

Contemporary *Waqf* Reporting Practices and Governance in Malaysia: A Systematic Literature Review

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Abstract: *This study aims to conduct a Systematic Literature Review (SLR) following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines to investigate the governance of waqf reporting practices in Malaysia. The importance of mutawalli accountability and adherence to Islamic law in the waqf administration has been recognized since the time of the Ottoman Empire. However, research in this area is limited. By conducting a comprehensive search on the Web of Science (WOS) and Scopus databases, this review aims to identify empirical research on waqf reporting practice and governance. The findings will provide valuable insights for practitioners, policymakers and standard setters, helping them improve waqf reporting and governance practices. This study will contribute to the understanding of current waqf reporting practices, identify key factors influencing mutawalli accountability and examine the alignment of waqf reporting practices with Islamic principles. By following PRISMA guidelines, this review ensures a rigorous and systematic approach, providing a comprehensive overview of the state of waqf reporting practices and governance in Malaysia.*

Keywords: Waqf reporting, waqf institutions, governance, Systematic Literature Review (SLR), Preferred Reporting Items for Systems Review and Meta-Analyses (PRISMA)

1. Introduction

The term "*waqf*" originates from Arabic and signifies "to hold" or "to stop." It is a prominent tool in Islamic finance and can be traced back to the time of the Prophet Muhammad (Peace Be Upon Him). Throughout Islamic history, *waqf* has played a significant role in shaping the financial landscape of Muslim societies. Imtiaz (1988) argues that devout Muslims should dedicate their possessions, which are in good condition, useful and valuable, to gain the approval of Allah Subhanahu Wa Ta'ala (SWT).

However, the establishment of the *waqf* system in Malaysia faces criticism for the lack of an accountability model for *waqf* institution administration. This criticism stems from various restrictions, including supervisory and regulatory processes. Ihsan and Adnan (2009) propose that the *waqf* manager (*mutawalli*) should address this accountability issue by providing reports to the *waqif* (the principal donor), the *waqf* board of institutions, beneficiaries, and the *ummah* (society). The concept of accountability can be referred to as submission, transparency,

independence, confidentiality, faith and justice (Mohamad Yunus and Mustafa, 2016), with these terms being interchangeable. To address the accountability concerns within *waqf* organizations, it is suggested that a combination of self-regulation and legal restrictions be applied to individuals such as *mutawallis* (Mohamad Yunus and Mustafa, 2016). However, according to Kamaruddin (2018), this approach fails to highlight the specific types of reporting required and the prioritization of stakeholder interests within *waqf* institutions.

Hassan et al. (2018) propose the introduction of cash *waqf* and land *waqf* instruments to broaden the scope of *waqf* operations. Cash *waqf* serves as a primary method for raising funds, allowing individuals to contribute cash without the need for fixed assets (Hassan et al., 2018). On the other hand, land *waqf*, as explained by Mohsin (2008) and supported by Hassan et al. (2018), is typically utilized for various purposes, including the construction of social goods such as education and healthcare facilities, public infrastructure such as roads, bridges, and national security initiatives, assistance to the needy and the poor through orphanages and homes for the elderly, establishment of commercial enterprises, provision of utilities such as water and sanitation, infrastructure for religious services like mosques and graveyards, generation of employment opportunities, and support for the agricultural and industrial sectors, all without burdening the government with associated costs.

Waqf reporting information plays a crucial role in improving the effectiveness of *waqf* management and enabling *mutawallis* to assess their performance (Ihsan, 2007). Similarly, Abu Talib, Abdul Latiff and Aman, (2020) emphasize the importance of *waqf* reporting in enhancing transparency, accountability, and implementing good governance practices within *waqf* institutions. The *mutawalli*, responsible for the professional administration of *waqf* funds raised from the public, plays a key role in *waqf* operations.

According to Kamaruddin et al. (2018), *waqf* institutions act as intermediaries between *waqif* and beneficiaries, with the responsibility of managing *waqf* funds and disclosing relevant information about the *waqf* fund itself. In order to ensure good disclosure practices, both financial and non-financial information regarding all *waqf* activities, programs and projects should be covered. This information can be classified into five categories: corporate information, strategy information, financial performance information, financial statement information and non-financial performance information (Kamaruddin et al., 2018).

