



Accounting for Waqf Institutions: A Systematic Literature Review on Reporting and Governance Models

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ABSTRACT

This study conducts a Systematic Literature Review (SLR) to explore how waqf institutions manage accounting, financial reporting, and governance. Drawing on 72 peer-reviewed articles published between 2010 and 2024 from Scopus, Web of Science, and ProQuest, this review maps out current practices, emerging trends, and ongoing challenges in waqf financial management. The findings show that many waqf institutions function as hybrid entities, balancing nonprofit goals with commercial activities, which calls for reporting models that can reflect both roles. In Indonesia, PSAK 112 is a key accounting standard for waqf, but its application remains inconsistent, leading to variation in transparency and accountability across institutions. Governance practices—such as internal controls, board supervision, external auditing, and the use of digital transparency tools—play an essential role but are not uniformly implemented. The review also highlights the growing potential of digital platforms and fintech to improve transparency, accountability, and stakeholder engagement. The study concludes by calling for standardized hybrid reporting frameworks, broader adoption of digital governance solutions, and more cross-country empirical research to strengthen the financial sustainability of waqf institutions.

Keywords: Waqf Accounting; Financial Reporting; Governance; PSAK 112; Hybrid Model; Digitalization; Systematic Literature Review.

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INTRODUCTION

Several studies indicate that many waqf institutions operate as hybrid entities—combining nonprofit characteristics with commercial activities—thus requiring a reporting model that can integrate both dimensions effectively. This hybrid nature raises practical questions about the appropriate types of financial statements and disclosures needed to reflect both waqf resource flows and associated business outcomes. In the absence of clear guidelines, reporting practices have become heterogeneous, ranging from fund accounting to activity-based and social reporting. This diversity creates challenges for stakeholders—including donors, beneficiaries, and regulators—in assessing the effectiveness and integrity of waqf management. A systematic literature review can help classify these practices and identify regulatory gaps (Umar & Haron, 2021).

At the national level, several countries have begun developing accounting standards or guidelines for waqf (e.g., certain PSAK initiatives in Indonesia and partial adoption of AAOIFI standards). However, implementation often faces administrative and technical obstacles, including a lack of professionals skilled in waqf accounting, underdeveloped digital reporting infrastructure, and regional variations in waqf legal interpretation. This gap between formal policy and field practice heightens the risk of non-transparency and asset misuse. Therefore, a literature review examining implementation studies can help identify barriers and strategies for effective standard adoption. Such synthesis is vital for designing policy interventions and institutional capacity building (Saputra, 2025a).

Transparency and accountability remain central issues because waqf management involves religious public assets intended for long-term community benefit. Field studies in various contexts reveal weak disclosure practices, a lack of independent audits, and limited social performance reporting relevant to donors and beneficiaries. These governance weaknesses not only undermine the effectiveness of waqf social programs but also create vulnerabilities to corruption and asset diversion. Hence, literature exploring governance models—including the role of management boards, oversight mechanisms, and state regulations—is essential to develop credible governance frameworks. Integrating reporting standards with governance mechanisms is key to strengthening accountability in waqf institutions (Saputra, 2025b).

The emergence of productive waqf and financial innovations such as micro waqf banks, cash waqf, and commercial waqf calls for accounting models capable of capturing investment activities, business outcomes, and social benefits simultaneously. Recent SLRs reveal that accounting practices for productive waqf are not standardized, with diverse approaches like fund accounting, activity-based reporting, and social reporting integration. This lack of uniformity makes it difficult to evaluate economic and social performance across waqf projects. Thus, a systematic literature analysis of productive waqf accounting models can offer a map of best practices and recommendations for harmonization—useful for practitioners seeking sustainable business models without compromising fiduciary goals (Saputra, 2025c).

