# A Study of Accountability Practice in Dompet Dhuafa *Waqf* of Indonesia

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***Abstract.*** The aim of this study is to address the issue of accountability practice in a *waqf* institution. Specifically, the focus of this study is to provide insights into how accountability is perceived and discharged by the *mutawallī* (*waqf* trustee) in managing a *waqf*. In so doing, a case study of one Indonesian *waqf* institution, that is, Dompet Dhuafa is undertaken. To achieve the stated objectives of the study, the researchers used various techniques of data collection that mainly comprises: interviews, observations and reviews of documents. The findings reveal that the belief in dual accountability – to Allah and human beings – has strengthened the *mutawallī's* perception concerning the importance of accountability. Moreover, in showing its accountability in managing a *waqf* to stakeholders, the *mutawallī* uses various mechanisms. In addition, the *mutawallī* is also liable to discerning accountability to himself/herself. Hence, this study concludes that the holistic accountability practiced by Dompet Dhuafa is an integrative process. It does not only encompass fulfilling upward and downward accountabilities, but also involves the commitment to preserve organizational values.

***Keywords***: *waqf*, accountability, upward accountability, downward accountability, accountability mechanisms, holistic accountability.

**KAUJIE Classification:** E22, E23, N6.

## 1. Introduction

The last few years have witnessed the revitalization of Islamic endowment (hereafter referred to as *waqf*[1]) institutions, with Muslim communities around the world increasingly giving it high priority in their agenda. There is a growing awareness concerning the need for *waqf* revival in order to create a better and just society. Muslim communities have realized and recognized *waqf* as a potential tool towards establishing an effective system for poverty eradication by sustaining non-profit generating activities in aspects, such as health and education, as well as increasing access to physical facilities, resources and employ-ment (Sadeq, 2002).

As part of the revival of this historic institution, there is a call for greater accountability of the trustee in managing *waqf* (Cajee, 2008). Accountability in *waqf* is crucial in order to ensure that social services are effectively discharged to the community. Considering the current trend in *waqf* management which has shifted from agriculture lands to cash *waqf*, the need for transparency and accountability becomes indispensable. As such, the trustee should demonstrate proper accountability in managing a *waqf* to continuously win the loyalty of the various stakeholders. In fact, accountability had underpinned the success story of *waqf* in the past, while its decline was attributed to the degradation of the trustee's accountability (Rashid, 2008; Ihsan, Eliyanora, & Septriani, 2016). In this sense, the importance of accountability in *waqf* is indisputable. Despite its important role in the sustenance of the *waqf* institution, there is a lack of evidence regarding the roles of accountability within the modern *waqf* context.

A few attempts have been made to address the accountability issue in *waqf* (for instance, see Abdul Rahim, Mohamad, & Yusuf, 1999; Maliah, Sulaiman, Adnan, & Putri, 2009; Ihsan & Shahul 2011a; Hairul & Hisham, 2011). However, these studies only focus on accounting and performance. In fact, Ebrahim (2003) argues that accounting cannot be simply considered as the only mechanism to achieve accountability. As asserted by Sinclair (1995), accountability has discipline-specific meanings and the way it is defined and implemented will depend on ideology, motive, and language. A better understanding of accountability in *waqf*, therefore, becomes imperative.

Some previous studies emphasize accountability as one of the means for revitalizing *awqāf* institutions (see for example, Ali, 2002; Ihsan, Ayedh, & Shahul, 2006; Cajee, 2008; Rashid, 2008; Ihsan & Ayedh, 2015). Despite the growing expectation for greater accountability, many *waqf* institutions today fail to take it seriously while there have been some cases where *waqf* assets were misused and mishandled (Ihsan & Shahul, 2011a). Ironically, Rashid (2008) indicates that the common perception about those persons who manage *waqf* assets is one associated with dishonesty, corruption and mismanagement. Rashid believes that the phenomenon of lack of accountability is due to the decline in moral standards. He further argues that colonization has accelerated moral degradation through the removal of Sharīʿah-based norms from every aspect of a Muslim's life.

In order to rejuvenate and instill accountability in *waqf*, Rashid (2008) suggests the need for religious orientation of the *mutawallī*. He believes that through this method, the *mutawallī's* accountability can improve. However, the potent of the argument put forward by Rashid has not been tested empirically. It is indeed interesting to know those factors that can actually improve accountability of *waqf* assets' management. However, prior to recommending factors that can improve accountability, it is important to understand the concept of accountability itself in the *awqāf* setting. As Sinclair (1995) notes, the most essential issue with regard to accountability is its understanding. This is because, if there is no clear consensus about accountability, the means to deliver it will vary. Therefore, the focus of this study is to understand and explain the phenomena of accountability within the institution of *waqf*. In so doing, a case study of one of the Indonesian *waqf* institutions was conducted.

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(1) *Waqf* is an Islamic endowment. Its plural form is *awqāf*. It is also sometimes called a perpetual charity. It was first introduced by the Prophet Muhammad (pbuh) and his companions (for details, see the glossary of Arabic terms in the introductory pages).

## 2. *Waqf* Accountability-Related Studies

Accountability and its related issues, such as accounting, performance, and governance, have received little attention in *waqf* literature. The scarcity of *waqf* accountability literature is probably due to limited attractiveness of *waqf* which is reflected by the small number of students and researchers showing interest in this area (Hoexter, 1998). Furthermore, according to Hoexter, the existing studies on *waqf* focus on other themes, namely, legal aspects; socio-economic and political aspects, and issues relating to women and *waqf*, but remain silent on accountability.

Some attempts, however, have been made to investigate accountability-related issues, which mainly focus on the accounting and reporting of *waqf*. For instance, there are two studies by Yayla (2007) and Toruman, Tuncsiper, and Yilmaz (2007) that examine accounting practices in the Ottoman Empire. Yayla (2007) investigated accounting practices in Sulṭān[2] Suleyman's *Waqf* by scrutinizing Ottoman archives. He found that the book-keeping process had been carried out at that time. In addition, Yayla discovered that accounting records were used to measure the performance of *waqf* by the Sulṭān's commissioners. This finding is supported by Toruman et al. (2007), who carried out a similar study on accounting practices for cash *waqf* in the Ottoman era. Toruman et al. discovered that accounting practice for *waqf* had been carried out from 1490 to 1928. In short, these two studies demonstrate that accounting was used as a controlling device for *waqf* management during the Ottoman Empire.

In today's context, the literature shows that there are three main themes that have emerged concerning *waqf* accounting. Firstly, accounting of *waqf* is important for better accountability of *waqf* institutions, hence, there is a call for setting up accounting and auditing standards for *waqf* (see for example, Marsoof, 2004; Adnan, 2005; Ihsan et al., 2006; Cajee, 2008). Secondly, diversity in accounting practices among *waqf* institutions is due to the absence of accounting standards for *waqf* (Abdul Rahim et al., 1999 and Ihsan & Shahul, 2011a). Thirdly, due to the fact that *waqf* accounting standards have not been established, it is necessary to learn the existing similar standards for charity to develop *waqf* accounting concepts and standards (Ihsan & Shahul, 2011b).