This article serves as a comprehensive exploration of the governance of *waqf* reporting practices, drawing upon a thorough review of existing empirical research papers. Its main objective is to present a summary of the key insights obtained from the literature and identify potential research gaps that warrant further investigation in the future. By analyzing and synthesizing the findings of previous studies, this article makes a valuable contribution to the existing body of knowledge on *waqf* reporting. It offers a holistic understanding of the current state of governance in *waqf* reporting practices, shedding light on the strengths, weaknesses, challenges, and opportunities identified in the literature.

Furthermore, this article emphasizes the importance of future research in bridging the identified research gaps. It highlights areas where additional studies could delve deeper, such as exploring innovative reporting mechanisms, examining the impact of technological advancements on *waqf* reporting, investigating the role of stakeholders in shaping reporting practices and evaluating the effectiveness of regulatory frameworks governing *waqf* reporting. By building upon the findings of this article, researchers can pursue further investigations to enhance our understanding of *waqf* reporting governance and contribute to the development of best

practices in this domain. Ultimately, this article serves as a valuable resource for scholars, practitioners, and policymakers interested in the effective management and transparency of *waqf* institutions.

2. Literature Review

2.1 *Waqf* Reporting

The significance of *waqf* reporting practices can be traced back to the existence of the Ottoman Empire from 1490 to 1928. Historical evidence highlights the importance of *waqf* reporting, particularly through the evaluation of the Sultan's commissioner's performance in managing *waqf* (Masruki and Shafii, 2013; Yayla, 2011; Toruman, Tuncsciper, and Yilmaz, 2007). *Waqf* reporting holds vital importance as it enables *mutawallis* to demonstrate accountability to various stakeholders, including the *waqif* (the donor), the *waqf* board, the government, and society at large. It serves as a means for *mutawallis* to showcase their effective management of *waqf* assets and fulfill their responsibilities to the beneficiaries (Ihsan, 2007). Similarly, Abu Talib et al. (2020) highlight that *waqf* reporting is perceived as a crucial element in enhancing the accountability, transparency, and overall governance practices of *mutawallis* and *waqf* institutions.

In October 2014, the Malaysian Accounting Standards Board (MASB) released a research paper focused on *waqf*, aiming to generate discussions on reporting and accounting issues pertaining to *waqf*. The MASB considered this research paper as a means to encourage relevant *waqf* institutions to adopt appropriate accounting and reporting practices. It was observed that State Islamic Religious Councils (SIRCs) operating within the public sector in Malaysia preferred to adhere to the Malaysian Private Entity Reporting Standards (MPERS) for *waqf* reporting, rather than the Malaysian Public Sector Accounting Standards (MPSAS).

A study conducted by Mansor, Jamil and Bahari in 2018 classified the majority of *waqf* institutions as Non-Governmental Organizations (NGOs) or Non-Profit Organizations (NPOs). These religious organizations heavily rely on donations from the general public and are obliged to disclose their performance in managing *waqf* assets to their stakeholders (Mansor et al., 2018). Effective accounting and reporting practices are crucial for informing stakeholders about the value of *waqf* assets and all related transactions. Financial statements serve as the primary means of disseminating information, influencing stakeholders' decision-making processes. It is essential for these financial statements to comply with accounting standards and the conceptual framework for charity reporting (Ahmad Sanusi and Musafar Hameed, 2014).

Mansor et al. (2017) highlight the existence of inconsistencies in *waqf* reporting practices due to variations in the legal forms of entities involved. This finding is further supported by Abu Talib et al. (2018), who identify the absence of an accounting and reporting system, as well as a lack of systematic administration and documented procedures for recording financial transactions related to *waqf* assets.

Moreover, Nahar and Yaacob's research in 2011 indicates that general accounting standards such as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as well as Islamic reporting standards like the Financial Accounting Standard (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and local Islamic reporting standards such as Financial Reporting for Islamic Banking Institutions (FRIBI) issued by Bank Negara Malaysia (BNM), and Technical Release (Tri-3): Presentation of Financial Statements of Islamic Financial Institutions issued by the

Malaysian Accounting Standards Board (MASB), may not be entirely suitable for *waqf* reporting. *Waqf* reporting holds significant importance for the parties involved, as it provides insights into the activities of the *waqf* councils. It is perceived as a means of "storytelling" by the public, and inadequate reporting practices restrict stakeholders' access to information (Daud, 2018).