The digital era brings both challenges and opportunities for waqf reporting. While digitalization can enhance public access to financial information and facilitate audits, many waqf institutions have yet to leverage technology for transparency. Literature assessing digital reporting initiatives shows a gap between technological potential (e.g., online reporting systems, blockchain for donation transparency) and actual adoption. This gap often stems from limited organizational capacity and insufficient regulatory incentives for digital reporting. Therefore, policy recommendations should aim to integrate modern accounting

standards with digital reporting mechanisms. Synthesizing research on digitalization also helps identify practical solutions to improve data accessibility for waqf stakeholders (Yusgiantoro et al., 2024).

An institutional perspective is frequently applied in waqf accounting studies because social norms, legal frameworks, and regulatory pressures significantly shape reporting practices and governance structures across jurisdictions. Empirical literature shows that institutional factors—such as waqf legal traditions, the role of state religious authorities, and the presence of supervisory bodies—affect both the transparency level and asset management models. Hence, a systematic review of institutional studies can explain how contextual variations influence standard adoption and governance practices. This understanding is crucial for formulating context-sensitive yet universally accountable recommendations. Cross-country SLRs can identify institutional patterns that promote best practices (Uula & Kassim, 2023).

A research gap also exists in measuring the social impact of waqf. Many studies emphasize the need for standardized social performance indicators to demonstrate waqf's contribution to community welfare. Without reliable indicators, it becomes difficult for donors and policymakers to evaluate asset allocation effectiveness and program outcomes. Furthermore, integration between traditional financial reporting and social impact reporting remains underdeveloped. Therefore, an SLR that inventories impact measurement methodologies, key indicators, and methodological gaps will be instrumental in developing comprehensive reporting guidelines. The results can inform the creation of social disclosure templates aligned with waqf accountability principles (Yudithia et al., 2025).

Given the multidimensional complexity of waqf management—spanning legal, accounting, governance, technological, and social aspects—a systematic synthesis of academic literature can make a substantial contribution to policy and practice development. An SLR enables the identification of research gaps, the formulation of a future research agenda, and the provision of recommendations for regulators, practitioners, and scholars on the most relevant and implementable reporting and governance models. Thus, this background underscores the urgency of conducting a systematic and structured SLR to address the pressing need for harmonization and enhanced accountability in waqf institutions.

Prior Research

1. Khotib et.al (2025). This study explores how Islamic microfinance institutions manage risks and develop cash waqf, focusing on the Mawar Cooperative in East Java as a case example. The research is grounded in the growing significance of cash waqf as a sustainable financial instrument within Islamic finance, especially for institutions that aim to achieve both social welfare and economic empowerment. As an officially registered nazhir (wqf manager), the Mawar Cooperative has demonstrated successful cash waqf management through a combination of direct and indirect investment strategies, making it a promising model for similar institutions. The goal of this study is to examine the cooperative's risk management practices and strategic approaches in optimizing cash waqf for community development. Using a qualitative case study approach, data were collected from financial statements, waqf allocation reports, and interviews with key stakeholders. The findings show that the Mawar Cooperative applies a dual investment strategy—directly financing its members and indirectly investing through partnerships with Islamic financial institutions—to reduce risks and generate stable returns. The discussion highlights how the cooperative maintains compliance with regulatory guidelines, ensures transparency, and creatively channels waqf funds into education,

religious activities, and economic empowerment programs. The uniqueness of this study lies in its empirical examination of a microfinance institution's role in managing cash waqf, offering practical lessons for policymakers and Islamic financial practitioners. The study concludes that strong risk management and strategic development of cash waqf can support both financial sustainability and social impact, providing a model that other institutions can adopt and adapt.

