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Cash Waqf Accountability and Digital Technology in West Sumatera: A Case Study

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ABSTRACT

This study investigates the utilization of digital technology in promoting accountability of cash waqf in West Sumatra. Employing a qualitative case study approach, Nazhir M was selected as the research subject due to its diverse waqf programs, strong management, wide range of donors, multi-location operations, and foundation on key waqf principles. Data were gathered through semi-structured interviews and document analysis, with thematic analysis applied during data evaluation. The findings indicate that Nazhir M has adopted digital technology to enhance accountability, albeit at a basic level, primarily through its official website and social media platforms. While Nazhir M possesses skilled personnel capable of utilizing waqf accounting applications such as SAMAWI, manual financial reporting remains prevalent due to regulatory constraints. This research highlights the significant influence of regulatory authorities in shaping accountability practices among cash waqf nazhir through digital technology implementation. Furthermore, it offers a meaningful contribution to existing scholarship by delivering a comprehensive examination of digital technology adoption, highlighting the importance of nazhir intent and expertise, as well as the pivotal role of regulatory bodies.

Keywords: *Accountability; Digital Technology; Nazhir; Cash Waqf*

ABSTRAK

Penelitian ini bertujuan untuk menggali bagaimana pemanfaatan teknologi digital dalam memenuhi akuntabilitas pengelolaan wakaf uang di Sumatera Barat. Metode penelitian merupakan penelitian kualitatif – studi kasus. Nazhir M sebagai objek penelitian karena memiliki berbagai program wakaf, beroperasi di beberapa lokasi, memiliki manajemen yang baik, menerima wakaf dari wakif yang berasal dari beberapa kalangan ,dan pendiriannya dilandasi oleh prinsip wakaf. Pengumpulan data dilakukan dengan wawancara semi-terstruktur dan analisis dokumen, sedangkan analisis data dilakukan dengan analisis tematik. Hasil dari penelitian ini menunjukkan bahwa nazhir sudah menggunakan teknologi digital untuk menerapkan akuntabilitas, walaupun dalam tingkat yang sederhana menggunakan website dan media sosial. Nazhir sudah memiliki sumber daya yang kompeten untuk menggunakan aplikasi pelaporan keuangan untuk akuntansi wakaf seperti SAMAWI, proses pelaporan keuangan masih dilakukan manual karena terkendala regulasi dan arahan dari regulator terkait. Hal ini menunjukkan bahwa regulator memiliki pengaruh yang besar dalam pencapaian akuntabilitas nazhir wakaf uang dengan menggunakan teknologi digital. Penelitian ini berkontribusi terhadap literatur dengan menyajikan analisis penggunaan teknologi digital dalam pencapaian akuntabilitas dengan menekankan pada niat dan kompetensi nazhir dan pengaruh penting dari regulator perwakafan.

Kata kunci: Akuntabilitas; Teknologi Digital; Nazhir, Wakaf

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INTRODUCTION

Waqf is a unique instrument in the Islamic religion because it unites various aspects and dimensions of life, including aspects of worship, social aspects, and aspects of economic development and community empowerment. In general, waqf has two main dimensions, namely the religiosity dimension and the socio-economic dimension (Adisti, 2021). By waqf, a person can carry out the values of religious teachings to give alms, try and develop wealth, and help each other. Apart from that, in the economic aspect, waqf plays an important role in economic development and community empowerment.

Waqf has a very important and complex role in the social and economic development of society (Igarashi, 2019; Sanusi & Shafiai, 2015) and religious activities (Sanusi & Shafiai, 2015). We can see this since the first practice of waqf was carried out by Friend Umar bin Khatab who donated land in Khaibar to the community in the 7th year of the Hijriyah. Years and centuries later, waqf continues to contribute to social, economic life and the development of civilization. Waqf can not only be used to finance social development projects, but is also an alternative to help people in need (Iman & Mohammad, 2017). One of them can be seen during the Ottoman Empire in Turkey in the 15th-16th century AD, where at that time waqf was used in various aspects of life, including building institutions, organizations, education and various infrastructure and public facilities (Cizakca, 2004; Çizakça, 1998; Yaacob et al., 2015). This makes waqf one of the most important instruments in people's lives.