In a nutshell, these research findings emphasize the need for standardized and appropriate *waqf* reporting practices that address the unique characteristics and complexities of *waqf* institutions, ensuring transparency and facilitating access to crucial information for all stakeholders involved.

2.2 Governance in *Waqf* Reporting

The term 'governance' originates from the Latin word 'gubernare,' meaning 'to direct, rule or guide,' and has its roots in the Greek term 'kybernan' (Hyndman and McDonnell, 2009). In Arabic, the concept of governance is captured by the term *al-hakimiya*, which signifies a higher moral social order to which all decision-making institutions and authorities must adhere. The Quran and Sunnah provide guidance on governance in various contexts, emphasizing customary practices, established procedures, actions, norms and traditions sanctioned by Islamic teachings (Noor, Ali, Abdullah, and Tahir, 2014).

The significance of *waqf* governance reporting lies in its ability to foster transparency and accountability within the sector, which is essential for maintaining the trust and confidence of stakeholders (Kamaruddin and Hanefah, 2021; Kamaruddin, 2018). The establishment of effective governance practices in *waqf* entities holds great importance. This is because robust governance enables organizations to operate efficiently (Noor et al., 2014). By having strong governance structures in place, organizations can fulfill their obligations to stakeholders in a fair and efficient manner (Zain, Hassan and Mustaffha, 2018).

Waqf institutions, being responsible for charitable assets intended for public benefit, have a pressing need to enhance transparency, reporting and accountability standards in their operations. The lack of established guidelines and regulations for *waqf* reporting has garnered attention from researchers, prompting studies to propose applicable standards in this area (Abu Talib et al., 2018). Previous research has emphasized the importance of a robust standard for *waqf* reporting practices. However, there is a dearth of comprehensive studies that thoroughly investigate the similarities and differences in *waqf* reporting practices among State Islamic Religious Councils (SIRCs) (Ihsan & Adnan, 2009; Ihsan & Ibrahim, 2011; Daud et al., 2011; Masruki & Shafii, 2013; Ahmad Sanusi & Musafar Hameed, 2014; Abu Talib et al., 2018; Kamaruddin and Hanefah, 2021). The existing governance practices in Malaysian *waqf* institutions are inadequate and require improvement.

3. Research Methodology

This study provides a comprehensive review of the existing literature on *waqf* reporting practices and the governance of *waqf* institutions in Malaysia. The authors focused on the titles and abstracts of published papers in the field of *waqf* reporting and governance. An in-depth and critical analysis of the literature has been conducted, considering only research papers and review articles from reputable databases such as Web of Science (WOS) and Scopus. It is important to note that the researchers focused solely on papers from reputable databases like WOS and Scopus, excluding other online resources. This approach aimed to ensure the reliability and credibility of the selected sources.

The researchers selected the years 2018 to 2022 as the time frame for their review, ensuring that the findings are up-to-date and relevant (Ramdani, 2021). By adhering to this specific time period, they aimed to maintain the novelty and freshness of the research, preventing it from becoming outdated. To conduct the evaluation, the researchers followed the guidelines outlined in the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) statement, which may be seen in Figure 1 below. The PRISMA framework provides a structured approach to conducting systematic reviews and ensures the inclusion of a wide range of relevant ideas and issues (Moher et al., 2010).

By using specific search criteria and combinations of keywords such as "*waqf* reporting and governance practice," "*waqf* accounting and governance practice," "*waqf* reporting and governance framework," and "*waqf* accounting and governance framework," the researchers identified and included relevant articles in the study. The articles assessed based on the alignment with the keywords and the contribution to the understanding of *waqf* reporting and governance methods.