2. Salsabila et.al (2025). This study aims to examine the strategies employed by BMM and BSI Maslahat to enhance accountability and transparency in the management of digital waqf instruments. The research adopts a qualitative approach with a two-case study design. Data were analyzed using the Miles, Huberman, and Saldana interactive analysis model with the support of NVivo 12 software. Using Sharia Governance Theory as the overarching theoretical framework, the study identifies several key strategies used by both institutions to improve accountability and transparency. These strategies include conducting regular independent audits, establishing an independent oversight committee, implementing the Waqf Core Principles (WCP), providing integrated online platforms, involving stakeholders throughout the process, publishing open financial reports on their websites, and adopting blockchain-based reporting systems. By examining these institutional strategies, the research offers deeper insight into the growing development of digital waqf management. The findings also hold practical value for the public, as they can strengthen trust and encourage greater participation in cash waqf contributions. Ultimately, this study argues that reinforcing accountability and transparency is essential to optimizing digital waqf fundraising instruments and fostering the sustainable growth of waqf in Indonesia.
3. Lestari et.al (2025). Qur'anic waqf, as a form of both social and spiritual philanthropy, plays an important role in promoting religious literacy and supporting social welfare. However, its operational management often encounters challenges such as distribution inefficiencies, limited transparency, and difficulties in maintaining public trust, which can reduce its effectiveness in serving intended beneficiaries. This study analyzes how the Waqf Core Principles (WCP) framework is applied to manage operational risks at the Solo Qur'anic Waqf Board (BWA). Using a descriptive qualitative method, data were collected through direct observation and in-depth interviews with the branch manager of BWA Solo. The findings show that BWA Solo has effectively implemented several key aspects of the WCP, particularly in promoting financial transparency, accountability, and fair distribution of waqf resources. Nonetheless, some challenges remain, including inconsistencies in risk management practices and the potential for mismanagement in certain operational processes. Additionally, the growing complexity of waqf management in the digital era requires continuous improvements in governance and system security. This study underscores the significant role of the WCP framework in enhancing operational efficiency and institutional credibility within waqf organizations. It also recommends strengthening risk mitigation strategies through technological integration, such as the use of Artificial Intelligence (AI) to improve monitoring and reporting systems. Addressing these challenges can help waqf institutions achieve greater sustainability and social impact, while also fostering increased public trust and participation in waqf-based programs.
4. Manaf et.al (2025). Uncertainties regarding the Shariah compatibility of blockchain and smart contracts, along with inadequate data protection mechanisms, present risks to the integrity of waqf management. Nevertheless, opportunities remain to modernize waqf administration by strengthening

the Computer Crimes Act (CCA) and the Personal Data Protection Act (PDPA) to enhance cybersecurity and data privacy. This article critically examines the legal challenges and opportunities associated with the digital transformation of waqf management in Malaysia. Its main objective is to identify regulatory barriers and propose potential reforms for integrating digital technologies—such as blockchain and online fundraising platforms—into waqf governance. The study adopts a qualitative approach by reviewing the current legal framework, including state-level Islamic law, the PDPA, and the CCA, alongside an assessment of Shariah compliance considerations. The findings reveal notable gaps in the regulation of digital tools within existing waqf laws. This article highlights the need for a harmonized legal framework that aligns technological advancements with Islamic legal principles. Future reforms should prioritize developing a standardized digital governance model for waqf institutions across different states to strengthen regulatory compliance and improve transparency. The study offers valuable implications for policymakers, waqf managers, and legal scholars in enhancing the social and economic contributions of waqf in the digital era.

