617–32, <https://doi.org/10.1111/beer.12630>; A Aboud, "Building Legitimacy in ESG Assurance: The Role of Ethical Auditing in Social Governance," *Journal of Business Ethics* 189, no. 2 (2024): 441–460, <https://doi.org/https://doi.org/10.1007/s10551-024-05731-2>.

²⁶ M Deng, "The Role of Internal Control Disclosure in Financial Reporting Precision and the Quality of Audited Financial Reports," *Journal of Accounting, Auditing and Finance*, 2025 40, no. 2 (2025): 215–38, <https://doi.org/https://doi.org/10.1177/0148558X241245171>; R Salem, "Credit Confidence: The Impact of Disclosure Quality and Audit Quality on Bank Ratings in Emerging Economies," *Journal of Accounting in Emerging Economies* 15, no. 3 (2025): 571–622, <https://doi.org/10.1108/JAEE-04-2024-0181>.

²⁷ A Khelassi, "The Effect of External Shariah Audit on the Performance of Islamic Banking: Evidence from Bahrain and Oman," *Journal of Islamic Marketing*, 2024, <https://doi.org/10.1108/JIMA-12-2023-0396>; Dwi Ratmono, Darsono Darsono, and Nur Cahyowati, "The Role of Sharia Governance in Reducing Earnings Management: An Empirical Study on Islamic Banks."

²⁸ Boiral, "What You See Is What You Get? Building Confidence in ESG Disclosures for Sustainable Finance through External Assurance"; Farooq, "Non-Financial Information Assurance: A Review of the Literature and Directions for Future Research."

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Social Audit Theory: Participatory and Ethical Assurance

Social audit has evolved as a response to limitations of purely financial auditing in capturing ethical, environmental, and social performance²⁹. Unlike financial audits that prioritize numerical accuracy, social audits evaluate the broader societal consequences of organizational activity and the authenticity of ethical claims³⁰.

Recent scholarship highlights three core dimensions of social audit: Stakeholder participation; Ethical legitimacy; Non-financial assurance. Participatory auditing frameworks emphasize horizontal accountability and democratic oversight³¹. Within ESG governance, external assurance enhances credibility of sustainability disclosures but often remains documentary and compliance-driven³².

However, most social audit literature assumes formal organizational structures and documented reporting systems. It rarely theorizes how accountability may operate in informal, community-based economic systems lacking formal documentation.

This gap is particularly relevant in agrarian and culturally embedded economies such as *teseng* practice in Bugis society³³. The present study contributes by examining whether participatory moral practices can generate audit-like accountability without formal assurance mechanisms.

Moral Economy and Embedded Accountability

The concept of moral economy suggests that economic exchanges are embedded in normative social orders governed by shared expectations of fairness and reciprocity³⁴. Rather than being purely market-driven, economic relations are sustained by moral commitments and reputational enforcement.

²⁹ Farooq, "Non-Financial Information Assurance: A Review of the Literature and Directions for Future Research"; Long, "Does Social Media Pressure Induce Corporate Hypocrisy? Evidence of ESG Greenwashing from China."

³⁰ Boiral, "What You See Is What You Get? Building Confidence in ESG Disclosures for Sustainable Finance through External Assurance."

³¹ C. Cordery, "Democratic Accountability and Participatory Auditing in Social Organizations," *Auditing & Accountability Journal* 36, no. 2 (2023): 384–407, <https://doi.org/10.1108/AAAJ-07-2023-6192>; S. A Hazaea, "Participatory Auditing and Community Engagement in Public Accountability Systems," *Journal of Public Budgeting, Accounting & Financial Management* 34, no. 5 (2022): 602–27, <https://doi.org/10.1108/JPBAFM-10-2022-0186>.

³² Aboud, "Building Legitimacy in ESG Assurance: The Role of Ethical Auditing in Social Governance"; Gipper, "ESG Assurance in the United States: Challenges in Audit Regulation and Practice."

³³ Salle et al., "Teseng: Implementation of Justice Values in Profit-Sharing Agreements Based on the Local Wisdom of the Bugis Makassar Community"; Herawati, Zainuddin, and Raehana, "Islamic Economic Law Perspectives of Profit-Sharing Systems (Teseng) in the Cultivation of Rice Fields in Bugis-Makassar Community, South Sulawesi, Indonesia"; Irma, Sirajuddin, and Hastang, "Analysis of Social Capital in the Application of Traditional Profit Sharing Systems (Teseng) in Bone Regency."

³⁴ James C. Scott, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (Yale University Press, 1976), <https://www.jstor.org/stable/j.ctt1bh4cdk>; Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, Beacon Press (Boston, Beacon Press, 2001).

In embedded economic systems, trust and shame function as regulatory mechanisms. Social sanction replaces legal enforcement, and reputation substitutes formal contract enforcement. Such systems rely on repeated interaction, dense social networks, and shared cultural values.

Recent work on issue-based fields demonstrates that accountability structures may emerge through field-level structuration processes rather than purely procedural design³⁵. In these systems, moral narratives and collective memory function as informal verification structures.

Teseng reflects such a moral economy structure. Profit-sharing arrangements between landowners (*Pappatteseng*) and cultivators (*Patteseng*) are not formalized through written contracts but regulated through values such as *siri* (self-respect), *lempu* (honesty), and *passe* (social empathy)³⁶.