In conclusion, this study, as outlined by Ramdani (2021), presents a rigorous review of the literature on *waqf* reporting practices and the governance of *waqf* institutions in Malaysia. By considering a specific time frame and following the PRISMA guidelines, the researchers were able to provide an up-to-date and comprehensive analysis of the topic. The findings of this study contribute to the existing body of knowledge on *waqf* reporting and governance and can inform future research and policymaking in this area.

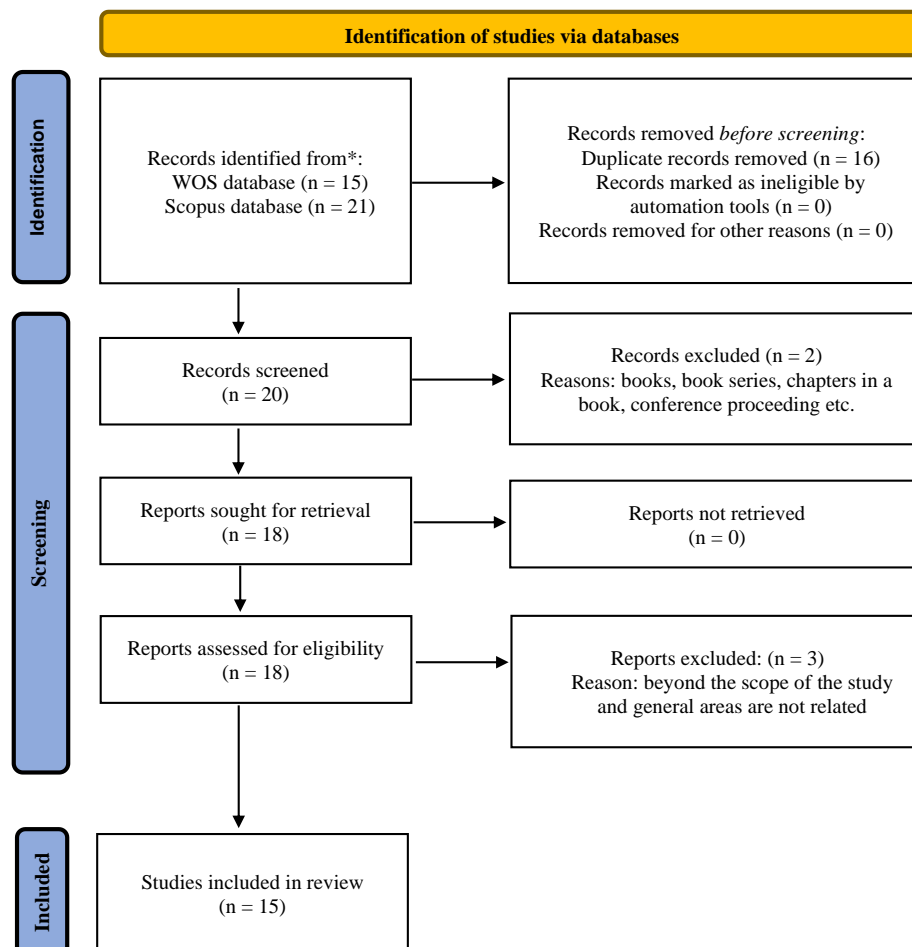


Figure 1: Simplified Flow Diagram Detailing the Application of PRISMA 2020 to Studies Published between 2018 and 2022. Source: Page et al., (2021)

4. Discussion

The study at hand has identified a total of fifteen papers that are relevant to the topic after careful evaluation. These papers focus on governance and *waqf* reporting, and their findings contribute to the existing discourse on this subject. It is worth noting that the previous studies on governance and *waqf* reporting were conducted between 2018 and 2022, as summarized in Table 1.

Interestingly, the literature reveals that there is a dearth of research specifically addressing *waqf* governance. Cajee (2007) points out that despite the widely recognized importance of effective administration in revitalizing *waqf* institutions, the number of studies on *waqf* governance remains remarkably low. This suggests a significant research gap in the field. Instead, much of the available literature on *waqf* focuses on other aspects such as *waqf* management, *waqf* financing, jurisdiction-specific practices, and the *fiqh* (Islamic jurisprudence) of *waqf* (Shafii, Iqbal and Tasdemir, 2015).