5. Rafiqi & Umar (2025). This study examines the comparative regulation and implementation of waqf policies in Indonesia and Malaysia by analyzing differences in their legal frameworks, asset management systems, legal certainty, transparency practices, technology adoption, institutional support, and public education efforts. The main purpose is to understand the fundamental distinctions in waqf governance between the two countries and to identify how these differences influence the effectiveness and efficiency of waqf management. The study employs a normative legal approach combined with comparative analysis. This method involves several structured stages to ensure that the data collected are valid, reliable, and relevant. Sources of data include national laws and regulations, policy documents, and academic literature related to waqf practices in Indonesia and Malaysia. The findings indicate that Malaysia shows stronger performance in waqf asset management, legal certainty, transparency, and the use of advanced technology and innovation. Meanwhile, Indonesia continues to face challenges, particularly regarding complex regulatory systems, the managerial capacity of nazhir (waqf managers), and limitations in technical and financial support. These findings suggest the need for reforms in Indonesia's legal framework and capacity-building programs for nazhir. Additionally, greater technology integration, increased financial support, and improved public education are crucial to enhancing waqf management effectiveness. By implementing these improvements, waqf administration in Indonesia has the potential to become more efficient, productive, and capable of generating greater social benefits.
6. Ismail et.al (2025). This paper examines the modernization of waqf institutions through the integration of emerging technologies such as blockchain, artificial intelligence (AI), and digital platforms. Historically, waqf has functioned as an important instrument for socio-economic development in Muslim societies, yet inefficiencies in management and limited transparency have restricted its overall impact. To address these challenges, this study proposes a "Smart Waqf" framework that leverages digital transformation to strengthen asset management, enhance stakeholder trust, and support sustainable development goals. The discussion draws on case studies and contemporary models from selected Muslim-majority countries to illustrate how these technologies can be implemented in practice. The paper also presents policy recommendations to guide the effective and Shariah-aligned adoption of digital solutions in waqf governance.

7. Rahaman & Ishak (2024). The absence of a dedicated risk management division within the waqf organizations of the State Islamic Religious Councils (SIRCs) in Malaysia has contributed to financing constraints due to unmanaged risk exposures. This lack of structured oversight also affects overall waqf operational activities, particularly the development and sustainability of waqf asset portfolios. Therefore, establishing a formal risk management unit within SIRC waqf institutions is essential to improve performance, strengthen governance, and restore public confidence in waqf management. This study investigates the challenges and issues that give rise to risk exposure, as well as the underlying factors contributing to the absence of risk management structures within waqf organizations. Semi-structured interviews and content analysis were employed, with the results analyzed descriptively. The findings reveal that waqf operations currently lack a systematic risk management strategy, and existing initiatives are insufficient to address risks effectively. To address this gap, the study proposes an integrated risk management mechanism based on the COSO Enterprise Risk Management (ERM) framework. The findings highlight the framework's potential to enhance governance, reduce operational and financial risks, and support the development of a sustainable waqf asset portfolio. Ultimately, this approach can improve accountability, increase institutional resilience, and secure long-term benefits for stakeholders.
8. Ikram et.al (2024). The purpose of this research is to examine how waqf assets are managed and reported in accordance with PSAK 112, using the Ministry of Religion of South Sulawesi as a case study. In addition, this study aims to evaluate the accountability of waqf management within the Ministry through the lens of Sharia Enterprise Theory. This research employs a qualitative method with a phenomenological approach, using in-depth interviews with selected informants. The interview data were then reduced, organized, and analyzed to draw conclusions. To ensure the validity and reliability of the findings, data triangulation was conducted using multiple sources. The results of the study reveal that the waqf accounting practices at the South Sulawesi Ministry of Religion remain relatively simple and primarily follow regulations issued by the central ministry. The accounting treatment has not been fully aligned with PSAK 112 due to the lack of standardized adjustments in waqf financial reporting procedures. However, from the perspective of Sharia Enterprise Theory, the waqf management at the Ministry demonstrates accountability and transparency, as evidenced by the openness of information and clear accountability practices that are formally communicated to stakeholders.
9. Suci & Waluyo (2024). The preparation of financial statements in waqf institutions is essential for demonstrating accountability and transparency. This study aims to develop a framework for preparing waqf financial statements in accordance with PSAK standards. The research adopts a qualitative approach with descriptive-analytical methods, using documentation and literature as the primary data sources. The study was conducted at Yayasan Al Ihsan Permata in Depok, Indonesia. The results indicate the development of a comprehensive framework that can enhance the quality and accountability of waqf financial reporting. The findings also highlight the importance of having competent human resources who understand and are able to apply PSAK standards in the preparation of financial statements. These results provide practical solutions for waqf institutions in addressing challenges related to the implementation of PSAK 112, while also contributing to the theoretical understanding of Islamic accounting practices in waqf management. However, this study is limited by

the scope of its data sources and research methods. Future research is recommended to involve a larger number of waqf institutions across different regions in Indonesia, allowing for broader analysis and more generalizable findings.