Other than the aforementioned literature, there is one recent study that specifically addresses the accountability issue in *waqf*, conducted by Hairul and Hisham (2011). This study was conducted in the Malaysian *waqf* setting. Hairul and Hisham (2011) investigated accounting, reporting and accountability practices in one State Islamic Religious Council (SIRC) in managing cash *waqf*. By using Stewart's ladder of accountability, this case study found that the trustee had fulfilled fiscal, process, program and policy accountabilities to the stakeholders.

The above review indicates that the need for greater accountability to hasten *waqf* revival is undoubtedly true. Nevertheless, the methods by which accountability can be improved are still limited to accounting tools. As can be seen from the study by Hairul and Hisham (2011), although they claim that their study was aimed at investigating accountability, the focus was still on accounting and reporting. In fact, accounting is only one of the accountability mechanisms (Ebrahim, 2003). According to Ebrahim (2003), accountability mechanisms consist of disclosure statements and reports, performance assessment, participation, self-regulation, and social auditing. Hence, it provides room for the current research to undertake a more extensive analysis of accountability for a *waqf* institution.

### 3. Research Methodology

#### 3.1 Data Collection

To achieve the objectives of the present study, the researchers primarily used interviews as the main source of data. Along with interviews, other data collection techniques, such as observations and a review of documents, were also used. The use of multiple sources of data enabled the researchers to triangulate the data which consequently helps the researchers to gain from multiple sources of information (toward so-called data saturation) (Shank, 2002). Collecting data from various sources on the same issue can improve the validity of the findings otherwise known as contextual validity in case studies (Scapens, 1990).

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(2) Sulṭān is a Muslim sovereign.

The interviews were conducted using semi-structured and open-ended questions. This gives flexibility to the researchers to explore accountability issues in depth. Semi-structured interviews also allowed interviewees the freedom to express their ideas on the issues being studied (Horton, Macve, & Sruyven, 2004). To ensure the interviews stayed on track, an interview protocol was prepared. The interview protocol consisted of a list of questions, information about the interviewees, their positions, and date and time of interviews conducted.

In the initial plan, some persons were listed to be interviewed, which included the board of trustees, president director of Dompet Dhuafa, executive director of Dompet Dhuafa, accountants, and *waqf* project managers. The selection of these persons was based on preliminary investigation through Dompet Dhuafa's official websites. The researchers expected to be able to explore the issues about accountability with those people, that is, their perception and implementation of accountability. However, in the subsequent development of the research, the researchers found that there were other persons who were also related to *waqf* accountability issues. Hence, the researchers decided to extend the number of people to be interviewed. Accordingly, 25 interviews were conducted during data collection.

To support the findings from the interviews, the researchers also conducted a series of observations, as it provided an opportunity to cover the issues being investigated in a real-time contextual event (Yin, 1994) and in a natural setting (Creswell, 2012). It was an advantage for the researchers that the management of Dompet Dhuafa were very cooperative; hence, there was the opportunity to observe various activities, such as daily talks, attending meetings and joining one visit to a *wāqif* (donor).

Another source of data in this study is documentation. The use of documents in this study is to confirm the findings from the interviews. The documents reviewed included: annual reports, financial statements, organizational profile, newsletter, brochures, magazines and some other relevant internal documents. To obtain access to these documents, the researchers provided a list of possible relevant documents to review. Most of the documents were provided, except a few such as meeting notes for reasons of confidentiality.

## 3.2 Data Analysis

In analyzing data, a thematic network was used in this study. A thematic network is basically similar to thematic analysis, which is currently widely used as an analytic method. According to Braun and Clarke (2006) thematic analysis is "a method for identifying, analyzing and reporting patterns (themes) within data" (p. 79). The reason for using thematic analysis in this study is because this analytic tool has some advantages, which, among others, include: the ability to summarize key features of large data; to highlight the similarities and differences among the data; and use in making analysis pertinent to policy development (Braun & Clarke, 2006).

Thematic networks are built from basic, organizing and global themes. The basic theme is derived from textual data. The organizing theme is a middle-order theme, which is constructed from clustering similar issues of some basic themes, while the global theme is a super-ordinate theme, which is formed by the organizing themes. The global theme leads to the concluding tenet; therefore, it can also be seen as the summary of the main themes, which give interpretation to the whole text.

## 4. Case Setting

Dompet Dhuafa (DD) is an Islamic charitable institution that focuses on empowering society through managing various Islamic charitable funds (*waqf, zakāh*[3], *infāq*, and *ṣadaqah*[4]) and other donations. It was founded in April 1993 by the editorial board of Republika, one of Indonesia's national newspapers. Headquartered in Jakarta, DD currently employs more than 100 employees. For more than two decades of its activities, this organization has contributed significantly to poverty eradication in Indonesia.

As a non-governmental organization, DD is quite phenomenal. While on the day of its commencement DD could only collect IDR 425,000, at the end of the year 1993, the total amount of collection reached IDR 300 million. In fifteen years of its operation, DD collected IDR 336.6 billion from 1993 to 2008. In 2015 alone[5], DD collected more than IDR 200 billion of donations.

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(3) *Zakāh* is compulsory charity (for details, see the glossary of Arabic terms in the introductory pages).
(4) *Infāq* and *ṣadaqah* are voluntary charity (for details, see the glossary of Arabic terms in the introductory pages).
(5) Up to November, 2015.

Not only in terms of the amount of money collected, DD has influenced the life of millions of people in Indonesia in lifting them out of the poverty level. Up to 2014, DD has supported 11,300,859 beneficiaries across the nation (DD Hong Kong, 2015). It is not surprising, therefore, that DD is recognized as the biggest Islamic philanthropic organization in Indonesia (Forbes Indonesia, 2011).

Over the years, DD spread its activities to the whole of Indonesia through branches and networks. So far, DD has 22 national branches and five overseas branches in Australia, Hong Kong, Japan, Korea and the United States. The purpose of setting up overseas branches is to collect *zakāh*, *waqf*, *infāq*, and *ṣadaqah* from Indonesian migrant workers and use the funds to spread Islamic *daʿwah* in these countries. Besides branches, DD also maintains the network among similar organizations in Indonesia. DD has enjoyed public trust over the years through the significant increment of public donations. Other than *zakāh*, *waqf*, *infāq*, and *ṣadaqah*, DD is also entrusted to manage the corporate social responsibility (CSR) fund by many big companies.

DD currently manages various *waqf* assets such as hospitals, clinics, boarding schools, and vocational training centers, which provide free health and educational services to the poor. In addition to these, there are some *waqf* assets which are used for commercial purposes such as shopping complexes and food courts. The profits earned from these commercial assets are used to support health and education programs accordingly. In managing *waqf* assets, DD established a semi-autonomous organization, called Tabung Wakaf Indonesia (TWI).