Waqf is one of the most useful social financial instruments because it can be integrated with various fields such as Islamic microfinance to reduce poverty which is called waqf-based Islamic microfinance (Haneef et al., 2015). Apart from that, cash waqf can also support micro-enterprises using the waqf-based social micro-venture funds scheme (Hamber & Haneef, 2017). Waqf can also be integrated with takaful for income re-distribution pendapatan (Ahmad & Rahman, 2011) and integrated with venture philanthropy which can reduce inequality (Zakaria et al., 2013). Waqf can be used to fund agriculture, education and economic development. Orbay (2012), Shafiai et al. (2015) and Moh'd et al. (2017) proposed the use of waqf in developing agriculture. Waqf can also be used to support educational development, as Mahamood & Rahman (2015) found that waqf plays an important role in financing educational institutions in Malaysia and Türkiye. This is also supported by Shamsudin et al. (2015) who proposed a waqf-based funding model for higher education institutions called the cross-country waqf model. Waqf -based entrepreneurship is one option to improve community welfare (Iman & Mohammad, 2017). The sustainable development goals developed by the United Nations are in line with the long-term goals of maqashid sharia (Abdullah, 2018) so that stakeholders can carry out various developments using waqf in the context of achieving SDGs (Sukmana, 2020). Thus, collaboration and/or integration of waqf with various financial fields or institutions has a significant impact on social and economic development (Sukmana, 2020).

Apart from the glory days of waqf practice, waqf also experienced a decline due to various political and economic dynamics in countries that previously had practiced waqf very well in various aspects of the country's development. After this setback, in the last 20-30 years, attention to waqf has increased again, marked by

various studies, practices and innovations carried out related to waqf. Waqf is no longer only social in nature and only focuses on unproductive waqf, namely the allocation and management of waqf assets aimed at mosques, madarasas and cemeteries. Waqf stakeholders continue to carry out various studies and developments on waqf, so that currently there are productive waqf where waqf assets can be managed and invested in various sectors and then the results of these investments are distributed to waqf beneficiaries (mauquf 'alaihi). Apart from that, there are also waqf where the object is immovable property, such as cash waqf.

In Indonesia, the practice of waqf is also increasingly widespread and developing. The government, academics and researchers, waqf institutions (nazhir), sharia banks and non-bank financial institutions, professions and other waqf activist communities synergize and work together in developing waqf. Over the last decade the practice of waqf has increased both in terms of quantity and quality. This was marked by the birth of various statutory regulations and their derivatives related to waqf, the establishment of the Indonesian Waqf Board and various other institutions related to waqf management, the birth of various associations and forums for waqf development, and various innovations carried out on waqf products such as insurance waqf, stock waqf, forest waqf, as well as cash waqf and cash waqf, which later gave rise to a product called cash-waqf linked sukuk.

The government's seriousness in supporting and developing waqf was demonstrated again by launching the National Cash Waqf Movement (GNWU) on January 25 2021. Previously, the government also launched the GNWU on January 8 2010. The 2021 GNWU was carried out as the start of a broader, more modern transformation in the implementation of waqf. , transparent and professional. This seriousness will become capital in developing waqf in Indonesia, which has enormous value. Various reports show that the potential for waqf in Indonesia is very large. In terms of cash waqf, the potential for cash waqf in Indonesia reaches IDR 180 trillion per year and the realization has only reached IDR 380 billion (BWI, 2023). An effective and efficient strategy is needed to increase the realization of cash waqf.