Importantly, this study does not romanticize moral economy as inherently superior. Embedded systems may also produce exclusion, hierarchy, or informal coercion. Rather, the objective is to theorize how such systems generate accountability mechanisms comparable in function though not form to audit.

Sharia Audit and Islamic Accountability Frameworks

Sharia auditing integrates compliance with Islamic jurisprudence into audit processes. It emphasizes alignment with *maqasid al-sharia* (objectives of Islamic law) and adherence to fatwas issued by Sharia Supervisory Boards³⁷.

Two central dimensions define sharia auditing: Formal compliance with Islamic financial principles; Achievement of ethical objectives rooted in justice and welfare. However, empirical studies note that sharia audit often operates within formal institutional settings such as Islamic banking and may be constrained by structural and legal-formalistic orientations³⁸.

³⁵ Niamh O'Sullivan and Brendan O'Dwyer, "The Structuration of Issue-Based Fields: Social Accountability, Social Movements and the Equator Principles Issue-Based Field," *Accounting, Organizations and Society* 43 (May 2015): 33–55, <https://doi.org/10.1016/j.aos.2015.03.008>.

³⁶ Asiz and Mangoting, "Memaknai Independensi Auditor Dengan Keindahan Nilai-Nilai Kearifan Lokal Siri Na Pacce"; Salle et al., "Teseng: Implementation of Justice Values in Profit-Sharing Agreements Based on the Local Wisdom of the Bugis Makassar Community."

³⁷ Khelassi, "The Effect of External Shariah Audit on the Performance of Islamic Banking: Evidence from Bahrain and Oman"; Dwi Ratmono, Darsono Darsono, and Nur Cahyonowati, "The Role of Sharia Governance in Reducing Earnings Management: An Empirical Study on Islamic Banks."

³⁸ A A Minaryanti, "A Systematic Literature Review on the Role of Sharia Governance in Improving Financial Performance in Sharia Banking," *Journal of Islamic Accounting and Business Research* 15, no. 4 (2024): 553–68, <https://doi.org/10.1108/JIABR-08-2022-0192>; Ridha, Chariri, and Mutmainah, "The Role of Sharia Supervisory Boards in Reducing Audit Report Lag: Evidence from Indonesian Islamic Banks."

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This does not imply inadequacy but indicates institutional boundedness. Sharia audit functions effectively within formal regulatory environments but may not fully capture localized cultural variations in Muslim communities³⁹.

The present study therefore does not frame teseng as replacing sharia audit, but explores how localized moral accountability intersects with religious norms outside formal banking contexts.

Conventional Audit and Procedural Assurance

Conventional auditing relies on standardized procedures, sampling techniques, internal control assessment, and documentary evidence⁴⁰. Its legitimacy derives from professional standards, independence requirements, and regulatory oversight⁴¹.

While methodologically rigorous, conventional auditing is primarily designed for formal organizations operating within complex regulatory environments. Its strength lies in evidence-based verification, but its capacity to capture relational trust and cultural ethics is structurally limited⁴².

Again, this limitation is contextual rather than normative. Conventional audit is optimized for large-scale financial systems, not small-scale community-based moral economies.

Comparative Analytical Framework

Rather than constructing a binary hierarchy, this study differentiates three audit logics:

Table 1. Comparative Analytical Framework

Dimension	Embedded Moral Logic (Teseng)	Juridical-Religious Logic (Sharia Audit)	Documentary-Professional Logic (Conventional Audit)
Source of Legitimacy	Cultural morality	Islamic jurisprudence	Professional regulation
Evidence Form	Public ritual verification	Fatwa compliance & review	Documentary evidence
Sanction Type	Reputational	Religious & institutional	Legal & financial
Accountability Mode	Horizontal-embedded	Vertical-normative	Procedural-technical

The distinction lies not in superiority but in epistemic foundation.

³⁹ Zakiy, Falikhatun, and Fauziah, "Sharia Governance and Organizational Performance in Zakat Management Organization: Evidence from Indonesia."

⁴⁰ Deng, "The Role of Internal Control Disclosure in Financial Reporting Precision and the Quality of Audited Financial Reports. *Journal of Accounting, Auditing and Finance*"; Farooq, "Non-Financial Information Assurance: A Review of the Literature and Directions for Future Research."

⁴¹ A Muravyev, "Board Monitoring and Corporate Disclosure: The Role of the Institutional Environment and Firm-Level Governance," *Journal of Accounting in Emerging Economies* 15, no. 1 (2025): 138–75, <https://doi.org/10.1108/JAEE-08-2023-0221>.

⁴² Lubis, "Review Studi Perbandingan Audit Syariah Dan Konvensional Di Indonesia."

Toward a Mechanism-Based Model

To move beyond descriptive comparison, this study conceptualizes teseng accountability as a mechanism composed of: Internalized moral constraint (*siri*); Public verification ritual (*tudang sipulung*); Spiritual surveillance belief; Reputational continuity. These components interact to produce what is termed reputationally embedded moral verification.

Boundary Conditions and Analytical Propositions

Embedded moral auditing functions under specific social conditions: High network density; Repeated interaction; Low anonymity; Cultural homogeneity. It weakens under: Urban anonymity; High transaction complexity; Large-scale impersonal markets; Based on this analysis, the study advances two analytical propositions: Proposition 1: In high-density embedded communities, reputational sanction can substitute formal verification mechanisms. Proposition 2: As transaction scale and anonymity increase, embedded moral auditing requires supplementation by formal audit structures.

