THE INDONESIAN JOURNAL OF ACCOUNTING RESEARCH
Vol.28, No. 3, September 2025 | https://ijar-iaikapd.or.id/ | DOI: 10.33312/ijar.881
Page 527 - 552

Addressing Financial Accountability Challenges in an Indonesian Waqf Institution: Insights post-PSAK 412 Implementation

NUR HAZIMAH ALIMUDDIN
Faculty of Economics and Business, Universitas Gadjah Mada, Indonesia
Faculty of Economics and Business, Universitas Hasanuddin, Indonesia
APRILIA BETA SUANDI*
Faculty of Economics and Business, Universitas Gadjah Mada, Indonesia

Abstract: *This study examines how and to whom financial accountability is practiced and assesses the post-implementation application of PSAK 412 at a pseudonymous waqf institution. We use a qualitative single-case design with semi-structured interviews, observation, and document analysis. Data were analyzed using thematic analysis, with line-by-line in vivo and descriptive coding, followed by focused/axial coding to develop subthemes and categories. Findings show accountability is predominantly upward to leaders. A divine-ownership framing—where endowed assets are viewed as belonging to Allah rather than to waqifs or the institution—reinforces purpose fidelity but narrows formal reporting to human stakeholders. Digital tools strengthen internal routines but, by themselves, do not produce PSAK-consistent, public-facing transparency. Financial statements show selective alignment with PSAK 412, notably in recognition timing and the completeness of Notes/Disclosure. The paper contributes a Dual-Accountability Translation perspective that shifts from a normative ideal to an operable model of how spiritual accountability is rendered into institutional outputs (statements, disclosures, accessible summaries). It concludes that modern governance regimes mediate and materialize Islamic accountability; without enabling conditions, translation remains partial. Limitations include the reliance on internal perspectives, early post-implementation timing, and the inability to observe the full deed-to-certificate process.*

Keywords: *Financial Accountability, Islamic Accountability, Waqf, PSAK 412*

Abstrak*—Studi ini menelaah bagaimana dan kepada siapa akuntabilitas keuangan dipraktikkan, serta menilai penerapan PSAK 412 pada periode pasca-implementasi di sebuah lembaga wakaf anonim. Kami menggunakan desain kualitatif studi kasus tunggal dengan wawancara semi-terstruktur, observasi, dan analisis dokumen. Data dianalisis melalui analisis tematik dengan pengodean in-vivo dan deskriptif, diikuti pengodean terfokus/aksial untuk membangun subtema dan kategori. Temuan menunjukkan akuntabilitas terutama berorientasi ke atas kepada pimpinan. Kerangka kepemilikan Ilahiah— yang memaknai bahwa harta wakaf menjadi milik Allah, bukan milik waqif maupun lembaga—memperkuat ketaatan pada tujuan peruntukan, tetapi mempersempit pelaporan formal kepada para pemangku kepentingan manusia. Teknologi memperkuat rutinitas internal, namun tidak semata-mata menghasilkan*

*** Corresponding Author: apriliasuandi@ugm.ac.id**

transparansi yang sejalan dengan PSAK dan terbuka kepada publik. Laporan keuangan menunjukkan keselarasan selektif dengan PSAK 412, khususnya pada waktu pengakuan dan kelengkapan Catatan/Pengungkapan. Artikel ini berkontribusi pada penggunaan perspektif Dual-Accountability Translation*, yang menggeser pembahasan dari tataran normatif menuju model operasional tentang bagaimana akuntabilitas spiritual diwujudkan menjadi luaran kelembagaan. Studi ini menympulkan bahwa tata kelola modern memediasi dan mematerialkan akuntabilitas Islam; tanpa kondisi pendukung, proses translasi tetap parsial. Keterbatasan studi meliputi sumber data yang terbatas pada perspektif internal, waktu pengamatan pada awal pasca-implementasi PSAK 412, dan tidak dapatnya mengamati keseluruhan proses dari ikrar hingga penerbitan sertifikat wakaf.*

Kata Kunci: *Akuntabilitas Keuangan, Akuntabilitas Islami, Wakaf, PSAK 412*

1. Introduction

The Sustainable Development Goals (SDGs) align with Sharia's long-term objectives, and waqf (Islamic endowment) is frequently positioned as a vehicle for community welfare (Laldin & Djafri, 2021; Abdullah, 2018). However, development has been hampered by declining public trust in waqf institutions (Fauzi et al., 2022) due to concerns over nazir performance (Ihsan et al., 2017; Osman & Agyeman, 2017). This matters because research by Hasan et al. (2017) and Jalil et al. (2019) underscores the importance of public trust, demonstrating its positive correlation with factors such as effective communication, accountability, transparency of information, and waqifs' commitment to donating assets to waqf institutions.

Huda (2015) argues that accountability in waqf management is the fundamental solution to the challenges faced, as perceived by nazir (waqf managers), regulators, and waqifs alike. The imperative for accountability in waqf institutions serves as a means for nazirs to meet their obligations by justifying their actions to those entitled to assess them and by managing the potential outcomes, both negative and positive, that arise from them. This perspective, articulated by Bovens (2010), highlights the importance of transparent and responsible management in waqf institutions.

Ebrahim (2016), similar to the Indonesian NGO Council (2016), further emphasizes that one of the primary goals of organizational accountability is financial. Financial accountability is a vital tool for demonstrating responsibility in the financial stewardship of these institutions (Ihsan & Ibrahim, 2011). Nonetheless, prior studies note weaknesses in accounting, investment, and reporting (Hanefah et al., 2020; Yaacob & Nahar, 2017), partly due to the historical absence of a waqf-specific standard (Ihsan & Ibrahim, 2011; Ihsan & Septriani, 2016). Thus, the establishment of waqf accounting standards has been proposed to enhance accountability, transparency, and financial reporting within waqf institutions (Masruki & Shafii, 2013; Ihsan & Ibrahim, 2011).