West Sumatra is a province with enormous sharia economic and financial potential because 98% of the population is Muslim (KNEKS et al., 2020). This is also supported by local wisdom adhered to by the community and the philosophy of "Adat Basandi Syara', Syara' Basandi Kitabullah". In the Sharia Economic Development Plan in West Sumatra, one of the objectives is to increase the collection and distribution and transparent use of zakat, infaq, waqf and alms funds. Cash waqf is a type of waqf that is expected to be collected and managed well in West Sumatra. In the inauguration of the West Sumatra Representative Waqf Board Management for the 2019-2020 period, the Chair of the West Sumatra Representative BWI Advisory Council, which at that time was held by the Deputy Governor of Sumatra Bar, Mr. Nasrul Abit, asked that the new management be able to manage it well because so far the general public only knows about waqf. in the form of objects or land (sumbar.kemenag.go.id).

Waqf institutions are parties that focus on managing and developing waqf assets donated voluntarily by the community for certain purposes. Apart from that, waqf is basically an instrument that requires trust and integrity (trust-based institution) so that it requires effective operational management, the use of appropriate accounting methods and transparent reporting. This makes

accountability a very important thing for waqf managers to have (Nahar & Yaacob, 2011; Yaacob et al., 2015) who are called nazhir/mutawwali/trustee because nazhir receives, collects, administers and manages liquid assets (cash) donated by the wakifs (Nahar & Yaacob, 2011). Accountability is also very important for waqf institutions because accountability affects the survival of waqf in these institutions (Nahar & Yaacob, 2011). Waqf institutions must have accountability, both secondary accountability which is accountability to the wakif and the beneficiaries and primary accountability which means accountability to Allah (Nahar & Yaacob, 2011). Proper management of waqf assets, use of appropriate accounting methods and transparent reporting of waqf-related transactions will encourage primary and secondary accountability.

Accountability can be practiced through several mechanisms, including disclosure statements and reports, performance assessment and evaluation, participation, self-regulation, and social audit (Ebrahim, 2003). This mechanism can be classfied into 3 strategic accountability mechanisms which are management, accounting, and reporting (Yaacob et al., 2015). This mechanism has not yet been properly applied because only limited cash waqf institution published their financial statement on their official website and the report is not audited by the assigned public accounting firm (Siswantoro et al., 2018). Hasan & Shauki (2022) also found that one of the problems found in waqf institutions is low accountability in collecting and developing waqf funds. It can be seen through the limited practice of accounting and reporting (Nahar & Yaacob, 2011). Most of nazhir do not manage waqf asset accountably, efficiently, and effectively as well as do not present it properly in the financial statement and report it to public (Assegaf & Sawarjuwono, 2013). This is due to the unavailability of waqf accounting standard for nazhir Assegaf & Sawarjuwono (2013), limited regulatory direction and lack of capable human resources (Yaacob et al., 2015).

The urgency of accountability in the management and development of waqf assets has not been implemented properly by waqf nazhir. It is inevitably necessary to increase the transparency of waqf institutions' financial reports. The accountability of waqf institutions can also be improved by utilizing digital technology such as using a digital accounting system. The lack of capable human resources can be compensated by significant use of technology (Yaacob et al., 2015). Apart from that, accountability can also be increased by using blockchain in waqf management both in the collection and distribution of waqf by Sharia Financial Institutions-Cash Waqf Recipients (Zulkarnaen et al., 2021).

There has not been much research on cash waqf in West Sumatra. Firdaus et al. (2019) used the Analytic Network Process (ANP) to determine priority issues and solutions in cash waqf management in West Sumatra. The research found that the priority issues were human resources, regulations, accountability and products. Next, the priority solutions are human resource solutions, regulatory solutions, product solutions and accountability solutions. In this research, it was also found that collaboration with the Tungku Tigo Sajarangan was a priority strategy in the cash waqf management strategy in West Sumatra and was followed by education about cash waqf, as well as nazhir and mauquf 'alaihi guidelines. Adisti (2021) researched public preferences regarding cash waqf in West Sumatra and found that cash waqf

literacy, waqf inclusion, and waqf governance influenced the public's preference for cash waqf. So far there has been no research that focuses on looking at accountability practices in waqf institutions in West Sumatra.