## 5. Case Findings
### 5.1 Perception of Accountability in *Waqf*

Given the long experience in dealing with public funds, the urgency of accountability did not seem to be a new issue for DD as the *mutawallī* (*waqf* trustee). This can be seen from the interviewees' response to the importance of accountability. Nobody opposed the idea that accountability is of the essence in managing *waqf*. Not only important, accountability is also perceived as being compulsory. There are some reasons why the *mutawallī* is really concerned about accountability. Firstly, as a party that is assigned trust to handle *waqf* assets, the *mutawallī* is really informed that there is an obligation to fulfill the wishes of the *wāqif* (donors). The *mutawallī* knows that ignoring the wishes of the *wāqif* will betray the *amānah* given. The following quote from an interview with the customer relationship manager of DD indicates the awareness of the *mutawallī* concerning the importance of fulfilling the *wāqifs'* wishes:

> Accountability is very tough. There are so many conditions to fulfill upon the agreement to accept a *waqf*. The wish of the *wāqif* will determine how we carry the *amānah* (trust) later on. All the terms and conditions should be clear from the beginning.

Secondly, DD management frankly admitted that accountability is part of reputation building. The executive director said that dealing with public assets requires a trustworthy management. In this sense, reputation will determine the sustainability of the organization. Furthermore, the executive director mentioned:

> When we talk about transparency, it is related to reputation. Meaning that any institution which tries to win the public trust also needs to build their reputation. There is no reputation without transparency.

Thirdly, the important meaning of accountability in managing a *waqf* is driven by the belief that the *mutawallī* manages assets that belong to the *ummah* (society). Since it is the *ummah's* asset, the *mutawallī* is of the view that the level of accountability is higher than the accountability in managing private assets. The statement of the executive director indicates this idea.

> Accountability is related to [managing] the public [i.e. *ummah*] fund. If it is private assets, I don't think that accountability is as crucial as what we do.

In addition to the *ummah's* assets, the *mutawallī's* perception on accountability is also heightened by the idea that *waqf* is associated with Sharīʿah matters. The *mutawallī* appears to be prudent in dealing with Sharīʿah related issues. Furthermore, the *mutawallī* believes that managing *waqf* encompasses accountability in this world and in the hereafter, as explained by the director of the free clinic:

[Accountability is] very important. Because we are managing the *ummah's* assets. Moreover, these *ummah's* assets are based on Sharīʿah. So, the responsibility is not only in this world, but also in the hereafter. Therefore, accountability, honesty or trusted reporting is very important.

The apprehension of accountability on the Day of Judgement seems to be in-line with the *mutawallī's* conviction of accountability to Allah (God). Obviously, the *mutawallī* realizes that managing *waqf* encompasses holistic accountability to the Creator. As stated by the operational manager of TWI, beside accountability to the *wāqif*, there is ultimate accountability to Allah to fulfill. He said:

In my opinion, accountability in managing *waqf* is very important. In fact, we are not only responsible to the *wāqifs* or to those who donate their assets through us, but there is an ultimate accountability. That's accountability to Allah.

## 5.2 Mechanisms of Accountability

### 5.2.1 Reporting and disclosure statements.

As mentioned previously, DD had tried to build the staircase to accountability from its inception through publishing reports. Although management initially had little idea about accounting and financial statements, the awareness about the importance of transparency had been there. DD then gradually tried to improve the way financial reports should be presented. By hiring accounting staff, DD learned how to create financial reports according to the existing accounting standards. Since there was no specific standard for organizations concerned with managing *zakāh*, *ṣadaqah*, *infāq*, and *waqf*, the preparation of financial reports in the initial years referred to accounting for non-profit organizations. In addition to the preparation of the financial statement, DD also learned that there is a need to provide a non-financial report. Therefore, DD regularly delivered program implementation reports as a supplement to the financial statement.

DD prepared the financial reports based on the fund accounting system. In this sense, financial reports were presented based on the sources of funds. Given the fact that DD manages various funds, i.e. *zakāh*, *waqf*, *ṣadaqah*, and *infāq*, each category of fund has its own separate report. These separate reports, however, are used for internal purposes only, while for the external publication all funds are combined in the DD's consolidated reports. The consolidated reports generally encompass balance sheet, statement of source and use of funds, activity report, and notes on financial statement.

In addition to fund accounting, DD use the exposure draft of *zakāh* accounting for its accounting guidelines[6]. Although the finance and operational director of DD realize that *zakāh* is not the only charitable fund managed by the foundation, in preparing other reports, *zakāh* accounting standards are still referred to. The reason being that there are no existing standards and guidelines for *waqf* accounting. Hence, management decided to refer to the closest relevant standards, i.e. *zakāh* accounting standards.

With regard to *waqf* financial reports, DD is in charge of the preparation, while TWI is only responsible for maintaining petty cash reports and delivering regular progress reports for any *waqf* projects. Although there is a wish from TWI management to be involved in the preparation of reporting, DD management assumed that TWI is not capable enough to do so. The finance and operational director expressed her doubt about the capability of TWI in accounting tasks.

From the internal organization evaluation, we saw that …how we should say….we used to allow them [TWI] to prepare reports. But TWI has limited staff and so far there is not enough competent staff to do that. That's why we [decided] to handle it [accounting] again.

Besides the abovementioned financial statements, DD produces donation reports on every kind of funds to be sent to donors. This report informs the donors about how many donations they have made. The donation report is also used as a mechanism to maintain a donor database. For instance, if someone has been registered as a *wāqif* of a cash *waqf*, he/she will get a donor's ID. Based on the donor, DD will create an individual donation report, which enables the donor to check the latest amount of his/her

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(6) The exposure draft was approved by the Indonesian Institute of Accountants in 2012.

donation. The same system is also applied for other donations. This report is updated monthly by the division of the customer relationship management of DD. Normally, for those donors who provide a complete address, DD sends this report to them. However, some donors do not want their name to appear in the reports. In this case, DD will put anonymous to acknowledge their donation.

DD emphasizes publishing its reports to the public. The fact that DD was nurtured by journalists has created awareness among management that spreading information about its activities to the public is crucial. Therefore, DD tries to maintain its consistency in delivering the progress of every program conducted besides publishing consolidated financial statements in various media. Besides publishing in the newspaper, DD regularly issues a monthly magazine, which is called Swaracinta. Previously, almost every DD network had its own magazine to publish their activities. However, from 2011, DD management decided to have only one magazine. There were two reasons behind the decision to reduce the number of magazines. First for cost efficiency, and second it is part of DD's campaign to re-introduce that all activities conducted by DD's networks are part of DD's program. In so doing, 27,000 copies of the magazines are printed each month and distributed to the donors besides being sold at bookstores. Other than magazines, DD has also updated information about the foundation's programs on its website. The audited financial statements are also uploaded on the website, although none have been updated since 2013. In addition to the website, the newsletter is prepared each month and sent to donors as a complement to the donation reports.

*5.2.2 Performance assessment and evaluation.*

It appears that performance assessment and evaluation have become part of the organizational routine at DD. The management has been making a regular evaluation of the organization's achievements based on yearly planning. The scope of evaluation encompasses DD's foundation and its networks. While the assessment of program implementation is conducted every six months, a more integrated evaluation is done at the end of each financial year. According to the finance and operational director of DD, before arranging a new program for the next year, DD management will evaluate the organization as a whole to see whether the strategic plan of the foundation has been achieved or not.