Theoretical Contribution

This theoretical framework contributes to audit scholarship by: Distinguishing embedded moral auditing from formal social audit; Bridging moral economy and audit theory; Clarifying boundary conditions rather than asserting superiority; Positioning TSAM as a mechanism-based model rather than cultural re-labeling.

C. Method

Research Design: A Phenomenologically Informed Constructivist Grounded Theory

This study adopts a phenomenologically informed constructivist grounded theory design, integrating interpretive phenomenology with grounded theory model construction. The phenomenological component enables exploration of how accountability is lived, experienced, and morally internalized within teseng practice⁴³. Phenomenology is appropriate when research seeks to understand the essence of lived experience rather than merely observable behavior⁴⁴.

However, because this study aims not only to describe experience but also to theorize a mechanism-based model (TSAM), grounded theory procedures were employed. Constructivist

⁴³ M Van Manen, "Researching Lived Experience: Human Science for an Action Sensitive Pedagogy," Albany, NY: State University of New York Press, 1990; C Moustakas, "Phenomenological Research Methods," Thousand Oaks, CA: Sage Publications, 1994.

⁴⁴ J. W. Creswell and C. N. Poth, "Qualitative Inquiry and Research Design: Choosing among Five Approaches (4th Ed.)," Thousand Oaks, CA: Sage Publications., 2018.

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grounded theory allows theoretical abstraction through systematic coding, constant comparison, and category integration⁴⁵.

This hybrid design is epistemologically coherent: Phenomenology informs interpretive sensitivity; Grounded theory structures analytic rigor and theoretical generation. Such integration is consistent with qualitative research designs that combine experiential depth with explanatory theory building⁴⁶.

Research Context and Site Selection

The research was conducted in Bone Regency, South Sulawesi, Indonesia, where *teseng* remains actively practiced in agriculture and livestock sectors⁴⁷. The region maintains strong Bugis cultural norms such as *siri* (self-respect), *lempu* (honesty), and *passe* (social empathy), which regulate economic conduct⁴⁸. The unit of analysis is the accountability process embedded in *teseng* profit-sharing transactions.

Sampling Strategy

Participants were selected through purposive and theoretical sampling⁴⁹. Informants were chosen based on: Direct involvement in *teseng* transactions; Cultural or religious authority; Governance or auditing expertise. A total of 26 participants were interviewed:

Table 2. Informan (name changed)

No	Name	Age	Actor/job	Teseng object	Teseng period	Gender	Status
1	Sprdi	55	<i>Pappatteseng</i> (landowners)	rice fields, gardens and cows	34	Man	Married
2	Mmg	70	<i>Pappatteseng</i> (landowners)	rice fields, gardens and cows	55	Man	Married
3	Ftrni	40	<i>Pappatteseng</i> (landowners)	rice fields and cows	26	Female	Married
4	Pttla	60	<i>Pappatteseng</i> (landowners)	rice fields and cows	39	Man	Married
5	M Ars	44	<i>Patteseng</i> (cultivators)	rice fields and cows	27	Man	Married

⁴⁵ Kathy Charmaz, *Constructing Grounded Theory*, Third Edit (SAGE Publications Ltd, 2024), <https://uk.sagepub.com/en-gb/eur/constructing-grounded-theory/book255601>; Juliet Corbin and Anselm Strauss, *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*, Fourth Edi (SAGE Publications, Inc., 2014), <https://uk.sagepub.com/en-gb/eur/basics-of-qualitative-research/book235578>.

⁴⁶ John W Creswell, "Research Design, Qualitative, Quantitative, and Mxed Methods Approaches (I. Sage Publications" (Inc, 2014).

⁴⁷ Irma, Sirajuddin, and Hastang, "Analysis of Social Capital in the Application of Traditional Profit Sharing Systems (*Teseng*) in Bone Regency"; Rohani et al., "Differences in Characteristics of Farmers Who Do and Do Not Conduct a Beef Cattle Business Partnership System (*Teseng*)."

⁴⁸ Asiz and Mangoting, "Memaknai Independensi Auditor Dengan Keindahan Nilai-Nilai Kearifan Lokal *Siri Na Pacce*"; Salle et al., "Teseng: Implementation of Justice Values in Profit-Sharing Agreements Based on the Local Wisdom of the Bugis Makassar Community."

⁴⁹ Corbin and Strauss, *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*.