10. Arwin et.al (2024). PSAK 112, which regulates waqf accounting, plays a significant role in improving transparency and accountability within Indonesian waqf institutions. By applying this standard, waqf organizations are expected to present financial reports that are more accurate and transparent. This allows donors and the wider community to clearly understand how waqf funds are being managed. As a result, public trust in waqf institutions increases, encouraging more active participation and contributions from the community. At the same time, PSAK 112 provides a clear framework for waqf institutions in preparing financial statements and managing assets. The implementation of this standard also supports a more systematic and objective auditing process, which further strengthens institutional accountability. With greater transparency, waqf organizations are better positioned to maximize the impact of their programs and optimize the use of their assets and funds.
11. Wilantini et.al (2023). The preparation of accountable financial reports is a key form of responsibility for waqf assets entrusted by the wakif to institutions or agencies acting as nadzhir. High-quality financial reporting increases public trust, while poor reporting can reduce confidence. PSAK 112, which governs waqf accounting, provides guidance to nadzhir in preparing more accurate and transparent financial reports for waqf assets. This study employs a qualitative descriptive approach, with research conducted at LAZISMU Pamekasan and KSPPS Nuri in East Java. Data were collected through observations, interviews, and document analysis. The findings indicate that both LAZISMU Pamekasan and KSPPS Nuri have demonstrated accountability according to the indicators and factors of financial report accountability. However, the application of PSAK 112 remains limited. At LAZISMU Pamekasan, compliance with PSAK 112 is only 35%, with 65% requiring improvement. Similarly, KSPPS Nuri shows 41% conformity, with 59% still needing adjustment. These results suggest that the financial statements of cash waqf funds at both institutions are still incomplete compared to the standards outlined in PSAK 112. Furthermore, there has been no formal directive from leadership to implement PSAK 112, nor any structured socialization or training from authorities to support its adoption.
12. Nawirah, & Fikri (2022). The purpose of this research is to examine and develop waqf financial accounts. This study adopts a qualitative approach with a descriptive method and was conducted at the Sabilillah Mosque Cooperative in Malang City. The analysis focused on the treatment of cash waqf received by the cooperative's management, assessing compliance with the waqf accounting standards outlined in PSAK 112. Financial statements were then prepared in accordance with these standards, as endorsed by the Indonesian Institute of Accountants. Overall, the findings indicate that the accounting treatment based on PSAK 112 was well-implemented and effectively conveyed information regarding cash waqf receipts. The financial statements produced by the Sabilillah Mosque Cooperative include the income statement, cash flow statement, and balance sheet. However, some reports required by PSAK 112 were not yet prepared, including waqf activity reports, statements of changes in waqf assets, and notes to the financial statements.
13. Hj. Mohaiyadin et.al (2022). This study explores how blockchain technology can address accountability and transparency challenges in waqf management systems by applying institutional

theory and Islamic institutional logic. An interpretative qualitative approach is employed, using case studies of waqf administrators at Malaysian public universities, with data analyzed through open, axial, and selective coding techniques. The findings reveal several challenges and solutions aligned with different forms of isomorphism. In terms of coercive isomorphism, two transparency-related challenges are identified: (1) errors in the issuance of receipts, which can be addressed through blockchain-enabled individual network technology and unique ID identifiers; and (2) difficulties in waqf distribution, which blockchain can help resolve through controlling tools, public ledgers, and access to distribution data. For normative isomorphism, two accountability challenges are highlighted: (1) difficulties in monitoring waqf activities, mitigated by blockchain-enabled internal control; and (2) decision-making in waqf distribution, which can be enhanced by blockchain solutions that increase stakeholder awareness. Regarding mimetic isomorphism, one accountability challenge exists in the integration of systems, which can be addressed by blockchain-enabled traceability. This study contributes to both theory and practice by extending institutional theory and Islamic institutional logic, while also offering practical insights and best practices for implementing blockchain in waqf institutions to improve accountability and transparency.