The scarcity of studies on *waqf* reporting and governance may be attributed to the limited attention scholars have given to the subject, as highlighted by Ihsan and Ayedh (2015). This lack of emphasis on *waqf* reporting and governance is a notable oversight, considering the significance of these aspects in ensuring the success and effectiveness of *waqf* institutions.

Given the current state of research, the fifteen papers identified in this study hold great value in contributing to the understanding of governance and *waqf* reporting. By building upon the existing literature, these papers can address the research gap and shed light on the importance of effective governance structures and reporting practices in *waqf* institutions. Their findings may provide valuable insights, recommendations, and potential solutions for improving *waqf* governance and reporting frameworks.

Table 1: Current research on governance and *waqf* reporting from 2018 to 2022

No.	Authors	Research aim	Year	Highlights/Findings
1	Awaludin, N. S., Nahar, H. S., Yaacob, H., & Bakar, N. S.	Exploring <i>awqaf</i> governance: Preliminary evidence of governance practices and disclosure of two Malaysian <i>awqaf</i> institutions.	2018	Good governance influences the sustainable procedures and operations of <i>awqaf</i> management institutions. Governance, accountability, and sustainability are even more than necessary in <i>awqaf</i> . It compares the governance disclosure and practice of two Malaysian <i>awqaf</i> organisations (corporatized vs. government platform) using interviews and document reviews. Findings reveal both organisations have good governance. Using different operational setups requires calibrated reactions and corporatising <i>waqf</i> procedures. Results show <i>mutawalli's</i> governance transparency and procedures.
2	Zain, N. R. B. M., Hassan, R., & Mustaffha, N.	<i>Waqf</i> institutions in Malaysia: Appreciation of <i>Wasatiyyah</i> approach in internal control as a part of good governance.	2018	Good governance is vital for Malaysian <i>waqf</i> institutions. Internal control and its components must be evaluated for good governance. To attain <i>Maqid al-Shari'ah</i> (the Lawgiver's goals), the <i>Wasatiyyah</i> technique can be used to evaluate internal control in <i>waqf</i> institutions. Based on qualitative research, this study examines internal control in <i>waqf</i> institutions. <i>Wasatiyyah</i> can be utilised to improve <i>waqf</i> institutions' good governance by evaluating their internal control.