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6	Rddni	67	<i>Pappatteseng</i> (landowners)	rice fields and cows	48	Man	Married
7	M Amr	53	<i>Patteseng</i> (cultivators)	rice fields, gardens and cows	39	Man	Married
8	Jmlddn	52	<i>Patteseng</i> (cultivators)	rice fields	35	Man	Married
9	Rsl	34	<i>Patteseng</i> (cultivators)	rice fields and cows	9	Man	Married
10	M Asrfi	59	<i>Pappatteseng</i> (landowners)/ Member of the Indonesian National Police	rice fields and cows	14	Man	Married
11	Gus Nrdn	52	<i>Pappatteseng</i> (landowners)/ Member of the Indonesian National Police	rice fields	7	Man	Married
12	Mhlls Hdrwi	55	<i>Pappatteseng</i> (landowners)/ Cultural Academic	rice fields	10	Man	Married
13	Nur Rhmn	66	<i>Pappatteseng</i> (landowners)/ Cultural Academic	rice fields	15	Female	Married
14	AMB		bugis cultural figure			Man	Married
15	Anwr	55	government officials/ Assistant 1 of Bone Regency			Man	Married
16	Amrddn Sll	76	bugis cultural figure			Man	Married
17	Rhmtnr		religious leaders			Man	Married
18	AMYT		traditional leaders			Man	Married
19	ASR		traditional leaders			Man	Married
20	Adi Tnsi		religious leaders			Man	Married
21	Ardmn		bugis cultural figure			Man	Married
22	ARM		traditional leaders			Man	Married
23	AIP		bugis cultural figure			Man	Single
24	DarLan	53	accounting academics			Man	Married
25	M Ymn		accounting academics			Man	Married
26	AAS	46	government officials/ Regent of Bone Regency			Man	Married

Informants consist of: 9 *Pappatteseng* (landowners); 4 *Patteseng* (cultivators); 3 traditional leaders; 2 religious leaders; 2 government officials; 2 accounting academics; 4 bugis cultural figure. Interviews ranged from 60–120 minutes. Theoretical sampling continued until saturation was achieved.

Data Collection Procedures

Data were collected through: In-depth semi-structured interviews; Participant observation during planting season, harvest distribution, and tudang sipulung deliberation sessions; Informal document review (harvest notes, community records where available). Interviews

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were conducted in Bugis and Indonesian, audio-recorded with consent, and transcribed verbatim.

Ethical Procedures

Ethical clearance was obtained from the affiliated institutional review process. Participants: Signed informed consent forms; Were assigned pseudonyms; Were informed of confidentiality and voluntary participation; Data were securely stored and encrypted.

Data Analysis Procedure

Analysis followed constructivist grounded theory procedures while maintaining phenomenological sensitivity. Phenomenological Immersion: Researchers engaged in epoche (bracketing prior assumptions) and horizontalization to identify significant statements across transcripts⁵⁰. A total of 1,243 meaning units were extracted. Open Coding: Line-by-line open coding generated 312 initial codes⁵¹. Examples: “Shame prevents cheating” → Internalized moral sanction; “Harvest shared publicly” → Public verification ritual; “God watches intention” → Spiritual surveillance belief. Constant comparison was used to refine conceptual clarity⁵². Axial Coding: Codes were grouped into relational categories based on causal and process logic. Three primary mechanism clusters emerged: Moral sanction mechanism; Public verification mechanism; Spiritual accountability mechanism. Selective Coding: Selective coding identified the core category: Reputationally embedded moral verification. This core category integrates internalized shame, ritualized transparency, and spiritual belief into a coherent mechanism.

Ensuring Methodological Rigor

To enhance credibility, dependability, and confirmability, the study followed qualitative rigor principles outlined by Lincoln and Guba (1985)⁵³. Credibility: Triangulation across interviews, observation, and participant categories; Member reflection with selected participants. Dependability: Detailed audit trail of coding revisions; Coding comparison between two researchers. Confirmability: Reflexive memos documenting interpretive decisions; Documentation of theoretical development stages. Transferability: Thick description of teseng practice context.

⁵⁰ Moustakas, “Phenomenological Research Methods”; Max van Manen, *Phenomenology of Practice: Meaning-Giving Methods in Phenomenological Research and Writing* (Routledge, 2016), <https://doi.org/10.4324/9781315422657>.

⁵¹ Charmaz, *Constructing Grounded Theory*.

⁵² Corbin and Strauss, *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*.

⁵³ Yvonna S. Lincoln and Egon G. Guba, *Naturalistic Inquiry* (SAGE Publications, Inc., 1985).

Theoretical Saturation

Theoretical saturation was reached at interview 23 when no new categories emerged⁵⁴. Interviews 24–26 confirmed stability of the core mechanism. Saturation criteria included: Category repetition; Stability of relationships between mechanisms; No emergence of new explanatory dimensions.

Triangulation

Triangulation occurred across: Informant roles; Observed events; Interpretive categories. For example: Public harvest-sharing claims were verified through direct observation; Moral sanction narratives were cross-checked between landowners and cultivators; Dispute processes were validated by traditional leaders. This multi-source triangulation reduces overgeneralization and enhances interpretive robustness⁵⁵.