14. Abu Talib et.al (2020). This paper aims to enhance understanding of the institutional pressures that influence the adoption of waqf accounting and reporting. Specifically, the study addresses two research questions: (1) What are the challenges faced by waqf institutions in adopting waqf accounting and reporting? and (2) How do institutional pressures shape the adoption of waqf reporting in Malaysia? Drawing on DiMaggio and Powell's institutional theory and Scott's institutional framework, this study provides empirical evidence of how institutional pressures affect waqf reporting adoption and the associated challenges in Malaysian waqf institutions. A qualitative research method with an explanatory case study design was employed. Data were collected through semi-structured interviews with accountants from the State Islamic Religious Council (SIRC) and Customs of Terengganu, informal conversations with the Deputy Director of the Accountant General's Department of Malaysia, and document reviews, primarily including research papers from the Malaysian Accounting Standards Board. The study finds that coercive pressures, such as government regulations, contribute to challenges in adopting waqf accounting and reporting. Normative pressures affect the standardization of waqf accounting practices, while mimetic pressures influence the comparability of waqf reporting across different SIRCs. In efforts to standardize waqf accounting and reporting, the implementation process in the State Islamic Religious Council of Terengganu demonstrates institutional isomorphism shaped largely by coercive influences from board members and the Fatwa council (religion logic), with minor contributions from normative isomorphism (participants' education and professional background) and mimetic isomorphism (imitation of other SIRCs due to ambiguous practices). This study contributes to knowledge by extending institutional theory and exploring the role of religion logic from an Islamic perspective in organizational behavior and accounting development within SIRCs. While focused on challenges in adopting waqf accounting and reporting, the findings may also inform the adoption of other accounting standards or regulations. The paper highlights important implications for both research and practice, emphasizing the need to consider contextual factors that influence decisions to adopt waqf accounting and reporting. Standard setters should recognize how institutional and religious contexts shape the move toward standardized accounting and reporting

practices for waqf. By examining the interaction between institutional pressures and religion logic, this study offers a novel perspective on understanding the intentions of waqf institutions to adopt formal accounting and reporting systems.

Research Gap

Despite significant progress in waqf accounting, reporting, and governance, several notable gaps remain:

- a. Most existing studies focus on individual waqf institutions or specific geographic regions, such as Malaysia or Indonesia, without providing comprehensive cross-country or cross-sector comparisons that fully integrate governance and reporting dimensions.
- b. Although some research examines the application of PSAK 112 in waqf accounting, inconsistencies persist in standardized reporting and its implementation across institutions, especially in emerging digital waqf contexts.
- c. Legal and regulatory frameworks for waqf governance have been studied independently, yet there is a lack of integrative analysis connecting governance effectiveness with accounting transparency and digital transformation challenges.
- d. While emerging technologies such as blockchain and AI have been considered, immature Shariah-compliance frameworks and cybersecurity concerns limit their strategic adoption in waqf governance and reporting.
- e. Risk management practices, particularly formal and systematic frameworks within waqf institutions, remain underexplored, with few studies addressing holistic approaches to mitigating operational and financial risks.
- f. Limited research has synthesized the effects of institutional pressures—coercive, normative, and mimetic—on waqf accounting adoption and governance reforms, particularly from an Islamic organizational behavior perspective integrating religion logic.
- g. Most prior work relies on qualitative case studies, with a lack of comprehensive systematic literature reviews that theoretically and empirically synthesize reporting and governance models to define best practices.

Research Novelty

This study, titled Accounting for Waqf Institutions: A Systematic Literature Review on Reporting and Governance Models, offers unique contributions by:

- a. Conducting the first systematic literature review that simultaneously examines waqf accounting and reporting standards, governance frameworks, and the integration of digital innovations aligned with Shariah compliance.
- b. Synthesizing a wide range of studies spanning financial reporting (including PSAK 112 implementation), governance models, risk management, and emerging technology to identify overarching themes and gaps.
- c. Highlighting inconsistencies and challenges in waqf financial reporting and governance across different institutional contexts, while proposing a unified conceptual framework that links reporting transparency with governance effectiveness.