From the explanation above, it is necessary to carry out further research on the accountability of waqf institutions, especially in West Sumatra. In this rapid development of digital technology, it will be beneficial for nazhir to use digital technology to enhance their accountability. This research aims to investigate accountability practices in West Sumatera and its use of digital technology. Accountability becomes a more crucial thing in cash waqf, because in this case the nazhir receives, collects, administers and manages liquid assets (cash) donated by the wakif (Nahar & Yaacob, 2011). Research related to the accountability of waqf institutions is one way to help assess the extent of accountability in ensuring compliance of waqf practices with sharia and increasing public trust in waqf institutions (Nahar & Yaacob, 2011). This research will enrich the literature on cash waqf in West Sumatra, especially regarding the use of digital technology in achieving accountability of waqf institutions, which is currently still quite minimal. This research contributes to literature and practice by examining the accountability of waqf institutions that manage cash waqf in Muslim-majority provinces in countries ranked among the top five with the most developed Islamic economies in the world.

LITERATURE REVIEW

Accountability of Waqf institution

Waqf as an instrument of charity in Islam is a contractual and spiritual relationship between four parties, namely Allah as the owner of the asset, the wakif as the temporary owner of the waqf asset, the nazhir who is responsible for maintaining and managing the waqf asset and mauquf 'alaihi as the beneficiary of the results of the management and development of the waqf asset (Ahmad & Hasan, 2017). The relationship between these four parties can be classified into 2 levels, namely upward accountability and downward accountability (Ahmad & Hasan, 2017). Upward accountability, from the perspective of stewardship theory, is the accountability between the nazhir and Allah and between the nazhir and the wakif. The accountability of the nazhir to Allah is intangible, which can be fulfilled by being responsible in matters related to humans such as to the wakif. Furthermore, downward accountability is accountability to the beneficiary (mauquf'alaihi), staff, supporters and other related parties (Ahmad & Hasan, 2017). Accountability to beneficiaries is the lowest level of accountability due to the beneficiaries' limited power to demand accountability from the nazhir in managing and developing waqf assets. Therefore, using stakeholder theory, the waqf nazhir is no longer solely accountable to Allah (primary accountability) by being accountable to the wakif and beneficiaries, but must also be accountable to other relevant parties.

Waqf institutions are parties that focus on managing and developing waqf assets voluntarily donated by the community for specific purposes. Effective operational management is required, using appropriate accounting methods and transparent reporting. Accountability will be very important for waqf institutions because it is accountable for the survival of waqf in the institution (Nahar and Yaacob, 2011). Waqf institutions must have accountability, both secondary accountability

which is accountability to the wakif and beneficiaries and primary accountability which means accountability to Allah (Ihsan & Ibrahim, 2011; Nahar & Yaacob, 2011). Accountability becomes a more crucial thing in cash waqf, because in this case the nazhir receives, collects, administers, and manages liquid assets (cash) donated by the wakif (Nahar and Yaacob, 2011). The scope of accountability in waqf institutions is different from accountability in companies, because waqf institutions are responsible to various stakeholders such as wakif, waqf bodies, waqf institution employees, regulators, beneficiaries and the wider community (Ihsan & Ibrahim, 2011; Nahar & Yaacob, 2011).

Public trust in non-profit financial institutions, including waqf institutions, is influenced by transparency and accountability. One important instrument that waqf institutions can use to fulfill their accountability obligations is through accounting and reporting (Nahar & Yaacob, 2011). An institution is considered accountable if it has presented financial reports each period in accordance with accounting standards (Yacoob et al., 2015). As the party entrusted with managing wealth, the nazhir must be open and accountable to the waqf, and also to Allah. This is what is called being accountable and transparent in transactions (Adnan et al., 2007) to maintain trust between the nazhir and the wakif. Furthermore, the information generated can also be used by other related parties.