No.	Authors	Research aim	Year	Highlights/Findings
3	Suhaili, N. A., Palil, M. R., & Husin, R.	<i>Waqf</i> CSR: An Empirical Study of Polycentric Collaborative <i>Waqf</i> Governance.	2018	Managing collaborative governance is crucial to operating <i>waqf</i> in Malaysia. Creating partnerships with SIRC's is reportedly complicated. This study aims to overcome the difficult collaborative interactions between <i>waqf</i> and SIRC's. <i>Wakaf</i> CSR is a fantastic example of a polycentric collaborative <i>waqf</i> connection. This study uses a qualitative case study approach, secondary library material, and seminal inputs. The story shows how <i>waqf</i> can be operationalized peacefully utilising collaborative governance. <i>Wakaf</i> CSR's success encouraged many <i>waqf</i> projects with SIRC's. Collaborative governance from a polycentric approach is ideal for Malaysia's <i>waqf</i> industry.
4	Islam, M. T.	Historical development of <i>waqf</i> governance in Bangladesh: Challenges and prospects.	2018	<i>Waqf</i> is a Muslim's permanent endowment of property for religious or charitable reasons. It helped Bengal's Muslim culture and economy. <i>Waqf</i> sponsorship fueled the educational and cultural growth of Bengal's Muslim community under Muslim rule (1204-1757). <i>Waqf</i> governance in Bangladesh has evolved. This paper analyses the stages of <i>waqf</i> governance in Bangladesh identifies its limitations and advocates continuous growth for the community and society. This study tries to analyse the many stages of <i>waqf</i> governance in Bangladesh, identify its challenges, and advocate continued growth to attain the greatest benefits for the community and society.
5	Aziz, A., & Ali, J.	A Comparative Study of <i>Waqf</i> Institutions Governance in India and Malaysia	2018	This study explores immovable <i>waqf</i> . However, it is believed that due to inefficient governance and mismanagement, <i>waqf</i> assets have not been optimally utilised for the betterment of local Muslim societies. This comparative study attempts to analyse the governance of <i>waqf</i> institutions, to highlight the main issues about governance.
6	Hairul-Suhaimi, N., Nur-Suriana, A., & Nor-Suhaily, B.	Exploring <i>Awqaf Mutawalli's</i> Accounting and Reporting Practices: Some Preliminary Malaysian Evidence.	2018	Accounting and reporting in <i>awqaf</i> operations are tied to <i>awqaf mutawalli's</i> accountability. <i>Mutawalli's</i> accountability is crucial to the <i>awqaf</i> institution's survival. This helps determine what improvements are needed. This study examines the accounting and reporting processes of two <i>mutawallis</i> operating on different platforms. Using interviews and record reviews, the preliminary empirical results are enlightening and revealing, providing a basis for <i>mutawalli's</i> responsibility.
7	Talib, N. Y. A., Latiff, R. A., Aman, A., & Palil, M. R. (2018).	An exploratory study of accounting and reporting practice for <i>waqf</i> among State Islamic Religious Councils in Malaysia.	2018	This research aims to investigate the differences in <i>waqf</i> accounting practices and the rationale behind them. It evaluates accounting and reporting processes in eleven state <i>waqf</i> institutions. It explains the concerns and challenges of accounting in state Islamic religious councils (SIRC's). From the analysis, financial accounting and reporting connected to <i>waqf</i> in SIRC's differs in terms of the guideline utilised, the recognition and measurement (value of <i>waqf</i> asset), and the disclosure and reporting practice of <i>waqf</i> . Variations in accounting and reporting techniques in these <i>waqf</i> institutions show the dynamism of <i>waqf</i> accounting and reporting among Malaysian SIRC's. The variance in accounting practice is due to SIRC's' governance, where each SIRC is governed by its ruler (Sultan) as the highest authority in Islam and the <i>fatwa</i> councils' judgment. In each state, board decisions on <i>waqf</i> management and administration may vary.

No.	Authors	Research aim	Year	Highlights/Findings
8	Daud, D.	The role of Islamic governance in the reinforcement <i>waqf</i> reporting: SIRC Malaysia case.	2019	The purpose of this paper is to explore how Islamic governance can contribute to sufficient <i>waqf</i> reporting. It fulfills a gap in prior research by discussing several systems in Islamic governance to achieve transparency in <i>waqf</i> reporting. A series of Islamic governance literature was proposed in reinforcing <i>waqf</i> reporting. The findings of this paper may provide a significant contribution to any organisation that acts as a trustee for <i>waqf</i> .
9	Talib, N. Y. A., Latiff, R. A., & Aman, A.	An institutional perspective for research in <i>waqf</i> accounting and reporting: A case study of Terengganu state Islamic Religious Council in Malaysia.	2020	This qualitative study aims to answer two questions: what are the challenges in <i>waqf</i> accounting and reporting, and how do institutional forces influence <i>waqf</i> reporting in Malaysia? DiMaggio, Powell, and Scott's institutional theory are examined. Documents review and semi-structured interviews were done. The paper extends the institutional theory framework in the context of Islam's religious reasoning. It proposes religion may motivate <i>waqf</i> institutions to adopt accounting practices. This study is limited to the understanding of the challenges in the adoption of <i>waqf</i> accounting and reporting but could also be applicable to the adoption of other accounting standards or regulations.
10	Ali, Z. H., Kader, S. Z. S. A., & Mohamad, N. A.	Analysing The Need to Regulate Non-Profit Foundations Under the Trustees (Incorporation) Act 1952: Towards Transparency and Good Governance.	2020	The Legal Affairs Division of the Prime Minister's Department issues a license to establish a charity trust fund in Malaysia under the Trustees (Incorporation) Act 1952. The foundation can enjoy IRB tax exemptions. The Legal Affairs Division doesn't have full jurisdiction to regulate charity activities and funds. Modern digital technologies make monitoring unnecessary. This paper analyses the major provisions under the Trustees (Incorporation) Act 1952, stressing existing practices concerning the establishment of a foundation under this Act and the need for further reform to increase integrity and public confidence in giving for charitable purposes. How does Malaysia's State Islamic Religious Authority regulate <i>waqf</i> foundations? England and Wales' charity regulations are compared.
11	Hussin, R., Kader, S.Z.S.A., Manshor, N.M., Roslim, S., Sirat, I.M.	Good Governance Practices for <i>Waqf</i> in Malaysian Higher Education Institutions (HEIs)	2021	Many Malaysian HEIs have <i>waqf</i> funds to diversify their incomes. Good governance is a major success element for <i>waqf</i> in HEIs. This study explains good governance in HEIs and its dimensions. Through literature study and content analysis, it illustrates good governance and how it can be used for HEI <i>waqf</i> . This research adds to the governance literature by exploring <i>waqf</i> governance methods for HEIs. This article aims to improve <i>waqf</i> management in HEIs.