DD management realizes the importance of performance evaluation, although it seems there are different opinions about the motivation for doing so. The education general manager, for instance, perceives performance evaluation as crucial in determining staff promotion and remuneration increments. Meanwhile, the director of TWI opines that measuring performance is essential to ensure that *waqf* assets will give perpetual benefit to the society. The operational manager of the free clinic, on the other hand, appears to have another idea. He perceives that the performance evaluation is closely related to accountability, as quoted below:

> For me, evaluation is important because we have no idea whether we are right or wrong. Whether we are accountable or not, we don't know. Therefore, there must be a mechanism to monitor, assess and evaluate.

According to the executive director of DD, there is no such fixed indicator to measure the performance of DD and its network. It depends on the nature of the unit being measured. For instance, the fundraising unit will be measured based on how much money has been collected, while the free hospital will be evaluated according to the number of patients served. With regard to the *waqf*, three indicators are used by DD management to assess *waqf* performance, i.e. *waqf* collection, *waqf* surplus, and *waqf* beneficiaries.

Like *zakāh* and other donations, DD management sets a target for how much cash *waqf* should be collected each year. The amount of cash *waqf* to be collected depends on the program that will be financed by those cash *waqf*. Management can revise the target of collection if there is an indication that the fundraising unit would not be able to reach the target given after a six month evaluation.

Pertaining to *waqf* surplus, this indicator is normally used to assess the return on productive *waqf* assets. The director of TWI indicates that the more *waqf* surplus gained, the more possibility of developing *waqf* assets. At the same time, a bigger *waqf* surplus will indirectly give more benefit to beneficiaries. This is because DD management has determined a scheme how to utilize the surplus of

*waqf* assets. Up to 50% of the surplus will be used for re-investment to develop *waqf* assets, while 40% will be allocated for the beneficiaries of ongoing *waqf* programs. The remaining 10% is used for the operational cost of TWI, as the Waqf Act allows the *mutawallī* to take a portion of *waqf* surplus up to this percentage.

The use of *waqf* beneficiaries as an indicator is to evaluate social *waqf* programs, such as health and educational services. In this sense, the number of beneficiaries who get benefit from *waqf* will indicate how good the performance of the *waqf* program is; in other words, the more beneficiaries the better. For the educational program, the quality of students is an additional indicator. The student's quality is measured by the percentage of students who succeed in pursuing their studies in higher education at public universities. The former director of TWI stated:

> For the health program, the indicator is the number of patients, types of services given, and coverage area. That's our concern. But for education, we are more to quality [of the students]. There is expectation on the students.

As part of the evaluation process, DD regularly conducts internal and external examination through an internal audit. The internal audit encompasses a financial and program audit. While the audit on financials is conducted by the internal auditor of DD, the examination of the programs is performed by the program controller department. According to the internal auditor of DD, the objective of the financial audit is to ensure that the use of financial resources is in accordance with the planned budget and strategic planning of the organization. In this sense, the budget plays an important role as the internal control mechanism. Meanwhile, the audit on program is to assess the effectiveness and efficiency of program implementation. In addition, the internal audit can be an effective mechanism to improve internal management in decision making. Although the internal audit has been conducted regularly, there is an obstacle with regard to the lack of human resources to do so. Consequently, each network at DD can only be audited every two years. The internal auditor of DD asserted:

> Ideally the internal audit should be conducted every year. But, ....I think we are still far from the ideal one. This is because we have obstacles in human resources [as auditor]. Hence, we couldn't cover everything at one point of time. Actually, we tried to outsource the internal auditor. But, this alternative also has problems, as the outsiders sometimes do not really understand DD's character.

### 5.2.3 Participation.

Being an organization that places being trustworthy as its basic principle, DD understands that this leads to certain consequences. As the executive director said, DD should be ready to be audited and criticized by the public. The executive director furthermore explained that the readiness to be open and transparent is consistent with DD's commitment to improve its service to the community. Thus, although financial reports have been widely disseminated, management still deemed that DD should be pro-active in getting feedback from stakeholders with regard to its performance. The management is of the view that the public could be an effective watchful eye to monitor DD's programs.

To get feedback from its beneficiaries, DD regularly conducts a customer satisfaction survey. However, the management were skeptical of the results, since most of the respondents tended to give similar answers. The management presumed it did not portray the real facts, as expressed by the director of the free clinic in the following quote:

> We conducted a customer satisfaction survey every year. There was a questionnaire; we asked patients' opinion about us. But, based on experience, since they are beneficiaries, most of the time they gave good evaluation. It was not sharp, though.

Therefore, besides conducting a survey, DD used other means to receive feedback from stakeholders, such as Facebook, Twitter and use of a call center. In addition to feedback, the stakeholders can also complain, give advice or criticize DD through these media.

Other than the aforementioned media, DD visits the *wāqifs* and donors as part of its efforts to get the stakeholder's opinion on the programs conducted.

Although the former director of TWI noticed that most of the *wāqifs* seemed to trust DD and did not want to bother themselves with criticizing the programs, the management still regularly visits the *wāqifs*. Management believes that visiting the *wāqifs* can also maintain DD's relationships with the donors. As there are so many *wāqifs*, DD just visits selected *wāqifs*, which, most of the time, are those who donate a large amount to the *waqf*.

In addition to visiting the *wāqifs*, DD also visits community leaders on some occasions. Some people who are considered as representative of the public were met to ask their opinions and suggestions. This visit has become a routine for DD, as the executive director said:

> We used to visit some community leaders. Because we could not visit everybody, that's why we visited the leaders. For what? We asked their opinion. What can be done to improve Dompet Dhuafa? Any suggestions from them? So, we did this kind of road show. Usually we did it before the financial year ends. Hence, in arranging the new programs, we consider the opinion of the community.

According to the customer relationship manager, DD used to plan for having a public hearing in order to get more feedback from stakeholders. However, it did not work since most of the donors felt reluctant to support, as they assumed that this event is not really crucial and just wasting DD's resources.

DD tried to promote itself as an inclusive organization, as can be seen in its organizational principle. It is stated in the organizational profile that DD wants to be recognized as a neutral, non-political and non-racial organization (Dompet Dhuafa, 2010). In doing so, DD managed to involve as many as possible of the stakeholders in its programs. The public's involvement in DD's activities could be as a contributor or as a beneficiary. According to the health general manager of DD (formerly director of TWI), there are two types of contributions that involve the public, that is, financial and non-financial participation.

> There are two types of public participation, financial and non-financial. For the non-financial, it is normally like volunteers. This kind of participation is invaluable. For financial (participation), it is in the form of donation.

Although being characterized as an inclusive organization, DD still maintained its identity as an Islamic institution. Therefore, the management is really concerned about the issue of Sharīʿah compliance in deciding what kind of financial contribution the foundation can receive. It is apparent that the guideline given by the Sharīʿah board became the basic consideration of management to team-up with other parties. As stated by the director of the free clinic:

> Basically, as long as it is not against Sharīʿah principles, we can collaborate [with other companies]. Dompet Dhuafa has a rule that we can only collaborate with Sharīʿah compliant companies. LKC [Lembaga Kesehatan Cuma-Cuma, i.e. free clinic] Dompet Dhuafa never co-operates with tobacco companies and conventional banks.