- d. Integrating institutional theory with Islamic organizational logic to better understand how internal and external pressures influence the adoption of formal accounting and governance practices in waqf institutions.
- e. Offering practical and policy guidance for harmonizing accounting standards, regulatory frameworks, and technological innovations to enhance institutional trust, accountability, and sustainability in diverse contexts.
- f. Addressing the intersection of digital transformation risks and opportunities in waqf governance and reporting, with recommendations on cybersecurity, Shariah compliance, and stakeholder engagement.
- g. Supporting future empirical research by clarifying research gaps and methodological directions to advance waqf financial accountability and governance mechanisms globally.

RESEARCH METHODOLOGY

Research Approach

This study employs a Systematic Literature Review (SLR) to identify, evaluate, and synthesize academic publications related to accounting, reporting, and governance practices in waqf institutions. The SLR approach is selected because it enables a comprehensive overview of current academic trends, reporting models, and governance practices worldwide, while also helping to clearly highlight gaps within existing research.

Data Sources

The data for this study consists of journal articles, conference proceedings, and academic publications indexed in Scopus, Web of Science, and ProQuest. The criteria for selecting articles include: Publications dated between 2010 and 2024, A focus on accounting, financial reporting, or governance of waqf institutions, Written in either English or Indonesian and Containing empirical or conceptual analysis related to reporting and governance models.

Search Strategy

The literature search was conducted using the following keyword combinations: “Waqf accounting”, “Waqf financial reporting”, “Waqf governance”, “PSAK 112”, and “Islamic endowment reporting”. The search was performed systematically across the three databases, with filtering based on relevance, abstract review, and full-text availability. After initial screening, 72 articles met the inclusion criteria.

Article Selection Procedure and Inclusion/Exclusion Criteria

The selection process followed the PRISMA guidelines (Preferred Reporting Items for Systematic Reviews and Meta-Analyses).

- a. Inclusion Criteria: Articles discussing waqf accounting models, financial reporting practices, or governance mechanisms.
- b. Exclusion Criteria: Duplicate entries, non-academic publications, and articles without accessible full text.

This process resulted in a final dataset of 72 articles for detailed analysis.

Data Analysis

Data analysis was conducted in two stages:

- Bibliometric Analysis: To identify publication trends, geographical distribution of studies, and the most influential journals in the field of waqf accounting and governance.
- Thematic Content Analysis: Articles were coded to identify key thematic categories, including:
 - ✓ Financial reporting models (nonprofit-based, hybrid models, PSAK 112 implementation)
 - ✓ Governance practices (internal control, board oversight, external audit, digital transparency)
 - ✓ Key challenges and research gaps
 - ✓ Recommendations for improving reporting and governance frameworks

The thematic findings were synthesized into a visual flow diagram and summary tables to help clarify emerging trends and gaps.

Validity and Reliability

To ensure internal validity, all selected articles were verified as peer-reviewed and sourced from reputable academic databases. Additionally, the content coding process was conducted through triangulation by two researchers to ensure consistency and reliability in the interpretation of thematic patterns.

Research Results

This study draws on a Systematic Literature Review (SLR) of 72 journal articles and conference papers published between 2010 and 2024 that discuss accounting, financial reporting, and governance in waqf institutions. The analysis employed bibliometric techniques and thematic content analysis to identify trends, reporting models, and governance practices currently being developed.

Trends in Waqf Accounting Research

The review shows a significant increase in publications on waqf accounting since 2015, particularly those examining Indonesia's PSAK 112 accounting standard and financial reporting practices in Indonesia and Malaysia. Many studies emphasize the need to harmonize nonprofit-based reporting with profit-oriented operational activities carried out by waqf institutions. This highlights that many waqf institutions function as hybrid entities, combining socio-religious objectives with economic activities.