No.	Authors	Research aim	Year	Highlights/Findings
12	Sano, M. A. A., & Kassim, S.	Waqf governance in the Republic of Guinea: Legal framework, issues, challenges and way forward.	2021	This project intends to build a <i>waqf</i> governance structure in Guinea to boost socio-economic activity and reduce poverty. It compares the country's <i>waqf</i> law to others. This work studies <i>waqf</i> -related legal references in Guinea and other countries and analyses online sources such as journals, research papers, websites, and informal interviews with subject-matter experts in and beyond Guinea. This report outlines <i>waqf</i> difficulties in Guinea and recommends improvements. These include establishing a designated oversight entity and competent managerial bodies to ensure the institution's smooth and successful functioning. This study proposes a <i>waqf</i> governance model for Guinea. If implemented, these ideas would ensure the viability and effectiveness of <i>waqf</i> in Guinea and lead to socio-economic growth. Other nations with underdeveloped <i>waqf</i> governance institutions should model their <i>waqf</i> activities on these standards.
13	Kamaruddin, M. I. H., & Hanefah, M. M.	An empirical investigation on <i>waqf</i> governance practices in <i>waqf</i> institutions in Malaysia.	2021	This paper analyses the literature to suggest a new <i>waqf</i> governance measurement. Annual reports of all <i>waqf</i> institutions under SIRC were analysed utilising content analysis on current <i>waqf</i> governance methods. Overall, <i>waqf</i> governance methods are moderate in three categories: policy, board, and processes. This study demonstrated that corporatizing <i>waqf</i> institutions affected <i>waqf</i> governance practices. All <i>waqf</i> institutions in Malaysia, especially non-corporate <i>waqf</i> institutions, must improve their <i>waqf</i> governance processes by releasing all necessary information. The success of <i>waqf</i> fund management can be shown in the management's transparency in <i>waqf</i> governance practices on how they deliver and utilise resources to achieve socio-economic goals.
14	Kamaruddin, M. I. H., Hanefah, M. M., & Masruki, R.	Challenges and prospects in <i>waqf</i> reporting practices in Malaysia.	2022	This study explains the weaknesses of <i>waqf</i> reporting practices in Malaysian <i>waqf</i> institutions and analyses factors affecting strong <i>waqf</i> reporting practices. The findings show a number of reasons for the current weaknesses of <i>waqf</i> reporting practices, including the absence of standardised <i>waqf</i> reporting standards, no reporting or disclosure awareness by the <i>waqf</i> management, limited reporting channels from the state authorities to the national authorities, and diversification in the governance structure. This comprises leadership, a healthy institutional culture, political will as a push element, limited qualified employees, sustainability difficulties, and <i>waqf</i> report visibility.
15	Hasan, R., Ahmad, A. U. F., & BT. SIRAJ, S. A.	Building Trust in <i>Waqf</i> Management - Implications of Good Governance and Transparent Reporting.	2022	This study tries to illuminate the role of governance and reporting methods in guaranteeing accountability and fostering donor confidence in <i>Waqf</i> institutions (WIs). PLS-SEM is utilised to analyse the survey's collected data. The conceptual model was constructed on the basis of a thorough analysis of the prior literature. Only board competency has a strong positive impact on accountability among the three proxy board criteria. Trust in <i>waqf</i> administration is significantly influenced by accountability. To increase donors' confidence in WIs, the study's findings urge the introduction of formal reporting and enhanced governance structures.