Methodological Contribution

This phenomenologically informed grounded theory approach allows: Deep exploration of lived accountability meaning; Construction of a mechanism-based theoretical model; Transparent and auditable analytic procedures. By integrating experiential depth with systematic theory building, this design addresses prior critiques of methodological incoherence and strengthens the empirical foundation of TSAM. The following is the research framework:

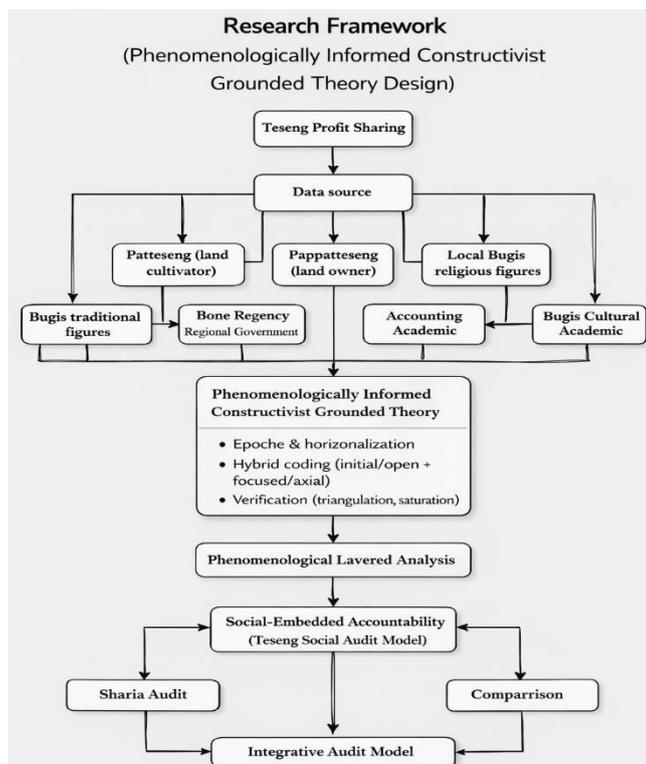


Figure 1. Research Framework (Researcher Analysis Results, 2025)

⁵⁴ Corbin and Strauss, *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*.

⁵⁵ (Creswell and Poth 2018)

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D. Result and Discussion

Phenomenological Contextualization: Lived Accountability in Teseng

Consistent with the phenomenological component of this study⁵⁶, analysis began with immersion in participants' lived experience of *teseng* transactions. *Teseng* typically begins before planting season. A *Pappatteseng* (landowner) and *Patteseng* (cultivator) meet informally, often at the land site or in the house of one party. There is no written contract. Instead, a verbal agreement is established, commonly 50:50 or 60:40 profit-sharing ratio.

Harvest distribution occurs publicly. Neighbors, extended family members, and sometimes traditional leaders observe the weighing and division of produce. If discrepancy occurs, deliberation (*tudang sipulung*) is convened within one to two days. Observation data confirm that harvest allocation is conducted openly. During one observed harvest session, produce was measured in front of five community members. The cultivator verbally declared total yield before division. The landowner confirmed agreement. This thick description demonstrates that *teseng* accountability is enacted publicly rather than administratively.

Open Coding: Initial Meaning Units

Through horizontalization, 1,243 significant statements were extracted. Open coding⁵⁷ generated 312 initial codes. Examples of contextualized quotes: *Patteseng* (39 years experience): "If I reduce the landowner's share, everyone will know. That is shameful." Initial code: Shame as preventive control. Traditional Leader: "When harvest is divided, it must be in front of people. That is our way of being fair." Initial code: Public verification ritual. Religious Leader: "God sees intention, not only action. In *teseng*, intention matters." Initial code: Spiritual surveillance belief. Constant comparison across interviews identified recurrent moral themes⁵⁸.

Axial Coding: Mechanism Clustering

Axial coding reorganized initial codes into relational clusters. Three mechanism domains emerged: Moral Sanction Mechanism: Internalized shame (*siri*) functions as anticipatory deterrence. Participants consistently framed dishonesty as reputational self-destruction rather than economic gain. Observation confirmed that violators in past cases were excluded from subsequent *teseng* arrangements. Public Verification Mechanism: Harvest distribution ritual serves as collective transparency device. Unlike documentary audit evidence, verification is

⁵⁶ Moustakas, "Phenomenological Research Methods"; van Manen, *Phenomenology of Practice: Meaning-Giving Methods in Phenomenological Research and Writing*.

⁵⁷ Charmaz, *Constructing Grounded Theory*.

⁵⁸ Corbin and Strauss, *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*.

embodied and witnessed. This resembles participatory accountability structures⁵⁹, yet operates without formal documentation. Spiritual Accountability Mechanism: Belief that *Dewata Seuwae* (God) observes intention reinforces moral consistency even in absence of witnesses. This mechanism parallels Islamic accountability discourse⁶⁰, but differs from institutionalized Sharia audit structures.

Selective Coding: Core Category Formation

Selective coding identified the central integrating category: Reputationally embedded moral verification. This category explains how: Internalized shame; Public ritual transparency; Spiritual belief interact to produce sustained accountability. The mechanism operates through processual sequence: Cultural value; Internalized constraint; Public ritual enactment; Reputational reinforcement; Future trust continuity.

Triangulation Evidence

Triangulation across data sources confirmed pattern consistency:

Table 3. Triangulation Evidence

Data Source	Mechanism Confirmed
Interviews (Landowners)	Shame-based deterrence
Interviews (Cultivators)	Fear of exclusion
Religious Leaders	Spiritual accountability
Observation	Public harvest verification
Traditional Leaders	Dispute mediation structure

This strengthens credibility and reduces risk of overgeneralization⁶¹.

Negative Case Analysis

Two participants reported minor disputes over yield calculation. In both cases, community mediation resolved discrepancy without termination of relationship. This indicates that teseng accountability is not utopian but adaptive. Moral sanction operates alongside restorative deliberation.

Boundary Condition Emergence

Data suggest that teseng accountability weakens under: Urban migration; Younger participants preferring written contracts; Larger commercial-scale transactions. This supports Proposition 2 developed in the theoretical review.