In Indonesia, the principle of accountability in waqf management is strongly supported by legal frameworks. Law No. 41 of 2004 on Waqf, along with Government Regulation No. 42 of 2006, which details the implementation of the Law, mandates that nazirs are legally required to report on their management of waqf assets. In addition, the Sharia Accounting Standards Board of the Indonesian Institute of Accountants (DSAS-IAI) introduced the Financial Accounting Standard Statement (PSAK) 412 on Waqf Accounting formerly known as PSAK 112). Authorized since 2018 and effective from January 1, 2021, PSAK 412 offers guidelines on the recognition, measurement, presentation, and disclosure of financial statements for waqf institutions. This development is a significant step towards optimizing financial accountability in these institutions.

There appears to be a research gap in understanding how these practices have evolved since the implementation of PSAK 412. Moreover, community-organization-based waqf institutions remain understudied (Mohaiyadin et al., 2022), particularly with respect to the targets of accountability and the operational reporting mechanism. Several previous researchers have identified perceptions of accountability (Ihsan & Septriani, 2016), accountability practices (Ihsan et al., 2017; Siswantoro et al., 2018; Nahar & Yaacob, 2011), management practices (Ihsan & Ibrahim, 2011; Nahar & Yaacob, 2011; Yaacob & Nahar, 2017), reporting practices (Hanefah et al., 2020; Ihsan & Ibrahim, 2011; Nahar & Yaacob, 2011; Yaacob & Nahar, 2017) and waqf investment (Yaacob & Nahar, 2017). However, no study has specifically examined the financial accountability practices of waqf institutions within Islamic community organizations.

Accordingly, this study investigates (i) the primary targets of financial accountability (“to whom”), (ii) how accountability practices are carried out (systems, routines, statements, and disclosures), and (iii) the role of PSAK 412 in shaping these practices and the degree of compliance achieved in a post-PSAK 412 environment, in a community-based organizations.

This study uses a qualitative single-case design at a pseudonymous waqf institution, The Amanah Waqf Institution, with semi-structured interviews, observation, and document analysis. This institution is selected as the focal point for this research due to its prominence as a waqf institution managed by one of Indonesia’s largest Islamic organizations, notable for its substantial charitable activities. Data were analyzed using thematic analysis: line-by-line in vivo/descriptive coding, followed by focused/axial coding to develop subthemes and categories, with constant comparison across sources.

The results show that accountability is directed predominantly upward to leaders. A divine-ownership framing narrows formal reporting to human stakeholders. While digital tools are in place, they do not, by themselves, produce PSAK-consistent public transparency. Financial statements show selective alignment with PSAK 412, notably in recognition timing and the completeness of Notes/Disclosure. These patterns explain how strong stewardship intent can coexist with limited outward reporting.

Conceptually, we advance a Dual-Accountability Translation perspective that integrates Islamic accountability's spiritual plane (Ibrahim, 2000) with the legal/institutional plane shaped by PSAK 412 and contemporary reporting norms. By explicating how moral intent is rendered into institutional outputs (statements, disclosures, accessible summaries), the framework moves beyond normative claims toward an operable model. In practice, the study identifies levers to shift practice from selective to substantive PSAK 412 compliances.

We conclude that the modern governance regimes mediate and materialize Islamic accountability, but without enabling conditions, translation remains partial. Limitations include the single-case scope, reliance on internal data sources, early post-implementation timing, and the inability to observe the full deed-to-certificate process.

2. Waqf: The Regulation and Guidelines in Indonesia

Waqf, a key Islamic philanthropic practice, encompasses both immovable and movable assets. Immovable assets in waqf typically include land rights, buildings, plantations, and other land-related objects, as well as ownership rights to other immovable objects that align with Shariah provisions. On the other hand, movable assets in waqf are those not depleted through consumption. These can range from money, securities, precious metals, and vehicles to rental rights, intellectual property rights, and other movable objects, again in accordance with Shariah provisions.

Waqf involving movable assets, particularly money, is categorized into two distinct types: cash waqf and waqf through money (The Indonesian Waqf Board (BWI), 2021). Cash waqf is defined as a legal act wherein the waqif dedicates a portion of their wealth, either for a specified period or in perpetuity, for productive management. The returns from this management are then utilized for religious or general welfare purposes, in accordance with Shariah principles. The essence of cash waqf lies in its productive use, where the principal amount is preserved while the income generated is used for charitable purposes.

Waqf through money, in contrast, involves the waqif allocating a portion of their funds directly for the acquisition of waqf goods, which may be movable or immovable. These goods are then employed for worship or general welfare purposes, in line with Shariah provisions. This form of waqf is more direct, as the funds are used to purchase assets that serve the intended charitable purpose immediately.

In the traditional waqf system, the primary parties involved are the waqif and the nazir. The waqif, who donates their property for endowment, and the nazir, who acts as the trustee, are fundamental to making waqf feasible. In this arrangement, the nazir receives the property from the waqif to manage it in accordance with its designated purpose, as mutually agreed.

The Law of the Republic of Indonesia No. 41 of 2004 on Waqf broadens the scope of involved parties, reflecting a more structured and regulated approach to waqf management. These include the Official for Making Waqf Pledge Deeds (PPAIW) for legal documentation, the Indonesian Waqf Board (BWI) for waqf development and oversight, the National Land Agency (BPN) for land management, and the Sharia Financial Institution for Cash Waqf Collection (LKS PWU) for handling cash waqf contributions. This expanded framework reflects the complexities of modern waqf practice.

The Indonesian Institute of Accountants (IAI) has released PSAK 412, a directive on waqf accounting that provides a comprehensive framework for waqf institutions to enhance financial accountability. This standard prescribes a detailed structure for waqf reporting, including the statement of financial position, a detailed report of waqf assets, an activities report, a cash flow statement, and accompanying notes to the financial statements. Furthermore, PSAK 412 sets out clear guidelines for the recognition, measurement, presentation, and disclosure of financial information, thereby providing a standardized approach to financial management and reporting for waqf institutions.