Source: multiple authors with amendments.

The existing literature on the intersection between *waqf* reporting methods and governance appears to be limited, particularly in the year 2018, when the majority of research on governance and *waqf* reporting in *waqf* institutions was conducted. In fact, very few, if any, articles or studies can be found during that year. However, there seems to be a slight increase in the number of studies in subsequent years, with three studies identified in 2021, and two studies each in 2020 and 2022. In 2019, at least one study was found. Recognizing this gap in the literature, the objective of this study is to address the deficiency by presenting a comprehensive framework for *waqf* reporting and governance that enables *waqf* institutions to conduct efficient reporting.

By developing an appropriate *waqf* reporting and governance framework, *waqf* institutions can play a significant charitable role in the expansion of the Islamic ummah. Moreover, the establishment of a robust governance framework for *waqf* institutions holds the potential to create value by enhancing transparency and accountability through holistic reporting for all relevant stakeholders. This framework aims to go beyond the sole focus on financial information and instead emphasizes the inclusion of various non-financial types of information.

The proposed framework for *waqf* reporting and governance is expected to fill the void in the existing literature and provide practical guidance for *waqf* institutions. By implementing this framework, *waqf* institutions can streamline their reporting processes and ensure that all stakeholders have access to comprehensive and relevant information. This, in turn, promotes transparency, which is essential for building trust and maintaining the confidence of donors, beneficiaries, and the broader community.

The holistic reporting approach advocated by the framework encompasses a wide range of information, including financial data, operational performance, social impact and compliance with ethical and religious principles. By considering these diverse aspects, the framework enables *waqf* institutions to demonstrate their accountability not only in financial matters but also in their overall operations and adherence to their religious mission.

In conclusion, the scarcity of studies focusing on the intersection of *waqf* reporting methods and governance highlights a significant gap in the literature. The proposed framework seeks to bridge this gap by providing a comprehensive and efficient approach to *waqf* reporting that encompasses various types of information. By adopting this framework, *waqf* institutions can enhance transparency, accountability, and the charitable impact of their activities, thereby contributing to the growth and well-being of the Islamic ummah.

5. Conclusion

Waqf reporting plays a crucial role in Islamic finance, highlighting the principles of relevance, materiality, understandability and reliability. It is desirable for users to have a clear understanding of how *waqf* instruments are utilized to fulfill the requirements and goals of the *waqif* (the endower). To promote this practice and strengthen *waqf* reporting and governance, it is suggested that all *waqf* institutions cultivate mutual interest and cooperation by establishing an International *Waqf* Reporting Board (IWRB) (Mansor, Jamil, and Bahari, 2018). Such a board would contribute to policymaking and promote greater reporting and improved Islamic responsibility among practitioners.

Islamic accountability necessitates that *waqf* organizations are answerable to society in order to safeguard the public interest (Lewis, 2014; Lewis, 2006). Consequently, it is crucial for *waqf*

institutions to produce an annual report that is transparent and covers a wide range of topics, supporting good governance and the broader strategy of utilizing *waqf* as an Islamic social finance platform.

To establish effective governance and enhance the utilization of *waqf*, institutions should develop a governance framework. This framework should include a clear delineation of the roles and responsibilities of the trustee (*mutawalli*) and the *waqf* authority. Additionally, a code of conduct for the trustee should be implemented to ensure they act in the best interests of both the *waqf* donor (*waqif*) and the recipient. The framework should initially focus on the primary actions involving the distribution of benefits to the needy, as well as encompass both financial and non-financial information, which are essential components of the *waqf*'s final accounts (Daud and Abdul Rahman, 2008).

This article aims to comprehensively analyze the governance of *waqf* reporting practices, drawing on previous empirical research studies. By examining this issue and garnering attention from practitioners, policymakers, and standard setters, it is hoped that appropriate and meaningful solutions will be supported, leading to the enhancement of *waqf* reporting and governance standards. The article provides recommendations for future research, outlining key elements and strategies for improvement in *waqf* reporting and governance practices through appropriate research design and methodology. These recommendations lay the groundwork for better enhancement in this field.

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