Accountability Mechanism of Waqf Institutions as Non-Profit Institutions

Accounting and reporting are instruments of accountability (Ihsan & Ibrahim, 2011; Nahar & Yaacob, 2011; Rixon, 2012). The primary mechanism used by various institutions to demonstrate accountability is the annual report, which consists of financial statements, key performance information, and strategic planning (Rixon, 2012). In the broader concept of accountability, accountability is not only related to accounting (Ihsan et al., 2016), so accountability is not only related to the presence or absence of written reports. Several academics also state that accountability includes responding to the needs of interest groups, dialogue, and gathering information (input) from the public, customers, stakeholders, and constituents regarding the performance information they desire (Goddard & Powell, 1992; Mulgan, 2000; Shelton & Albee, 2000).

Accountability is also related to the need for comparative information that stakeholders can use to evaluate the performance of institution. Proper management of waqf assets, the use of appropriate accounting methods, and transparent reporting of waqf-related transactions will encourage primary and secondary accountability. Ebrahim (2003) proposed an accountability mechanism that includes disclosure statements and reports, performance assessment and evaluation covering financial and non-financial performance, participation, self-regulation, and social auditing. On other hand, there are several waqf accountability frameworks, such as those proposed Ihsan & Ibrahim (2011), Ahmad & Hasan (2017), and Ihsan et al. (2021).

Ahmad & Hasan (2017) in the article "Remodeling Islamic Accountability for Awqaf Institutions: An Integration of the Stewardship Concept" proposed a new Islamic accountability framework for waqf institutions. In this framework, waqf institutions' accountability is divided into four categories and two dimensions. The first dimension is the spiritual dimension, where all must be accountable to Allah

(primary accountability). The second dimension is the secular dimension, where waqf institutions must be accountable to the wakif (upward accountability), beneficiaries (downward accountability), the community, and regulators (downward accountability), which is included in secondary accountability. This model illustrates that waqf institutions are accountable to multiple parties, including Allah, the wakif (donor), the community, the waqf body, and other waqf regulators, but do not explain technical step to reach the accountability. The waqf accountability model is as follows:

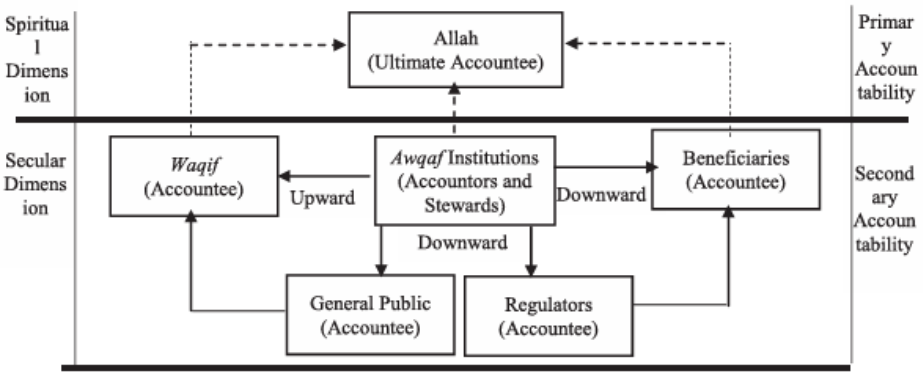

Figure 1. Extended Islamic Accountability Framework for Awqaf
Source: Ahmad & Hasan (2017)

Ihsan et al. (2021), in the article Framing Accountability Model for Awqaf Institutions, developed a waqf accountability model and encouraged regulators to develop accountability standards for waqf institutions. This accountability model encompasses accountability mechanisms and stakeholder salience theory, enabling waqf institutions to demonstrate their accountability to various types of stakeholders. Stakeholder salience theory generates a stakeholder typology that groups stakeholders based on three attributes: power, legitimacy, and urgency (Mitchell et al., 1997). With this model, it is hoped that waqf institutions can implement accountability mechanisms with stakeholder salience theory to achieve holistic accountability.