Financial Reporting Models

The reviewed articles identify several commonly used reporting models, including traditional nonprofit financial statements, PSAK 112-based reporting, and hybrid models that integrate elements of profit-oriented reporting. Several studies stress the importance of transparent disclosure regarding sources of waqf funds, allocation mechanisms, and the outcomes of asset management.

Governance and Transparency

The literature indicates that waqf governance typically involves internal oversight mechanisms, managerial boards, and external audits. However, there is notable variation in the implementation of Good Governance principles, especially regarding transparency, accountability, and community participation.

Recent studies highlight the role of digital technologies—including online reporting systems and blockchain—in enhancing oversight and transparency.

Challenges

The review identifies several key challenges: Inconsistent reporting standards across waqf institutions, Limited cross-country comparative research on accounting and governance practices, and A lack of literature on digital waqf and integration with Islamic fintech platforms. Overall, while research on waqf accounting and governance continues to develop, the field still needs more standardized reporting frameworks and more transparent, technology-based governance mechanisms.

Discussions

Implications of the Hybrid Model

Waqf institutions that combine social programs with productive economic activities often face reporting dilemmas. The hybrid reporting model allows institutions to represent both aspects, but a widely accepted standard has not yet been established. This suggests the need for a specialized hybrid accounting framework that supports accountability and facilitates performance evaluation.

The Role of PSAK 112 in Promoting Transparency

PSAK 112 provides a formal accounting structure for waqf in Indonesia, covering recognition, measurement, and disclosure of waqf assets. However, implementation varies across institutions. Studies indicate that consistent application of PSAK 112 can increase public trust and make it easier to monitor the use of waqf funds.

Digitalization and Technological Innovation

Information technology has proven to be a vital tool for improving waqf governance and reporting. Digital reporting systems, blockchain, and smart contracts can enhance transparency, reduce fund mismanagement risks, and encourage donor participation. Recent literature also highlights the potential for integrating waqf management with Islamic fintech platforms to facilitate donations and performance monitoring.

Future Opportunities

The study identifies several research opportunities, such as: Developing international reporting standards for waqf institutions, Conducting comparative cross-country governance studies, and Integrating traditional governance models with digital platforms. Future research is encouraged to focus on developing technology-supported reporting models and conducting empirical evaluations of governance effectiveness in enhancing waqf sustainability.

CONCLUSION

The SLR indicates that although research on waqf accounting and governance is growing, challenges remain in achieving consistent reporting models and transparent governance systems. Digitalization and the implementation of PSAK 112 present promising solutions, but further research is needed to develop suitable hybrid accounting frameworks for waqf institutions in Indonesia and globally. This study recommends: First, Development of Hybrid Reporting Models; Waqf institutions operating as hybrid entities should adopt reporting models that integrate nonprofit and profit-oriented dimensions to enhance

transparency and accountability. Second, Consistent Implementation of PSAK 112; Uniform application of PSAK 112 is essential to improving donor trust and harmonizing reporting practices. Clear implementation guidelines from relevant authorities would support this effort. Third, Utilization of Digital Technologies; Adopting digital platforms, blockchain systems, and smart contracts can strengthen transparency, monitoring, and auditing processes. Fourth, Capacity Building for Human Resources; Waqf institutions should improve managerial and accounting competencies through regular training and workshops on waqf accounting, auditing, and digital governance. Fifth, Further Research and Cross-Country Studies; Future studies should compare governance and reporting practices across countries and assess the impact of digitalization on long-term sustainability. Sixth, Collaboration with Islamic Fintech Platforms; Partnering with Islamic fintech can simplify donations, support real-time fund monitoring, and encourage participation from younger donors. Seventh, Enhancing Transparency and Public Participation; Waqf institutions should publish financial reports regularly and provide easily understandable information, while engaging the public through feedback mechanisms and community-based oversight.

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