3. Accountability Theory

This research employs the Islamic accountability theory developed by Ibrahim (2000), which conceptualizes accountability as a specific type of social relationship. In this framework, the "actor" may be an individual, company, organization, or institution, while the "forum" typically represents stakeholders. The actor is obliged to justify and explain their actions to the forum, which in turn has the authority to assess and question the actor's performance, as detailed by Bovens (2006).

Ebrahim (2016) argues that nonprofit accountability revolves around three critical questions: the purpose of accountability ('for what'), the mechanisms of accountability ('how'), and the targeted recipients of accountability ('to whom'). Islamic theory of accountability, as posited by Ibrahim (2000), roots itself in the Qur'anic concept of humans as vicegerents (khalifah) of Allah SWT on earth (QS. Al-Baqarah: 30). This notion of khalifah implies trust (Amanah) from Allah SWT, entrusting humans to protect and manage the resources of the heavens and earth responsibly for the benefit of humans, animals, and the environment.

Ibrahim (2000) stresses that Islamic accountability extends beyond mere spiritual dimensions to include social relationships, business dealings, and contractual obligations. Based on the comprehensive nature of the khalifah concept, which spans various facets of life, Ibrahim proposes ‘dual accountability’ as a framework for understanding Islamic accountability theory. This concept of dual accountability emphasizes responsibility firstly towards Allah SWT and secondarily towards fellow humans, reflecting the multifaceted obligations of an individual or entity under Islamic principles.

Expanding this concept within the context of waqf institutions, Masruki and Shafii (2013) argue that Islamic accountability includes both spiritual and secular dimensions. Spiritual accountability, as the primary obligation to Allah SWT, is intangible and will be accounted for in the hereafter. Secondary accountability, however, serves as the tangible realization of this primary accountability in the present world. Mechanisms such as accounting facilitate secondary accountability by providing a structured framework for upward accountability to waqifs and downward accountability to beneficiaries and the general public (Masruki & Shafii, 2013).

We extend Islamic accountability by specifying a translation mechanism that links the divine or spiritual plane of accountability—stewardship to Allah, grounded in amanah and intention—to the institutional or legal plane operationalized through PSAK 412 and contemporary reporting practices. In our model, divine obligations are not in tension with institutional expectations; instead, they are translated into institutional artefacts such as PSAK-aligned recognition, measurement, presentation, and disclosure, as well as publicly accessible summaries. This Dual-Accountability Translation model refines prior work by making explicit how moral intent is rendered into auditable artefacts and when that translation succeeds or fails under modern governance regimes. Subsequent sections elaborate on how this translation is observed empirically in the case and how it informs our analysis of post-PSAK 412 accountability practices.

4. Research Method

This research utilizes a qualitative single-case design, a versatile approach that allows researchers to delve into informants' perspectives and understand their interpretations and meanings of events or phenomena (Hennink et al., 2020). The study adopts a case study paradigm, a useful tool for conducting comprehensive analyses of specific cases or events, as highlighted by Creswell (2014)

Data was collected at Amanah Waqf Institution (pseudonym) through method triangulation comprising semi-structured interviews, observation, and document analysis. We purposively recruited participants who (i) hold administrative or managerial responsibilities; (ii) are actively involved in the cash-waqf unit; and (iii) possess working knowledge of financial accountability practices. Because cash waqf has attracted growing attention for community welfare, criterion (ii) ensured access to relevant processes. Snowballing was used to identify additional insiders who met these criteria.

All interviews were conducted with informed consent, and audio/screen recordings were made. Recordings were transcribed verbatim by the researchers and checked against the audio. Table 1 summarizes the interviewees' current roles, anonymized units, gender, interview duration, and interview mode.

Table 1.
Interviewee Profiles

Code	Position	Unit*	Gender**	Interview Duration	Mode
N1	Head	Management	M	01:07:52	Online (Zoom)
N2	Division Member	Division X	M	01:16:46	In-person
N3	Division Member	Division X	M	01:06:13	Online (Zoom)
N4	Treasurer	Finance/ Treasury	F	02:08:53	In-person
N5	Division Member	Division Y	F	28:37	Online (Zoom)
N6	Division Member	Division Y	M	01:17:12	Online (Zoom)

* "Division X/Y" are anonymised unit labels used to protect identities.
**M = Male, F = Female

Validity and reliability are essential components of the data testing process. Qualitative validity, as defined by Creswell (2014), involves verifying the accuracy of research findings through specific procedures, with data source triangulation being employed in this study. Reliability, on the other hand, ensures consistency in the research approach, even if applied by different researchers in varied contexts (Creswell, 2014). Yin (2009) underscores the importance of documenting case study procedures extensively to maintain the reliability of qualitative research. Accordingly, the researcher documented each step of the research process thoroughly, ensuring a transparent and reproducible methodology.

The interview guide was derived from the study questions and covered organizational background, accountability practices, and the implementation of PSAK 412. The full guide is provided in Appendix A. Observation focused on interactions and artefacts associated with receiving, recording, reconciling, and reporting waqf assets; contemporaneous field notes captured settings, actors, process sequences, and references to documents or systems, and were written up within twenty-four hours. Documentary materials were examined to corroborate or contest interview claims and to assess alignment with PSAK 412 requirements in recognition, measurement, presentation, and disclosure.

Analysis followed a thematic approach. Consistent with the research questions and conceptual framing, a small set of a priori themes was defined at the outset. Transcripts and fieldnotes were then subjected to open, line-by-line in-vivo and descriptive coding to preserve participants' terminology (for example, references to "report to leadership," "information system," or "belongs to Allah"). Through constant comparison, these initial codes were organized via focused and axial coding into data-driven sub-themes and categories, which were reviewed against the entire corpus and refined through triangulation with observation and documents. The resulting architecture—fixed themes with inductively generated sub-themes and categories—is documented in the codebook (Appendix B) with stable labels, definitions, and inclusion–exclusion rules to support traceability.

Each data source was analyzed within the same coding frame to enable integration. Interview excerpts provided accounts of routines and rationales; observation segments were open-coded with process labels and linked to interview codes to check sequence claims; documents were read analytically to extract PSAK-relevant items into a structured matrix for comparison with PSAK 412 requirements.