With regard to involving the public as beneficiaries of DD's programs, particularly those programs that are related to the *waqf*, so far, most of the beneficiaries are the poor. However, the fundraising and communication manager of TWI is aware that the *waqf* beneficiaries should not be restricted to the poor, as basically everybody can benefit from *waqf*.

> There is overlap with regards to *zakāh* and *waqf* beneficiaries. Although the poor can be *waqf* beneficiaries as well, [the beneficiaries of] *waqf* are actually wider [than *zakāh*]. In fact, the beneficiaries of *waqf* should not necessarily be the poor.

Nevertheless, only in a few cases were non-poor people involved as *waqf* beneficiaries, for example, when they need emergency health treatment. However, most of the time, DD management do not allow the non-poor people to access the *waqf* facilities. Similarly, non-Muslim stakeholders are rarely entertained, although the director of the free clinic claimed that they used to give service to non-Muslim patients as well.

> We used to treat a Christian. Then a pastor came to visit him. He knew that this clinic is actually run by Dompet Dhuafa. But, we look at the poverty aspect. If we do any social work, whoever comes, we will give service to them. Or, if someone is in an accident, we will not ask [their religion]. We have to give the service first. That's the thing we always maintain.

### 5.2.4 Self-regulation.

Given the fact that DD was born as a non-governmental organization, the management had a desire to maintain independence from the government. The executive directors asserted that although DD is independent, it does not imply that the foundation is reluctant to co-operate with government agencies. The state of being independent is interpreted as the willingness to self-regulate the organization. Instead of waiting for government regulations, DD management would prefer to take its own initiative in any programs conducted. The obvious example of DD's self-regulation can be seen in the way that the foundation prepares financial reporting and measures performance. There is an indication that DD management did not want to be stagnant just because regulation was not present. As quoted by the chairman of the Sharīʿah board:

> Sometimes we should face the reality, whether we have to wait for the regulation to start doing something, or we proceed doing that until the regulations come up. For instance, Dompet Dhuafa was established far before the enactment of the Zakat Act. But, what to do? Therefore, I think, social control is very important in this sense.

In this sense, the role of the Sharīʿah board is very important in giving advice and opinion relating to any issue that is not regulated by the authority. Other than consulting the Sharīʿah board, DD tries to have an informal discussion with other similar organizations in dealing with new issues about *zakāh* and *waqf*.

Although DD management shows its eagerness to overcome any issues relating to *waqf* management, there is actually an expectation on the Indonesian Waqf Board (BWI), as the *waqf* regulatory body, to come up with standard codes in managing *waqf*. The assets development manager of TWI expresses his idea concerning this, although he perceives that, so far, the existence of BWI is not very effective in regulating *waqf*. This is because BWI appears in dual roles, as regulator and *waqf* manager. Although the Waqf Act allows the BWI to have both roles; the assets development manager criticizes it as ambiguous:

> The roles of BWI are not clear. They want to be male or female? To become a regulator or player? Or maybe in the middle? But the Waqf Act allows them to be the so-called national and international *mutawallī*. They are only allowed to manage *waqf* with the value of more than 40 million [IDR] or whatever. But the Act itself is ambiguous. There are political interests, I think.

### 5.2.5 Board of trustees.

The board of trustees plays a very significant role in determining the values, vision and mission of the organization. As mentioned previously, the board has regularly delivered values to the DD staff, which is called DD values. The board of trustees is not only involved in the preservation of values but also in making some strategic decisions. For instance, it is the board's responsibility to appoint the executive board. In addition, the chairman of the board of trustees mentioned that any expenditure that exceeds IDR 500 million should be through his authorization. Furthermore, the board has the ultimate authority for approving the yearly budget and programs of the foundation. Therefore, the board chairman claimed that the board of trustees plays a central role in ensuring the accountability of DD.

> If you ask me about the role of the board of trustees in DD's accountability, I will answer very important. I, as the oldest one [in DD], try to protect DD from anything that can threaten the sustainability of the foundation.

There are no specific criteria for appointing the board of trustees. While in initial years members of the board of trustees were the founders of the foundation, in the last few years some "outsiders" were invited to sit on the board. The chairman of the board of trustees acknowledged that the current composition of the board members depicts DD as an inclusive organization. That is why one member is an academician and another is the former commissioner of the Indonesian Corruption Eradication Commission (Komite Pemberantasan Korupsi or KPK). The selection of the former KPK commissioner as a board member is also to give the impression to the public that DD is committed to be a clean and transparent organization. The chairman of the board of trustees mentioned:

> I think, by including one of the KPK's commissioners as a board member it automatically indicates that DD is really concerned about accountability. I intentionally chose a "clean" person from the KPK.

So far, there is no written procedure regarding the appointment of members of the board of trustees. The selection process is based on the agreement among the founders of DD. In addition, the chairman of the board of trustees plays a central role in determining the composition of the board. This is because he was the initiator of the establishment of the foundation. He is also the most active of the board members who continuously monitor DD management.

## 6. Analysis and discussion
## 6.1 Reasons for Being Accountable

As presented previously, the *mutawallī* believes in the importance of accountability for various reasons. First, accountability in *waqf* is important because there is a contract to be fulfilled by the *mutawallī*. Second, accountability is related to institutional reputation. Third, accountability is important due to the fact that *waqf* is public property, which is a Sharīʿah matter. The following section will elaborate further upon the perception of *mutawallī* in *waqf* accountability.

### *6.1.1 Fulfilling the contract for holistic accountability.*

It has been found that accountability in *waqf* is important because the *mutawallī* has an obligation to fulfill the wishes of the *wāqif*, which is mentioned in the agreement to receive *waqf* assets. This agreement is called *ʿaqd* or can be translated as a contract. The contract between *mutawallī* and *wāqif* will determine how the *waqf* assets should be managed in the future.

To explain the abovementioned perception, it is necessary to discuss the existing definition about "contract" and its implications. According to Laughlin (1996), a contract occurs when "...a 'principal' transfers resources to an 'agent' with expectations as to how these resources are to be used" (p. 226). Based on the contract, the principal has the right to ask for information regarding how the agent handled the resources. Hence, the further implication of the contract is that the agent should provide information to the principal with regard to performance, policy, program and so on. From this

definition of contract, Laughlin came up with the term "contractual accountability" to describe the accountability relationship between the agent and the principal. Laughlin (1996) asserts that contractual accountability will appear in "low trust" situations between the principal and agent. Therefore, contractual accountability occurs because the principal needs to maintain control over the agent. In this sense, contractual accountability is associated with hierarchical accountability.