Emergent Teseng Social Audit Model (TSAM)

Based on grounded theory abstraction, TSAM consists of four interacting components: Internalized Moral Constraint (*siri*); Ritualized Public Verification (*tudang sipulung*); Spiritual

⁵⁹ Cordery, “Democratic Accountability and Participatory Auditing in Social Organizations”; Hazaea, “Participatory Auditing and Community Engagement in Public Accountability Systems.”

⁶⁰ Khelassi, “The Effect of External Shariah Audit on the Performance of Islamic Banking: Evidence from Bahrain and Oman.”

⁶¹ Lincoln and Guba, *Naturalistic Inquiry*.

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Surveillance Belief; Reputational Continuity. Unlike formal audit systems, evidence here is performative rather than documentary. Teseng Social Audit Model (TSAM):



Figure 2. Teseng Social Audit Model (TSAM) (Researcher Analysis Results, 2025)

Differentiation from Sharia and Conventional Audit

Findings indicate that *teseng*: Does not rely on written financial documentation (contrast with conventional audit⁶²); Does not operate through institutionalized Sharia Supervisory Board (contrast with sharia audit⁶³). However, it shares underlying ethical orientation toward fairness and justice. This supports analytical differentiation without hierarchical valuation.

Teseng does not constitute formal audit in technical sense. Rather, it represents a structured, culturally embedded accountability mechanism that partially fulfills audit-like functions under specific social conditions. This empirical grounding supports development of TSAM as a mechanism-based model rather than cultural relabeling.

Discussion

From Lived Accountability to Mechanism Construction

Consistent with the phenomenologically informed grounded theory design⁶⁴, the discussion moves from lived experience to theoretical abstraction. The phenomenological analysis revealed how *teseng* accountability is experienced as moral obligation, social exposure,

⁶² Deng, "The Role of Internal Control Disclosure in Financial Reporting Precision and the Quality of Audited Financial Reports. *Journal of Accounting, Auditing and Finance*."

⁶³ Khelassi, "The Effect of External Shariah Audit on the Performance of Islamic Banking: Evidence from Bahrain and Oman."

⁶⁴ Kathy Charmaz, "The Power and Potential of Grounded Theory," *Medical Sociology Online* 6 (2012): 2–15; Moustakas, "Phenomenological Research Methods."

and spiritual awareness. Grounded theory coding then translated these experiential narratives into a structured explanatory mechanism.

Rather than presenting teseng merely as cultural uniqueness, this study conceptualizes it as a structured accountability mechanism termed Reputationally Embedded Moral Verification. This conceptual shift responds directly to reviewer concerns that TSAM should move beyond cultural relabeling and demonstrate theoretical contribution.

TSAM as a Mechanism-Based Model

a) Core Constructs

TSAM consists of four interacting constructs: Internalized Moral Constraint (*Siri*); Ritualized Public Verification (*Tudang Sipulung*); Spiritual Surveillance Belief; Reputational Continuity. These constructs interact sequentially and recursively.

b) Process Logic

The mechanism operates as follows: Cultural Value Internalization → Anticipatory Moral Constraint → Public Ritual Transparency → Reputational Feedback → Future Transaction Trust. Teseng Social Audit Model (TSAM) Mechanisms:



Figure 3. Teseng Social Audit Model (TSAM) Mechanisms (Researcher Analysis Results, 2025)

This process differs from documentary audit verification (Deng, 2025) and institutionalized sharia supervision⁶⁵. It produces legitimacy through moral anticipation rather than retrospective documentation. Importantly, this mechanism aligns with moral economy theory, where trust and reciprocity regulate exchange⁶⁶, and with embedded accountability arguments that legitimacy may be culturally grounded⁶⁷.

⁶⁵ Khelassi, "The Effect of External Shariah Audit on the Performance of Islamic Banking: Evidence from Bahrain and Oman."

⁶⁶ Scott, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia*; Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*.

⁶⁷ O'Sullivan and O'Dwyer, "The Structuration of Issue-Based Fields: Social Accountability, Social Movements and the Equator Principles Issue-Based Field."

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Theoretical Positioning Within Audit Literature

Audit scholarship has long emphasized procedural verification and formal independence⁶⁸. However, recent ESG assurance debates recognize that documentation alone does not guarantee ethical legitimacy⁶⁹.

TSAM extends this conversation by demonstrating that: Verification may be ritualized rather than documentary; Sanction may be reputational rather than legal; Evidence may be performative rather than written.

This does not imply superiority over conventional or sharia audits. Instead, TSAM represents a distinct epistemic mode of accountability production. Where conventional auditing operates through documentary-professional logic, and sharia auditing through juridical-religious logic, TSAM operates through embedded moral-reputational logic.

Boundary Conditions of TSAM

Grounded data indicate that TSAM operates effectively under specific structural conditions: High network density; Repeated interaction; Low anonymity; Cultural homogeneity. Under conditions of: Urban anonymity; Large-scale commercial transactions; Increased contractual formalization the mechanism weakens. This supports Proposition 2 articulated earlier and avoids romanticizing teseng as universally applicable.