In comparison with accountability mechanism proposed by Ebrahim (2003), awqaf accountability framework by Ahmad & Hasan (2017) is less tangible/visible, less comprehensive in demonstrates the diversity (breadth) of accountability (Ihsan et al., 2016). Accountability Model for Awqaf Institutions by Ihsan et al. (2021) also do not elaborate the mechanism to practice the accountability model. Hence, the accountability model is more appropriate for evaluating accountability practices in waqf institutions (Ebrahim, 2003).

The first mechanism of accountability by Ebrahim (2003) is disclosure statements and reports. Reports and disclosures are the most frequently used means of implementing accountability (Ebrahim, 2003) because they are related to the issue of transparency. Transparency is a prerequisite for meaningful accountability, especially in governance and financial reporting contexts (Velayutham & Perera, 2004). The principles of disclosure and reporting are consistent with the tenets of the Quran, specifically Surah Al-Baqarah, verse 282, which mandates that all Muslim transactions be documented with witness verification. Consequently, these practices reflect a commitment to accountability towards stakeholders, particularly waqf beneficiaries and, ultimately, to God as the highest power.

The second mechanism is performance assessment and evaluation. Another mechanism that is widely used to achieve accountability is the use of various types of evaluation, including performance and impact assessors. Another accountability mechanism is to provide opportunities for stakeholders to participate (participation), which can be divided into 4 types, namely: participation in the planning and design stages of the program, participation in the form of public involvement in activities related to the program being implemented, participation in the form of opportunities for the public to negotiate or hold back the implementation of the program, and participation in the form of initiatives that arise independently from projects sponsored by NGOs and the state (Ebrahim, 2003).

The next accountability mechanism is self-regulation. Self-regulation refers to efforts made by an organization to develop standards or codes of conduct and performance (Ebrahim, 2003). This mechanism can then be strengthened by the final mechanism, namely social audit. Social audit refers to the process by which an organization assesses, reports on, and improves its social performance and ethical behavior, primarily through dialogue with stakeholders (Ebrahim, 2003).

Accountability Practiced by Waqf Institutions in Indonesia

In the context of Indonesia, nazhir as waqf manager has to manage and develop waqf asset, then distribute the waqf usufruct. Based on the Act Number 41/2004 concerning Waqf, Indonesian Waqf Board (Badan Wakaf Indonesia) is authorized to supervise, liquidate, and replace the waqf institution. Due to their source of fund is form donor or publc fund, BWI oblige waqf institution to submit a report to BWI dan dislcose it to public. This Act was then strengthened by Government Regulation Number 41/2006 stipulated that waqf institutions must regularly report to ministry of religius affair and BWI. Despite this requirement, this mechanism has not yet been properly applied because only limited cash waqf institution published their financial statement on their official website and the report is not audited by the assigned public accounting firm (Siswantoro et al., 2018). Theoritically, Indonesia cash waqf institutions has unique characteristic, neither unitary (principal–agent) nor pluralist (stakeholder-based) accountability because Indonesian waqf institution has unique and different logical characteristic (Siswantoro et al., 2018).

RESEARCH METHOD

This research was carried out to look at the contemporary phenomenon of cash waqf nazhir accountability in West Sumatra by utilizing digital technology. To answer the research objectives, researchers selected cash waqf nazhir using several criteria. Nazhir M was chosen as the research object because it has various waqf programs (not only cash waqf) which shows that this institution already has nazhir capacity in managing waqf, operates in several locations, has good management, receives waqf from wakifs from several circles (individual, institutional and international) and its establishment is based on the principles of waqf. After looking at the list of cash waqf nazhirs in West Sumatra who were registered with the Indonesian Waqf Board in January 2024 and considering the resources they had (especially time and funds), one cash waqf nazhir in West Sumatra was selected, namely Nazhir M.

Data were collected using semi-structured interviews, observation, and document analysis. Interviews were central to this research for gaining insights into personal experiences (Mears, 2009; Mills et al., 2010) and can be structured in various formats (Bryman, 2012). We conducted interviews with two managers at M Cash Waqf Nazhir—one handling investment & cooperation, and the other overseeing operations & fundraising—on August 8–9, 2024. Saturation was reached quickly, as no new relevant information emerged (Creswell et al., 2007).