Data reduction proceeded iteratively to enhance analytic clarity. Non-substantive talk (e.g., greetings or digressions) was removed; repetitious segments were consolidated; observation notes were summarized into process timelines; and PSAK-relevant items from documents were cross-referenced to the codebook. All reductions and coding decisions were recorded so that reported findings can be traced back to the originating transcript lines, field-note entries, or document excerpts.

5. Results and Discussion

5.1. Financial Accountability Practices in Waqf Asset Management

The Amanah Waqf Institution implements financial accountability in the management of its waqf assets, tailoring its approach based on the type of waqf received. These types include permanent asset waqf, waqf through money, and cash waqf. A key aspect of their management strategy is the consistent education provided to waqifs about the waqf's purposes. This educational approach ensures that the waqifs are well informed about how their contributions are used and managed. Furthermore, the institution leverages technology effectively in delivering financial accountability.

5.1.1. Education on the Purpose of Waqf to Waqifs

At the Amanah Waqf Institution, the process of accepting a waqf asset involves thorough consideration of the institution’s ability to honor its trust. This includes evaluating the potential benefits of waqf allocation, compliance with government regulations, and the availability of necessary funds. A critical component of this process is the institution's commitment to educating waqifs about the purpose and implications of their endowment.

When engaging with waqifs, the Amanah Waqf Institution actively negotiates to align the waqif's intentions with feasible and beneficial outcomes. For a permanent asset waqf, this may involve presenting several alternative allocations. Options might include modifying the waqf's purpose to a broader objective, such as community welfare; selling the endowed assets to finance a project that aligns with the waqif's original intent on a different waqf land; or, if feasible and permissible, requesting additional time to fulfill the waqf's purpose as initially envisioned. This is evident in frequent instances of waqf assets not being used according to their intended purpose and needs (Abdullah, 2018; Hanefah et al., 2020; Huda, 2015; Ihsan & Ibrahim, 2011).

These negotiations aim to expedite the realization of the waqf allocation while respecting the waqif's intentions and the institution's capabilities. If an agreement is not reached during these discussions, the waqf asset is not accepted. However, if the waqif and the institution agree, the waqf process proceeds. This approach ensures that the waqf is managed effectively and in line with both the waqif's wishes and the institution's capacity to fulfill its commitments.

> "...when we were cross-selling, we introduced the potential donor, and previously the contract was *shighat muqayyad*, where they set the conditions. Now, the *shighat* is *ghairu muqayyad*, meaning a non-binding declaration. So, we try to persuade the wakif not to dictate the terms to us; they can donate the waqf, but for general purposes. For example, someone might say, 'I want to donate waqf, but it's up to the Amanah to decide how to use it.' That's what we aim to develop further..." (N5, 2h)

> "...If they set difficult conditions, we reject them..." (N1, 15a)

> "...Some agree, some don't. If they insist on a mosque, we can't accept it. It's difficult for a nazhir to manage the waqf if they request a mosque in an area where there are already many. It doesn't make sense. The government might also not permit it if there are too many mosques. So, such waqf proposals are not accepted. If they want to donate waqf, it should align with the area's actual needs. The donor's needs are important, but if they don't align with the needs of the community..." (N2, 15a)

5.1.2. Utilization of Technology

The Amanah Waqf Institution integrates technology into its waqf asset management, leveraging tools such as an in-house asset information system, a crowdfunding platform, and Microsoft Excel.

5.1.2.1. Asset Information System Application

The Amanah Waqf Institution uses the Amanah Asset Information System application to meticulously record and manage permanent waqf assets, including land, buildings, goods, and vehicles. Developed to enhance the monitoring and handling of crucial organizational assets, this system becomes operational once a waqf asset certificate is officially converted into the organization's name.

The system allows detailed asset information to be entered in a structured format. It not only records waqf assets but also provides timely reminders for critical dates, such as land lease expirations, term waqf durations, and periodic vehicle tax deadlines, based on the specific details of each land or vehicle asset.

Asset valuation in the system includes various approaches, such as using the acquisition price for land and vehicles, an estimated price for various assets, and the NJOP (tax value) for waqf land. However, filling in the valuation field is not mandatory, leaving some assets unvalued due to constraints on human resource capacity.

Once the admin inputs asset data, the system automatically consolidates the total value of all assets and displays these details on its homepage. This feature not only supports internal management but also serves as a reporting mechanism for the institution's leaders and affiliated entities. Leaders and representatives from related institutions are provided with user or guest accounts to monitor and review asset developments within their respective domains. Additionally, the system facilitates direct printing of asset recapitulations for report generation.

Every quarter, organizational leaders, alongside the Amanah Waqf Institution and other associated bodies, hold a meeting to evaluate and discuss the status and progress of waqf assets, leveraging data and insights from the Amanah Asset Information System. This systematic approach ensures thorough and effective management and oversight of waqf assets.

5.1.2.2. Crowdfunding Platform

In its efforts to accumulate waqf assets, particularly cash waqf and waqf through money, the Amanah Waqf Institution employs both traditional and modern methods. Beyond manual approaches such as distributing flyers and facilitating asset sales for waqf purposes, the institution has embraced digital innovation by using a crowdfunding platform.

This Amanah crowdfunding platform is designed to simplify waqf contributions for the public. It offers convenience and accessibility, allowing individuals to participate in waqf from any location and at any time. The platform's user-friendly interface enables donors to easily enter their personal details and specify their waqf intentions. Following this, they can complete their contributions through various digital payment methods, including a virtual account or QRIS (Quick Response Code Indonesian Standard).

5.1.2.3. Utilization of Microsoft Excel

Microsoft Excel is an essential tool for the Amanah Waqf Institution in managing cash waqf and waqf through money. When the institution receives these forms of waqf, the funds are first deposited into the organization's account at Sharia Financial Institution for Cash Waqf Collection (LKS PWU). Subsequently, the Amanah Waqf Institution records each transaction in Microsoft Excel, noting the waqif's name and the amount received.