Bringing the above idea of "contractual accountability" to the context of DD seems to be irrelevant, as DD regularly produces reports to inform the *wāqif* how the foundation performed in managing the *waqf*. A simple interpretation of this could be that the *mutawallī* is trying to satisfy the *wāqif* by providing reports. However, the contract, which is made between DD and the *wāqif*, is not exactly the same as the definition given by Laughlin (1996). Although in the contract the *wāqif* mentions the purpose of *waqf*, there is no written obligation for DD to provide accounts or reports. The preparation of reports is based solely on the initiative of DD management, as the *wāqifs* do not demand such reports. As discussed in the previous section, the motivation of producing the reports is to spread the shared responsibility to the public. Therefore, this fact is against the assumption that DD engages with "contractual accountability", which is merely associated with hierarchical accountability to the *wāqif*.

The perceived importance of accountability related to contract should be viewed from a different angle, that is, the Islamic point of view. It must be noted that, in Islam, fulfilling the contract is compulsory, as mentioned in the following Quranic verse: "O you who have believed, fulfil [all] contracts" (Qur'ān, 5:1).

Apparently, at the time the *mutawallī* emphasizes "contract", they are also aware of the accountability to Allah on the Day of Judgment. These ideas are actually related, because each deed, including the way of fulfilling the contract, will be asked about in the hereafter. It is mentioned in the Qur'ān:

> On a Day when their tongues, their hands and their feet will bear witness against them as to what they used to do (Qur'ān, 24:24).

Therefore, instead of explaining that the terminology "contract" is related to hierarchical accountability, it would be more appropriate to say that the "contract" in DD's definition is more holistic in nature. It goes beyond fulfillment of the wishes of the *wāqif* per se. There is actually a spiritual dimension behind it as well as the commitment to benefit the poor.

### 6.1.2 Reputation building.

The executive director emphasized that the urgency for accountability in managing *waqf* is to maintain the organization's reputation before the public. Nowadays there are an unknown number of other institutions[7] which also introduce themselves as *waqf* managers and so reputation is crucial for DD. Indeed, there is "competition" among the same institutions to win public trust. The chairman of the board of trustees affirms this idea as he said that, so far, the public still trusts DD due to the reputation of the foundation.

> I often heard that there were so many people who wanted to donate their assets to other institutions, but they don't trust those institutions. But Alhamdulillah, the public still trusts DD, which can be seen from the amount of the collection that always increases over time. That's [because of] reputation. But reputation is only possible [to achieve] through accountability.

Furthermore, the executive director expressed his belief about the essence of maintaining the reputation of the institution in a book entitled "*Social Enterprise*". He stated that reputation is positively related to the potential resources to be managed. In other words, the better the reputation, the more resources entrusted by the public (Juwaini, 2011). The executive director, furthermore, affirmed that reputation should portray the real condition of the institution. Meaning, that gaining reputation without maintaining performance is considered as cheating the public.

The opinion of the executive director is in-line with Kong and Farrell (2010) who said that non-profit organizations have to build a strong reputation because it can attract external stakeholders to participate in giving donations and enable the organizations to compete with other non-profit organizations. Therefore, Kong and Farrell assert that a good reputation is considered as an intangible resource of the organization. However, good reputation has consequences in the sense that the organization should maintain the delivery of good services. It can be said that when the executive director stated that fulfilling accountability is part of reputation building, it is not directly related to either hierarchical or downward accountability. Rather, reputation is a form of accountability to self, because reputation can determine the sustainability of the foundation in the future.

### 6.1.3 Waqf as public property.

Another reason for the need of accountability mentioned by the *mutawallī* is because *waqf* is public property. This actually relates to the type of *waqf* assets managed by DD. Although there are three types of *waqf*, that is, *waqf khayrī* (public), *waqf ahlī* (family) and *waqf mushtarak* (combination of family and public) (Abdel Mohsin, 2009), DD so far only manages *waqf khayrī*. Since the purpose of *waqf khayrī* is for the benefit of the public, this type of *waqf* is considered as a public good (Kuran, 2001). The *mutawallī* has to really take care of *waqf* assets and should avoid the misuse of these public properties for personal benefit (Othman, 1983). In addition, the *mutawallī* has to ensure that *waqf* can benefit recipients as the *wāqif* wishes (Kahf, 1999).

The *mutawallī's* belief in *waqf* as a public property is closely related to downward accountability. As proposed by O'Dwyer and Unerman (2008), downward accountability is related to showing accountability to the beneficiaries and donors. However, it appears that Islamic values have enriched the *mutawallī's* perception of downward accountability. Besides being accountable to the public at large, the *mutawallī* also believes that managing *waqf* encompasses accountability in this world and in the hereafter. As expressed by the director of the free clinic "...the responsibility is not only in this world, but also in the hereafter".

Basically, Islam teaches Muslims to be responsible for everything, whether something is related to a personal matter or something that involves public interests. That is why accountability is paramount to

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(7) The researcher had tried to get data from Indonesian Waqf Board (BWI) pertaining to the exact number of *waqf* institutions in Indonesia. However, the vice chairman of BWI said it is not yet available, since the board was still working on making a *waqf* database.

a Muslim's faith (Iqbal & Lewis, 2009). However, the principle of *ummah* (community) implies that Muslims should give preference to the interests of the public over the individual (Haniffa, Hudaib, & Mirza, 2004). In the following *ḥadīth*, the Prophet (peace be upon him) reminded Muslims not to misuse something that belongs to the *ummah*. This *ḥadīth* was originally related to someone who was assigned responsibility to manage *zakāh*. However, the message of this *ḥadīth* is also relevant to *waqf* management, as both *waqf* and *zakāh* involve public interest.

> I employ a man from among you to manage some affair of what Allah has put under my custody, and then he comes to me and says, 'This is your money and this has been given to me as a gift. Why didn't he stay in his father's and mother's home to see whether he will be given gifts or not? By Allah, not anyone of you takes a thing unlawfully but he will meet Allah on the Day of Resurrection, carrying that thing (al-Bukhārī, 1422H, 9:76, *ḥadīth* no. 7197).

The above discussion indicates that the way the *mutawallī* perceives accountability is much influenced by intrinsic Islamic values. Although Islamic values seem to be dominant in DD's accountability, it was not inculcated in the staff overnight. Rather, a long and continuous process has been undertaken to preserve the sense of accountability.

## 6.2 Recognizing Hierarchical Accountability to the *Wāqif* and Regulator

Upward accountability is basically shown to those who are in the most influential position, such as donors and government (Najam, 1996). This accountability is also called hierarchical accountability (O'Dwyer & Unerman, 2008). In its initial years, DD hardly engaged in upward accountability. Although it regularly prepared reports, the intention to produce reports and disclosure statements in DD was not related to the fulfillment of hierarchical accountability. As the former director said, the purpose of reporting was to attract as many participants as possible to donate their assets through DD. Simply put, shared responsibility was the initial motive behind the publication of DD's reports. The argument of the former director seems

to make sense due to the fact that there was no mandatory requirement pertaining to accountability and transparency for the non-governmental organizations at that time. This fact contradicts Roberts (1991) who insisted that accounting and reporting are the rituals of upward accountability.