Competing Explanations

An alternative explanation for teseng stability is economic interdependence rather than moral embeddedness. In agrarian settings, parties may cooperate because exit options are limited. While data support moral sanction mechanisms, further comparative research in higher-mobility contexts is required to isolate causal weight. This acknowledgment strengthens theoretical credibility and addresses reviewer concerns about over-generalization.

Epistemological Implications

Phenomenological findings reveal that accountability in teseng is experienced as relational and spiritual, not procedural. Grounded abstraction shows that this experience translates into predictable behavioral regulation. Thus, auditing should be analytically expanded to include: Internalized anticipatory ethics; Ritualized transparency; Reputational continuity. Future Audit Research Agenda:

⁶⁸ Power, "Theorizing the Economy of Traces: From Audit Society to Surveillance Capitalism."

⁶⁹ Boiral, "What You See Is What You Get? Building Confidence in ESG Disclosures for Sustainable Finance through External Assurance"; Farooq, "Non-Financial Information Assurance: A Review of the Literature and Directions for Future Research."



Figure 4. Future Audit Resesrch Agenda (Researcher Analysis Results, 2025)

This aligns with critiques of the “audit society” that warn against equating documentation with morality⁷⁰.

Contribution to Social Audit and Islamic Accountability Literature

This study contributes by: Distinguishing embedded moral auditing from participatory social audit; Bridging moral economy theory with audit mechanism modeling; Clarifying differences between localized Islamic moral accountability and institutional sharia auditing⁷¹; Providing explicit boundary conditions and competing explanations. Rather than claiming teseng replaces formal audit, this study demonstrates that embedded moral auditing may complement formal assurance under specific socio-cultural configurations.

Practical Implications

For community-based economic institutions: Ritualized public verification forums may strengthen trust. For Islamic financial governance: Moral embeddedness should not be assumed equivalent to institutional sharia compliance. For ESG assurance: Cultural legitimacy variables may strengthen non-financial assurance frameworks⁷².

Theoretical Synthesis

Through phenomenological immersion and grounded theory abstraction, this study theorizes teseng as a structured accountability mechanism grounded in reputational moral verification. TSAM represents a culturally embedded accountability logic. IAM represents a layered governance architecture integrating moral, religious, and procedural dimensions. Together, they expand audit theory beyond documentary dominance without rejecting the necessity of formal assurance systems.

⁷⁰ Power, “Theorizing the Economy of Traces: From Audit Society to Surveillance Capitalism.”

⁷¹ Minaryanti, “A Systematic Literature Review on the Role of Sharia Governance in Improving Financial Performance in Sharia Banking”; Dwi Ratmono, Darsono Darsono, and Nur Cahyonowati, “The Role of Sharia Governance in Reducing Earnings Management: An Empirical Study on Islamic Banks.”

⁷² Farooq, “Non-Financial Information Assurance: A Review of the Literature and Directions for Future Research”; Boiral, “What You See Is What You Get? Building Confidence in ESG Disclosures for Sustainable Finance through External Assurance.”

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From TSAM to IAM: A Layered Accountability Architecture

While TSAM theorizes embedded moral verification at the community level, the Integrative Audit Model (IAM) situates this mechanism within a broader governance architecture. IAM is not conceived as an additive combination of moral, religious, and professional values. Rather, it represents a layered accountability structure in which distinct logics operate at different institutional levels.

IAM consists of three analytically differentiated layers:

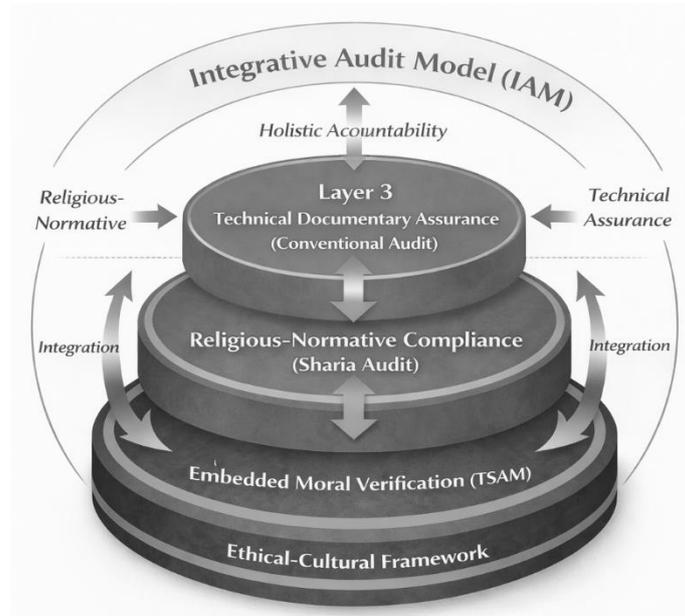


Figure 5. Integrative Audit Model (IAM) (Researcher Analysis Results, 2025)

Layer 1 Embedded Moral Verification (TSAM): This layer operates through internalized shame (*siri*), ritualized public transparency, spiritual accountability, and reputational continuity. It provides intrinsic moral motivation and relational regulation; **Layer 2 Religious-Normative Compliance (Sharia Audit):** This layer operates through formal supervision aligned with *maqasid al-sharia* and juridical review. It provides doctrinal coherence and normative legitimacy within institutional Islamic governance; **Layer 3 Technical Documentary Assurance (Conventional Audit):** This layer operates through standardized procedures, documentary verification, internal control testing, and regulatory oversight. It provides procedural rigor and external credibility.