While the recording process for both cash waqf and waqf through money utilizes Microsoft Excel, their reporting methods differ. Waqf funds are reported in a recapitulation report organized by specific projects. On the other hand, cash waqf is reported through comprehensive financial statements. These include the statement of financial position, a detailed report of waqf assets, an activities report, and a cash flow statement.

5.1.3. Internal SOPs and Review

To ensure accuracy and transparency, the Amanah Waqf Institution compares these internal reports with those made by LKS PWU. This process of cross-verification between the reports of the Amanah Waqf Institution and LKS PWU adds an extra layer of accountability.

The compiled reports are then regularly presented to the organization's leaders for review. The recapitulation report of waqf through money is shared on a weekly basis, while the financial report for cash waqf is submitted monthly. This systematic approach to record-keeping and reporting not only ensures financial transparency but also facilitates effective and accountable management of waqf funds.

5.2. Financial Accountability: To Whom

At the core of the Amanah Waqf Institution's financial accountability practices is the act of reporting to the regional organizational leaders. These leaders, in turn, relay the report to the central organizational hierarchy. This process establishes a structured channel of accountability within the organization.

In particular, the Amanah Waqf Institution's approach to financial accountability does not extend directly to other stakeholders, including waqifs, the general public, the BWI, and the Ministry of Religious Affairs. This stance is rooted in the belief that once assets are pledged as waqf, their ownership transcends human possession and belongs to Allah SWT. Thus, the Institution does not produce formal reports for the waqifs, focusing instead on fulfilling the waqf allocation as a manifestation of the trust bestowed by the waqif, which is ultimately seen as a trust from Allah.

This perspective is encapsulated in the words of a representative:

> "If land has been endowed, it already belongs to Allah. It shifts the right from individual ownership to the ownership of Allah. So, once it's endowed, it's no longer the property of the institution or the waqif; it returns to being the property of Allah. So, we need to safeguard Allah's assets, and my duty is to protect the waqif's trust, whose assets have shifted from an individual to belonging to Allah. Therefore, the responsibility is significant, and it must be made productive." (N1, 15h-k)

Another quote from the same informant reflects a similar understanding about the accountability of waqf:

> "Usually, those who want to see [the accounts] are people who don't understand waqf. For example, there's someone with 1 billion [currency]. However, they want to keep monitoring it, meaning they don't understand that waqf means relinquishing ownership sincerely for Allah, it has been given to Allah, and we just manage it." (N1, 23a)

However, the Amanah Waqf Institution continues to take specific measures to demonstrate accountability to the waqif. This includes visibly marking the use of waqf assets, like placing signboards on properties for permanent asset waqf, issuing certificates for cash waqf as stipulated by the regulator, and updating construction progress via WhatsApp for waqf through money. These actions serve as tangible indicators of the institution's commitment to the responsible management and utilization of waqf assets, aligning with the entrusted purpose of each endowment.

5.3. Implementation of PSAK 412

The Amanah Waqf Institution's application of PSAK 412 in its reporting for waqf through money and permanent asset waqf is not fully compliant. This is evident in the use of the Amanah Asset Information System for reporting permanent asset waqf and the recapitulation report for waqf through money. However, the policy for recognizing and measuring waqf assets in monetary terms aligns with the standards set out in PSAK 412.

For a permanent asset waqf, PSAK 412 stipulates that recognition should occur upon the physical and legal transfer of control over the asset. Legally, this transfer is recognized when the waqf pledge deed is executed at the Religious Affairs Office (KUA) in the presence of PPAIW. However, the Amanah Waqf Institution delays this recognition until the land certificate is converted into a waqf certificate in the organization's name, a process that typically takes about one month. This delay is intended to safeguard the waqf asset from potential claims or misuse by the heirs or family of the nazir, thereby preventing its neglect, loss, or fraudulent use, as highlighted by Huda (2015). However, this delay also poses a risk of fraud, signaling a need for regulatory policies that offer alternative methods for recognizing waqf assets.

In terms of measurement, the practice for permanent asset waqf at the Amanah Waqf Institution deviates from PSAK 412. Some assets are not valued as per the estimated price, NJOP price, or acquisition price, primarily due to limited human resources. This shortfall is reflected in the lack of detailed data and a limited understanding of accounting's role in financial accountability.

Additionally, the presentation and disclosure of information for both permanent asset waqf and waqf through money are not adequately addressed. While the financial reports for cash waqf by the Amanah Cash Waqf Institution have implemented some aspects of PSAK 412, they are not fully compliant due to the absence of Notes to the Financial Statements. Although recognition, measurement, and presentation for cash waqf adhere to PSAK 412, the lack of comprehensive disclosure indicates only a partial application of the standard. This is because the staff's understanding of PSAK 412 remains limited, and they do not yet view it as a framework for waqf accountability.

> "...I don't know the details, but maybe my colleagues do, like Mr. X, he might know—it's related to the cash waqf report, right..." (N1, 26a)

> "We developed our own accounting system...You can also ask Dr. Y, who is the one who created the report and the guidelines for recording and reporting. Later, if the report itself is ready, you can ask Mr. X." (N2, 11b)

> "As for following along for a long time, not really. I just listen here and there, and when it's on Zoom, I might be doing something else at the same time. So, not fully engaged, not really focused, not super enthusiastic." (N7, 23a)

> "...We adopted PSAK 412, but not fully. It means that out of the 10 elements in PSAK 412, we might only be using 5..." (N6, 9a)

This overall non-compliance in applying PSAK 412 suggests a limited understanding of the standard within the Amanah Waqf Institution. The institution has not yet fully embraced PSAK 412 as a guiding framework for its financial activities, resulting in its incomplete implementation. This gap highlights the need for enhanced training, resources, and regulatory guidance to ensure complete compliance with PSAK 412, thereby improving the financial accountability and transparency of waqf institutions.