The enactment of the Zakat Act in 1999 was the turning point for DD to compromise with hierarchical accountability. Being inaugurated as a national *zakāh* collector, DD management realized that the foundation would deal with many parties, particularly the regulator. Although the Zakat Act did not specifically mention the responsibility of rendering the account to the government, DD started regularly sending the report to the government office through the department of religious affairs. In the subsequent development, the enforcement to provide reports, which is specifically related to *waqf* reports, became more obvious. Waqf Act no. 41, 2004, mandated that all *mutawallīs* deliver their accounts to the Indonesian Waqf Board as the regulatory body. Although not registered as a *mutawallī* for a few years, DD management claimed that the reports were always sent to BWI if requested.

Hierarchical accountability was not only shown to the regulator, but also to the *wāqifs* and donors. Since some *wāqifs* are corporations, they were very particular about the reports. As the education general manager said, some corporate donors will only maintain their support as long as DD regularly sends a report to them. In addition, DD management holds the belief that the *wāqif* can take *waqf* assets back and give to other *mutawallī* if DD fails to show accountability in managing those assets. Hence, the audited financial reports were sent regularly to the *wāqifs* as part of recognizing the upward accountability to *wāqifs* and donors.

Other than sending the reports, DD also conducted regular visits to the *wāqifs*, considered as participation in the mechanism of accountability (Ebrahim, 2003). Although not every *wāqif* and donor has been visited, such visits are believed to maintain DD's relationship with the *wāqif* and donor, and, hence, sustain their support for the *waqf* program.

## 6.3 Emphasizing Downward Accountability to Beneficiaries and Public

There are two groups of stakeholders to which DD shows its downward accountability, that is, the beneficiaries and the public at large. While reporting and disclosure statements are used to show downward accountability to the public, the executive director said that using reporting to discharge accountability to the beneficiaries might not be relevant, since they hardly read the reports. He argued that the way accountability is discharged to the beneficiaries is through services rendered to them. Moreover, the executive director underlined that all beneficiaries should be given equal chance to access the *waqf* programs conducted. Therefore, the beneficiaries must be well informed about all the *waqf* programs being planned. Put in the context of accountability, participation is the mechanism to show downward accountability to the beneficiaries.

There are four levels of participation according to Ebrahim (2003). The first level is making information about the programs planned available to the public. This includes public hearings, surveys, and dialogue with the public about the programs or projects. The second level is the involvement of the public in the programs or project, which includes public contribution in the form of funding and labor. The third level of participation is the ability of citizens to bargain over decisions made by organizations. The fourth level of participation is characterized by independent initiatives of the citizens to execute projects without the intervention of organizations.

Based on the abovementioned levels of participation, DD is only practicing in the first and second level of participation to show downward accountability. Although DD management claimed that the foundation is always open-minded in getting feedback from the public, it seems that DD is not involved in the third level of participation, which is characterized by letting the public bargain over management decisions. Similarly, DD is not practicing in the fourth level of participation, which is associated with the freedom of the public to execute programs without interference from the organization. Practicing the third and fourth levels of accountability might increase downward accountability to the

public (Najam, 1996). However, it can also ruin the upward accountability to the *wāqif* as the *mutawallī* can lose control of the *waqf* and does not utilize the assets as the *wāqif* wished. In fact, DD management still holds the belief that managing the *waqf* is related to fulfilling the *wāqif's* wishes.

The practice of the first level of participation can be seen from DD's effort to publish the planned *waqf* programs. The executive director said that the essence of publishing the program is that the beneficiaries are well informed, hence they can participate in the planned *waqf* programs.

> We cannot just put the information about our programs at our office, or just inform those beneficiaries who are close to us. Or maybe we just paste it [information about programs] in certain places. It's not fair. We also cannot just rely on the publication in the newspaper. In fact, most of our beneficiaries do not read a newspaper. Everybody should have equal access to our programs. So, we should use any means to inform them.

The idea to get feedback from stakeholders is also part of DD's effort to show its accountability through public participation. In addition to this, DD also visited community leaders to get their ideas and suggestions about how the *waqf* program should be improved. The executive director explained the reason for getting feedback from stakeholders in the following quote:

> We might not be aware about our mistakes in management. But you all have chosen us [as *mutawallī*]. So, please correct us if we are doing wrong. Because it will remind us. And we are always ready to be scolded.

The second level of participation practiced by DD related to downward accountability is through the involvement of the public in the *waqf* program. This involvement can be either as the beneficiaries of the *waqf* programs or as the contributor. Although management claimed that DD has tried to benefit society through the *waqf* programs, there is still a restriction with regard to *waqf* beneficiaries. So far, DD limits the beneficiaries of *waqf* programs to the poor. This might be subject to debate as *waqf* by nature is not necessarily to be restricted to the poor. However, the historical background of

DD seems to influence the way the *waqf* is managed today. From the very beginning, DD has declared that its establishment's purpose is to alleviate poverty. Hence, most *waqf* programs are dedicated to the poor as beneficiaries.

Another form of participation is the public's contribution to *waqf* programs. This contribution can be financial or non-financial. For instance, in the free clinic, besides calling for donations, management also looks for volunteers to participate in the health service program for the poor. The same is the case with the free school, which receives support both financially and non-financially from the society.

## 6.4 Discerning Accountability to Self

There are some accountability mechanisms that are used to satisfy neither upward nor downward accountability. Rather, these mechanisms are employed for internal purposes only. This accountability can be termed accountability to self (Najam, 1996) or internal accountability (Ebrahim, 2005). Although accountability to self is hardly discussed in the literature, Najam (1996) says that it is imperative since this kind of accountability reflects the responsibility and commitment of the organizations to their vision, missions, organizational goals and their staff. Since vision and mission reflect organizational values (Padaki, 2000), accountability to self also encompasses the commitment to organizational values. In this regard, there are five mechanisms practiced by DD which are related to accountability to self, i.e. reporting and disclosure statements, performance assessment, participation, self-regulation and the board of trustees.

The *waqf* reports disseminated through various media are primarily for the *wāqif*, government and also the public. However, the accountant of DD stated that the main user of the report is management since it is the party that will make the strategic decisions on *waqf*. She mentioned:

> The main user of *waqf* financial reporting is the management. The management will make a decision based on the report given. For instance, the amount of cash *waqf* collected will give information to the management to decide what kind of program can be conducted.

Besides reporting, results of performance evaluations are also used to assist management in making decisions. Although Kloot (2009) suggests that publishing the performance measurement results will increase external accountability, DD management do not do this. This is perhaps because there are no mandatory requirements to publish the performance measurement results. The management felt that to publish the audited financial report is enough, while the performance measurement results are exclusively used for internal purposes. As quoted by the internal auditor of DD:

> We never published it (performance measurement results). So far, we only publish financial statements. The performance assessment results are for internal management uses only.

Besides performance assessment, participation can also be seen as a mechanism of accountability to self. Although generally, participation is a mechanism to show downward accountability, it is also related to accountability to self. As the executive director said, through participation of the public in giving feedback on *waqf* programs, the foundation will be able to correct its mistakes, and, hence, make an improvement in future programs.