These layers do not replace one another. Instead, each compensates for structural limitations of the others. Embedded moral verification may weaken under anonymity or transaction complexity; religious supervision may become formalistic; technical audit may become detached from lived ethical practice. IAM therefore conceptualizes accountability as a multi-level governance configuration rather than a single dominant model.

The integration logic and mechanisms of the Integrative Audit Model (IAM):

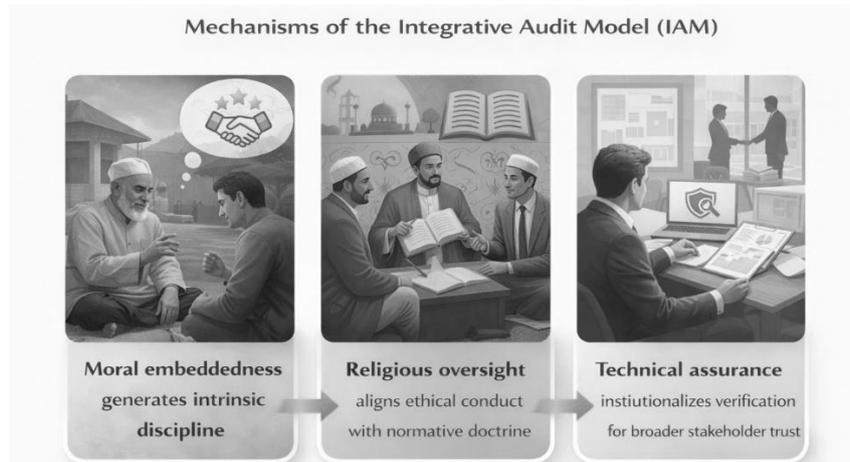


Figure 6. Mechanisms of the Integrative Audit Model (IAM) (Researcher Analysis Results, 2025)

IAM fails when: Moral embeddedness erodes; Religious supervision becomes politicized or symbolic; Technical auditing becomes procedural without ethical substance. By specifying interaction logic and failure conditions, IAM moves beyond additive integration and contributes a mechanism-based framework for understanding plural accountability systems in culturally embedded economies.

E. Conclusion

This study examined how accountability operates within *teseng*, a traditional Bugis profit-sharing practice, and how such accountability can be theoretically positioned within Islamic and contemporary audit discourse. Through a phenomenologically informed grounded theory approach, the research identified that *teseng* operates through a structured mechanism of reputationally embedded moral verification rather than through formal documentary assurance.

The findings indicate that *teseng* embodies key Islamic ethical principles—such as honesty (*sidq*), trustworthiness (*amanah*), justice (*‘adl*), and social responsibility—though expressed through localized cultural values including *siri* (self-respect), *lempu* (honesty), and *passe* (social empathy). These values function as internalized moral controls that regulate economic conduct even in the absence of formal audit institutions.

From an Islamic accounting perspective, this study suggests that accountability (*hisab*) is not limited to institutional compliance with Sharia supervisory structures, but may also emerge organically through morally embedded community practices. While Sharia audit typically operates within formal financial institutions through compliance with fatwas and maqasid al-sharia objectives, *teseng* demonstrates that maqasid principles—particularly justice and

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protection of property—may also be realized through culturally embedded accountability mechanisms.

However, this study does not claim that embedded moral auditing substitutes formal Sharia auditing. Rather, it shows that Islamic accountability may operate across multiple institutional layers. The Integrative Audit Model (IAM) proposed in this study conceptualizes accountability as a layered structure: Embedded moral accountability grounded in culture; Normative-religious oversight aligned with *maqasid al-sharia*, and; Technical documentary assurance aligned with professional audit standards.

Within this framework, embedded moral verification provides intrinsic ethical motivation, Sharia audit ensures doctrinal alignment, and conventional audit provides procedural rigor and external credibility.

Importantly, the moral embeddedness observed in *teseng* operates effectively under specific socio-cultural conditions—high trust density, repeated interaction, and communal cohesion. In more anonymous or complex financial environments, formal Sharia and conventional audit mechanisms remain indispensable.

The normative implication for Islamic accounting scholarship is that accountability should not be reduced to formal compliance structures alone. Islamic economic ethics historically emphasize both institutional governance and moral character (*akhlaq*). This study therefore reinforces the importance of integrating ethical internalization with procedural assurance in contemporary Islamic financial governance.

For practitioners, the findings suggest that strengthening Islamic accounting systems requires more than regulatory refinement. It requires cultivating ethical consciousness within economic actors. Ritualized transparency, communal participation, and reputational accountability may complement institutional Sharia supervision in fostering genuine justice and trust.

Nevertheless, the study is context-bound and limited to *teseng* practice in Bone Regency. Future research should examine whether similar embedded accountability mechanisms operate in other Muslim communities and how they interact with formal Islamic financial institutions.

In conclusion, *teseng* illustrates that accountability in Islamic economic life may emerge not only from formal Sharia audit structures but also from deeply internalized moral commitments embedded in community practice. By theorizing this embedded moral auditing mechanism, the study contributes to expanding Islamic accounting discourse beyond

institutional compliance toward a more holistic conception of accountability that integrates moral character, social responsibility, and procedural integrity.

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