5.4. Discussion

The Amanah Waqf Institution's approach to financial accountability varies depending on the type of waqf received and the recipients involved. Its practices align with Ibrahim’s (2000) Islamic accountability theory, which emphasizes trust (amanah) and entails accountability to both Allah SWT and humans. For the Amanah Waqf Institution, accountability to Allah SWT is manifested through the fulfillment of the waqf asset allocation as specified by the waqif. In contrast, accountability to humans primarily involves reporting to the organization's leaders. This form of upward secondary accountability, as identified by Ebrahim (2016), is directed towards those in higher organizational positions.

The institution’s stance toward human-facing accountability is more nuanced. Formal reporting is maintained to leaders, and interactions with waqifs typically occur only upon inquiry. While religiosity is often associated with ethical conduct (Agustina et al., 2022), the literature also cautions that religious identification does not automatically translate into greater transparency: Islamic identity, on its own, has not been found to increase disclosure (Lestari & Barokah, 2016). In line with a divine-ownership framing—where endowed assets are regarded as belonging to Allah rather than to the waqif or the institution—the organization does not consider formal written reports to waqifs obligatory. Faithful management in accordance with the waqif's trust is construed as the primary fulfilment of accountability to Allah SWT.

This approach may not align with waqifs' expectations for transparency and reporting. The Amanah Waqf Institution's limited accountability to humans, particularly to waqifs and the wider public, points to a transparency gap in its financial reporting. Such a lack of transparency can significantly impact public trust, potentially leading to a decline in the number of waqifs and their economic contributions. This is supported by the findings of Hasan et al. (2017) and Jalil et al. (2019), who noted a positive relationship between public trust and factors such as communication, accountability, and openness of information. They emphasized that public trust positively influences waqifs' willingness to endow their assets.

Although regulations mandate documenting the management of waqf assets, the institution's interpretation of accountability may hinder tangible reporting to human stakeholders, which is essential for monitoring waqf management. Yaacob (2015) emphasized that financial accountability in waqf institutions is driven by regulations, stakeholder demands, and religious image, becoming more effective in highly regulated environments. Therefore, designing regulations that promote transparency and accountability to a wider range of stakeholders is critical.

While the Amanah Waqf Institution's practices adhere to Islamic accountability principles, a significant gap remains in meeting the expectations of human stakeholders regarding transparency and openness. These elements are crucial for maintaining and enhancing public trust. Although technology can improve accountability (Mohaiyadin et al., 2022), the institution's limited understanding of who should be held accountable may hinder the effective use of waqf assets to promote social welfare.

Moreover, despite the introduction of PSAK 412, which underscores the importance of financial accountability to human stakeholders, a limited understanding of accountability among waqf institution actors could impede the effective implementation of these standards. This lack of comprehension may also affect transparency and the dissemination of financial information to stakeholders. The findings suggest that actors' perceptions and understanding of accountability are directly linked to the incomplete implementation of PSAK 412, highlighting the need for greater awareness and training to close this gap.

Regulatory requirements and PSAK 412 provide a structured basis for recognition, measurement, presentation, and disclosure. Yet the study shows that institutional conditions shape how far these requirements are realized in practice. Capacity constraints (limited trained staff and competing duties), a leader-centric governance orientation that treats internal review as sufficient, value alignment expressed through a divine-ownership framing that reduces the perceived need for outward disclosure, and relatively soft enforcement and guidance together help explain why application of PSAK 412 is selective in key areas (for example, recognition timing and Notes/Disclosure), even where intention to steward assets faithfully is strong. Technology—comprising an asset information system, a crowdfunding platform, and spreadsheet routines—supports internal reconciliations and periodic reviews but, on its own, does not convert practice into PSAK-consistent, public-facing reporting; digital tools enable, but do not determine, substantive accountability.

Conceptually, the paper advances a Dual-Accountability Translation perspective that moves beyond a purely normative treatment of accountability. The argument is that divine or spiritual accountability (to Allah) is translated into institutional outputs (PSAK-aligned statements, Notes, and accessible summaries) through organizational routines of recognition, measurement, presentation, and disclosure. The case study demonstrates that translation can remain partial when the conditions summarized above prevail, yielding a symbolic or selective mode of compliance in which internal reports and leader review occur but outward-facing reporting remains thin. Conversely, where standardized templates or mappings are used, staff are trained, and expectations are clearer, translation may shift toward a substantive mode in which PSAK-consistent statements are prepared and periodically communicated to broader audiences, potentially via digital channels. Modern governance regimes, therefore, do not replace Islamic accountability; they mediate and materialize it, and the present case clarifies when this mediation succeeds and when it stalls.

6. Conclusion, Implication, and Limitation

6.1. Conclusion

This study examined financial accountability in the management of waqf assets at Amanah Waqf Institution and assessed the post-implementation practice of PSAK 412. The evidence shows that accountability routines vary by waqf type, are supported by digital tools (an asset information system, a crowdfunding platform, and spreadsheets), and are predominantly oriented upward toward organizational leaders. In line with a divine-ownership framing, the institution does not consider formal written reporting to waqifs an obligation; fidelity to the waqif's intended use is construed as the primary fulfilment of accountability to Allah. While this stance strengthens purpose fidelity, it narrows secondary (human) accountability and limits external stakeholders' visibility into the stewardship of endowed assets.

With respect to PSAK 412, institutional reporting remains selective. For permanent-asset waqf and waqf-through-money, misalignments arise around recognition timing, measurement explanation, and especially the Notes/Disclosure section. Cash-waqf reporting by the affiliated unit applies elements of PSAK 412 but falls short of full compliance due to incomplete Notes. These patterns are linked to constrained staffing and competing duties, uneven understanding of accounting as a core component of accountability, and a limited appreciation of PSAK 412 as a facilitative instrument for transparent reporting. Technology supports internal reconciliation and review, but does not, by itself, convert practice into PSAK-consistent, public-facing reports and disclosures.

The paper advances a Dual-Accountability Translation perspective: divine or spiritual accountability (to Allah) is translated into institutional outputs (PSAK-aligned statements, Notes, and accessible summaries) through organizational routines. The case demonstrates how translation can remain partial—yielding symbolic or selective compliance—when capacity is thin, outward audiences are not prioritized, and guidance and enforcement are soft. The analysis thus clarifies why strong intentions to steward assets faithfully can coexist with limited outward transparency.