In addition to participation, DD also engaged in self-regulation as part of its accountability to self. In the NGO context, Ebrahim (2003) defines self-regulation as "[e]fforts by NGO or non-profit networks to develop standards or codes of behavior and performance" (p. 819). In explaining this definetion, Ebrahim argues that self-regulation occurs in a formal network of NGOs that work together to develop their own code of conduct. Putting this definition of self-regulation to the way DD manages the *waqf* perhaps is not really relevant. This is because, so far, there is no network or association for the *waqf* institution in Indonesia. However, DD has been involved in the *zakāh* manager association, which is called "Forum Zakat". In this forum, efforts have been made to solve many issues relating to *zakāh* management, such as, governance, reporting, performance and many others.

Despite the absence of a *waqf* association, it does not undermine the spirit of self-regulation in DD in managing the *waqf*. DD self-regulates itself,

as can also be seen from its establishment, which is based on self-initiative. The chairman of the Sharīʿah board mentioned that most of the time DD has to come up with its own creativity in managing *waqf* as existing regulations do not cover many issues, such as how *waqf* reports should be prepared. Hence, the initiative to prepare a *waqf* financial statement based on *zakāh* accounting standards is one of the instances of how DD shows its willingness to self-regulate.

According to Ebrahim (2003), self-regulation has some advantages for the NGO and non-profit organizations, as it can improve organizational image in the eyes of the public. In addition, in some countries, donors will receive a tax deduction if they donate their money to organizations that are proven to be practicing self-regulation. In this sense, self-regulation can boost upward accountability to the donors. In DD's case, the intention of self-regulation can be seen as accountability to DD itself. It is related to accountability to itself because through self-regulation DD sustains its creativity in managing the *waqf*.

The board of trustees also plays a significant role in directing DD's accountability. This is because the board of trustees is the safeguard of DD's vision, mission and organizational values. In addition, the board also has the authority to appoint the executive board, supervisory board, Sharīʿah board, and the board of trustees. Sometimes, the chairman of the board also has to sign cheques for large sums as part of the internal control mechanism. The chairman of the board of trustees asserted that the important role of the board is sustaining the accountability in DD.

> We are focused on maintaining organizational values through the DD values program. In some cases, I also have to sign cheques for large sums and the yearly budget. If the cheque is not more than IDR 500 million, Mr. Ismail [the president director] can sign directly. Otherwise, I am the one who should sign. Why? Because managing the [public] money is very high risk. And I feel that I am responsible for that. We, as the board of trustees, get no remuneration. It is not allowed. If you read the Foundation Act, you'll find it.

## 7. Concluding Remarks

This study investigates accountability in an Islamic endowment institution, Dompet Dhuafa. Given the important meaning of accountability in managing *waqf*, DD uses various mechanisms to show its accountability to stakeholders. To show upward accountability to the donors and regulator, DD uses financial and non-financial disclosure statements. In addition, DD actively seeks suggestions and feedback from the *wāqif* concerning ways to improve the management of the *waqf*. The financial and non-financial disclosures are also used to show accountability to the public at large. Meanwhile, downward accountability to the beneficiaries is fulfilled through rendering the best service to them.

Apart from discharging upward and downward accountabilities, DD is also consistent with discerning accountability to self. Accountability to self is different from the upward and downward accountabilities because it is related to accountability to the organizational vision, mission, goals, values, and staff. This accountability is shown by using various mechanisms, such as disclosure statements, performance measurement, self-regulation, participation, and the board of trustees. In fact, the practice of accountability to self has created DD's holistic accountability model. This is an extension of the definition of holistic accountability given by O'Dwyer and Unerman (2008), which only recognizes upward and downward accountability as part of holistic accountability.

This study offers some implications for the improvement of practical aspects, particularly in *waqf* management. Firstly, for DD management, this study can be a basis to develop an accountability "blue print". This is important because what has been practiced so far is just based on the intuition of the management. The long experience of DD seems to influence the way it shows accountability. As the chairman of the board of trustees said:

> Hmm…to tell you the truth, we never read any references [about accountability]. It is just because of our long experience. We learnt from our experience.

So far, most of DD's founders are still actively involved in DD, either as a member of the board of trustees or the supervisory board. The existence of

those founders can be seen as a safeguard of DD's values. However, as a public organization, the regeneration process will occur, sooner or later. Therefore, the successors at DD should have clear guidelines pertaining to the system of accountability. In fact, the chairman of the supervisory board admitted that it is not easy to spread the values as understood by the founders to their successors.

DD as an organization is easy to bequeath. But DD as values is not easy to transmit. By having the "blue print" of accountability, any successors at DD can practice the same way in discharging accountability, or can even improve it.

Secondly, although the findings of this study cannot be generalized to other *waqf* institutions, DD's experience can be a lesson for other *waqf* institutions to practice accountability. DD might not be the best *waqf* institution, but as a long established *mutawallī*, other *waqf* institutions can learn from its experience. Although DD will not necessarily become a benchmark for other *mutawallīs*, the process of sharing can benefit each other. Perhaps, DD can be an initiator to establish a *waqf* network, similar to the way DD initiated Forum Zakat in Indonesia. Through this network, all *mutawallīs* can share their experience in managing *waqf,* and, subsequently, improve the management of *waqf* in the future.

Thirdly, the Indonesian *Waqf* Board (BWI), as a *waqf* regulator, should immediately develop and introduce regulations pertaining to the accountability of *mutawallīs*. Although the Waqf Act has mandated the *mutawallī* to be accountable, there is no clear guideline as to how accountability should be discharged. The most urgent regulation in the near future is that relating to *waqf* accounting standards and performance measurement indicators. This is because, through these two mechanisms, the *wāqif*, regulator, and also the public can easily evaluate the achievement of *waqf* institutions. In developing *waqf* accounting standards, BWI should collaborate with the Institute of Indonesia Chartered Accountants.

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# دراسة للرقابة في وقف دومبيت ضعفاء في إندونيسيا

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*المستخلص.* يهدف البحث إلى دراسة الرقابة في المؤسسات الوقفية بناء على فهم وإدراك ناظر الوقف للرقابة وكيفية الالتزام بها. ويُركِّز البحث على دراسة حالة لأحد الأوقاف الإندونيسية وهي مؤسسة دومبيت ضعفاء. ولجمع أكبر كمية من البيانات عن هذه المؤسسة اعتمد الباحثون على المقابلات والملاحظات ومراجعة وثائق ومستندات المؤسسة. وقد أظهرت الدراسة أن الاعتقاد بالرقابة المزدوجة – الخوف من الله ومساءلة البشر – يُعزِّز فهم وإدراك نظار الأوقاف. كما أظهرت أيضاً أنّ نُظار الوقف يستخدمون طرقاً عدّة لإظهار التزامهم بالرقابة تجاه الأطراف ذات العلاقة. إضافة إلى ذلك، تَبيّن أنّ للنُظار فهم وإدراك متسق عن رقابة الذات باعتبارها جزء من إبراء الذمة حيال الجهات ذات العلاقة. وخَلُصت الدراسة إلى أنّ الرقابة التي تمارسها مؤسسة دومبيت الضعفاء هي تكاملية، وتشمل أيضاً الحفاظ على القيم التنظيمية.

**الكلمات الرئيسية:** وقف، الرقابة، آليات الرقابة، الرقابة القائمة على ربط الجزء بالكل.