6.2. Limitations, Implications, and Directions for Future Research

This study has several limitations. First, the research window did not permit observation of the entire chain from receipt of waqf through to the issuance of waqf certificates; given the length of this process, the analysis necessarily relies on partial observation and triangulation with interviews and documents. Second, this single-case study privileges contextual depth over breadth and relies primarily on internal perspectives. External stakeholders—waqifs, beneficiaries, and regulators—were not interviewed, which limits direct inference about how outward audiences interpret the institution's reporting and what they consider credible or sufficient. Third, the analysis was conducted in the early post-implementation period of PSAK 412, when routines and interpretations may still be evolving; the degree to which soft guidance and limited enforcement observed here characterize other settings remains an empirical question.

The findings nonetheless carry clear implications for practice. For waqf institutions, movement from selective to substantive application of PSAK 412 is most plausibly achieved by pairing existing digital tools with structured supports that make reporting repeatable and outward facing. In practical terms, institutions should develop short PSAK 412 "micro-modules" for unit treasurers and division heads; adopt standardized statement and Notes templates with simple mapping from system exports and spreadsheets; use a recognition decision aid that clarifies timing and required disclosures when measurement is uncertain; and institute a routine in which internal monthly closes and quarterly reviews culminate in an annual PSAK-aligned report complemented by an accessible public summary on the institution's website. Because the study shows that technology alone does not guarantee substantive accountability, these steps should be embedded in a governance policy that formalizes dual accountability—divine and institutional—by naming the intended human audiences and specifying how, when, and in what form they receive reports.

The results also suggest implications for policy and regulation. Regulators and standard-setters could enhance compliance by providing light-touch guidance that is practical at the unit level: a short disclosure checklist focused on PSAK 412 Notes, a recognition decision tree that reduces ambiguity about "good enough" practice, and a capacity-tiered compliance tool that recognizes basic, intermediate, and advanced levels. Joint socialization and training with the Indonesian Waqf Board (BWI) and DSAS-IAI would help address uneven understanding of PSAK 412 as an instrument for accountability rather than solely a technical requirement. Because stakeholder legitimacy hinges on who is targeted and what is reported, it would be beneficial to encourage "disclosure tiers" that align content with audience: regulator-grade statements for BWI/Kemenag, concise annual summaries for waqifs and the public, and concise internal dashboards for leaders.

Future research would benefit from comparative designs that examine waqf institutions differing in affiliation, size, leadership orientation, and reporting capacity. Cross-case analysis can test whether the translation perspective and the observed compliance modes (symbolic/selective versus substantive) hold across organizational forms and enforcement contexts. Longitudinal studies could track transitions in reporting depth as institutions adopt training, statement/Notes templates, PSAK mapping tools, and clearer internal review routines; such designs would clarify whether digital systems and platforms function as catalysts only when paired with standardized mappings and outward-communication policies. Incorporating external stakeholders through interviews or surveys would allow direct assessment of legitimacy and trust effects, as well as of the kinds of reports and summaries that waqifs and the public find meaningful. Finally, partnering with regulators to pilot light-touch guidance—such as recognition decision trees, disclosure checklists, or maturity indices—would permit evaluating which instruments most effectively shift practice from selective to substantive PSAK 412 implementations without imposing undue administrative burdens.

Funding and Conflict of Interest Statement

The authors declare no competing interests related to this research. Financial support for this study was provided by the Faculty of Economics and Business, Universitas Gadjah Mada (Grant ID: 9722/UN1/EK/UJM/LT/2024).

Reference

Abdullah, M. (2018). Waqf, Sustainable Development Goals (SDGs), and maqasid al-shariah. *International Journal of Social Economics*, *45*(1), 158–172. https://doi.org/10.1108/IJSE-10-2016-0295

Agustina, Y., Amelia, Y., & BR, A. D. M. (2023). Does religiosity matter? Experimental research on abusive supervision in budgetary slack creation. *The Indonesian Journal of Accounting Research*, *25*(3), 437-460.

Bovens, M. (2006). Analysing and Assessing Public Accountability: A Conceptual Framework. *European Governance Papers (EUROGOV)*. http://www.connex-network.org/eurogov/pdf/egp-connex-C-06-01.pdf.

Bovens, M. (2010). Two Concepts of Accountability: Accountability as a Virtue and as a Mechanism. *West European Politics*, *33*(5), 946–967.

Creswell, John. W. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods* (Fourth Edition). SAGE Publication.

Ebrahim, A. (2016). The many faces of nonprofit accountability. The Jossey-Bass handbook of nonprofit leadership and management, 102-123.

Fauzi, R. M. Q., Hapsari, M. I., Herianingrum, S., Fanani, S., & Kurnia, T. (2022). The challenges of empowering waqf land in Indonesia: an analytical network process analysis. *International Journal of Ethics and Systems*. https://doi.org/10.1108/IJOES-03-2021-0061

Hanefah, M. M., Kamaruddin, M. I. H., Masruki, R., Johari, F., & Kamarubahrin, A. F. (2020). Empirical Analysis on Quality Waqf Reporting Practices of Waqf Institutions in Malaysia. *International Conference on Business and Technology (ICBT) 2020: The Importance of New Technologies and Entrepreneurship in Business Development: In The Context of Economic Diversity in Developing Countries*, 1565–1582. https://doi.org/10.1007/978-3-030-69221-6_115

Hasan, R., Siraj, S. A., Har, M., & Mohamad, S. (2017). Antecedents and Outcome of Waqif's Trust in Waqf Institution. *Journal of Economic Cooperation and Development* (Vol. 38).

Hennink, M., Hutter, I., & Bailey, A. (2020). *Qualitative Research Methods* (2E ed.). SAGE Publication Ltd.

Huda, M. (2015). *Mengalirkan Manfaat Wakaf (Potret Perkembangan Hukum dan Tata Kelola Wakaf Di Indonesia)* (F. Ulfah, Ed.). Gramata Publishing - Anggota IKAPI.

Ibrahim, S. H. M. (2000). *The need for Islamic accounting: perception of Malaysian Muslims accountants and academicians on the objectives and characteristics of Islamic accounting* [PhD thesis]. University of Dundee.

Ihsan, H., & Ibrahim, S.H.M. (2011). WAQF accounting and management in Indonesian WAQF institutions: The cases of two WAQF foundations. *Humanomics*, *27*(4), 252–269. https://doi.org/10.1108/08288661111181305

Ihsan, H., & Septriani, Y. (2016). Accountability Mechanisms for Awqāf Institutions: Lessons Learnt from the History. *JKAU: Islamic Econ*, *29*(1), 41–54. https://doi.org/10.4197/Islec

Ihsan, H., Sulaiman, M., Mohammad Alwi, N., & Akhyar Adnan, M. (2017). *A Study of Accountability Practice in Dompet Dhuafa Waqf of Indonesia*. *30*(2), 13–32. https://doi.org/10.4197/Islec

Indonesian Waqf Board. (2021). *Perbedaan wakaf uang dan wakaf melalui uang*. Retrieved from https://www.bwi.go.id/wp-content/uploads/2021/03/Perbedaan-Wakaf-Uang-dan-Wakaf-Melalui-Uang.pdf

Jalil, M. I. A., Yahya, S., & Pitchay, A. A. (2019). Building committed Waqif: the role of information disclosure. *Journal of Islamic Accounting and Business Research*, *10*(2), 185–215. https://doi.org/10.1108/JIABR-05-2016-0058

Laldin, M. A., & Djafri, F. (2021). The role of Islamic finance in achieving Sustainable Development Goals (SDGs). In *Islamic Finance and Sustainable Development: A Sustainable Economic Framework for Muslim and Non-Muslim Countries*. https://doi.org/10.1007/978-3-030-76016-8_6

Lestari, R. P., & Barokah, Z. (2016). Do Sharia Banks Disclose More? (An Empirical Study of Indonesian Banking Sector). *The Indonesian Journal of Accounting Research*, *19*(1).

Masruki, R., & Shafii, Z. (2013). The development of waqf accounting in enhancing accountability. Middle-East Journal of Scientific Research, 13(13), 1-6.

Mohaiyadin, N. M., Aman, A., Palil, M. R., & Muhamad Said, S. (2022). Addressing Accountability and Transparency Challenges in Waqf Management Using Blockchain Technology. *Journal of Islamic Monetary Economics and Finance*, *8*, 53–80. https://doi.org/10.21098/jimf.v8i0.1413

Osman, A. Z., & Agyemang, G. (2020). Privileging downward accountability in Waqf management. Journal of Islamic Accounting and Business Research, 11(3), 533-554.

Siswantoro, D., Rosdiana, H., & Fathurahman, H. (2018). Reconstructing accountability of the cash waqf (endowment) institution in Indonesia. *Managerial Finance*, *44*(5), 624–644. https://doi.org/10.1108/MF-05-2017-0188

Nahar, H.S., & Yaacob, H. (2011). Accountability in the sacred context: The case of management, accounting, and reporting of a Malaysian cash awqaf institution. *Journal of Islamic Accounting and Business Research*, *2*(2), 87–113. https://doi.org/10.1108/17590811111170520

Yaacob, H., Petra, S., Sumardi, A., & Nahar, H. S. (2015). Accountability through accounting and reporting lenses: Lessons from an awqaf institution in a Southeast Asia country. *Humanomics*, *31*(3), 299-313.

Yaacob, H., & Nahar, H.S. (2017). *Investigating Awqaf Management, Accounting and Investment Practices in Malaysia: The Case of a State Religious Institution*. 59. www.gjat.my

Yin, R. K. (2009). *Case Study Research: Design and Methods*. Sage.

Appendix

Appendix A.
Interview Guide (Anonymised)

Opening/Background

1. How was **Amanah Waqf Institution** first established?
2. Is the institution independent or formally affiliated with another body?
3. How is performance reported? Does the institution issue its own performance reports, or does it consolidate them with another entity?
4. Does the institution record the waqf assets it receives?
5. Does the institution prepare reports on the waqf assets it manages?
6. What types of reports are prepared?
7. What guidelines or standards are used when preparing these reports?
8. Is there any oversight or review of the institution's waqf asset management reports?

"How" (Processes and Mechanisms)

1. From which sources do the institution receive waqf assets?
2. What kinds of waqf assets are received?
3. When are waqf assets recognized as assets of the institution?
4. How are received waqf assets measured?
5. Does the institution maintain formal records for the waqf assets under management?
6. How are these records maintained?
7. Do waqifs specify the intended use of their waqf assets?
8. What is the end-to-end process from receiving a waqf asset to realizing its intended use?
9. Does the institution provide accountability reports for the waqf assets it manages?
10. How is accountability carried out in practice?

"To Whom" (Accountability Targets)

1. To whom are the institution's reports submitted or made accountable?
2. How are these reports communicated or delivered to each audience?
3. Are the institution's reports accessible to the general public?

Implementation of PSAK 412 (Waqf Accounting)

1. Are you familiar with PSAK 412 on waqf accounting?
2. Has the institution participated in any socialization/briefings or training on PSAK 412?
3. Does the institution apply PSAK 412 in preparing its financial statements/reports?
4. What has been your experience so far in applying PSAK 412?
5. What constraints or barriers have you encountered in implementing PSAK 412?

Appendix B.
Categorization and Coding

Themes	Sub-themes	Categories	Code
Waqf Management	Profile	History	T11
		Structure	T12
		Types of waqf	T13
		Persons-in-charge	T14
	Mechanism	Team work	T21
		Separation of duties	T22
		Strategy	T23
		Process	T24
		Policies	T25
	Value	Amanah	T31
Financial Accountability	Practice	Guidelines	A11
		Recording	A12
		Recognition	A13
		Measurement	A14
		Reporting	A15
		System	A16
		Supervisory	A17
	Stakeholders		A21
PSAK 412	Knowledge		P11
	Implementation		P21

intentionally blank