Data collected through interviews is then complemented and supported by document analysis. There are four types of documents that support research, including personal documents, official documents (public and non-public), mass media output and virtual documents (Bryman, 2012). This research uses 3 documents in conducting document analysis, namely internal documents, documents published to the public, as well as documents that are mass media products. The internal documents used in this research are historical documents and institutional profiles and Nazir financial reports, while documents published in general are publications made on social media and waqf institution websites. Other documents include news and mass media coverage related to Nazir M and the waqf program he manages. All of these documents are very useful in increasing researchers' understanding of research objects.

Data analysis was carried out through triangulation of research data obtained from various data collection techniques described in the previous section. This research uses thematic analysis in conducting research data analysis which focuses on identifying, analyzing and reporting patterns/themes in the data (Braun & Clarke, 2006). In carrying out the analysis, the first thing to do is make a transcript of the interview recording. Then, interview transcripts and interview notes were combined with document analysis.

The research design is illustrated below:

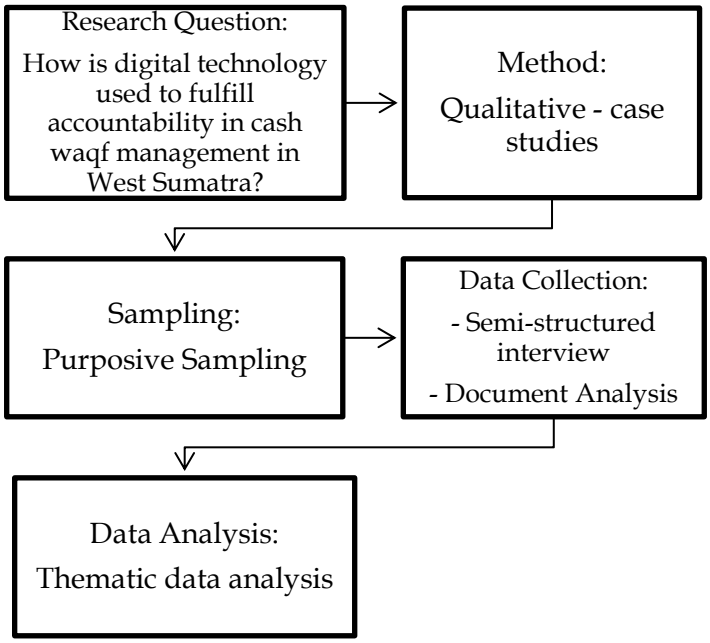

Figure 2. Research Design
Source: Author, 2024

RESULT AND DISCUSSION

Islam recognizes individual ownership, but it is not absolute or eternal because Allah is the owner of everything given to humans as Allah's representative (caliph) on earth (Ayub, 2008). Humans will be responsible for all things given by Allah, including their wealth, to Allah. This accountability towards Allah will have implications for accountability towards society as stakeholders.

Accountability can be seen as a willingness to carry out responsibilities by those who accept responsibility with the obligation to report, account for or answer to those who provide responsibility (Ihsan et al., 2016). Different from the concept of accountability in a conventional context, accountability in Islam is a more holistic concept. Accountability is an important topic in Islam (Iqbal & Lewis, 2009) and is not only related to accountability as in the conventional context, but also accountability to Allah Allah (Nahar & Yaacob, 2011).

Accountability is also related to the need for comparative information that can be used by stakeholders to evaluate the performance of an institution. Proper management of waqf assets, use of appropriate accounting methods and transparent reporting of waqf-related transactions will encourage primary and secondary accountability. Ebrahim (2003) proposed an accountability mechanism which includes reports and disclosures, performance assessment and evaluation which includes financial and non-financial performance, participation, self-regulation and social audit. (social auditing).

The results of this research are presented using the concept of accountability mechanisms proposed by Ebrahim (2003) because this mechanism is more real/visible, more comprehensive, and better shows the diversity (breadth) of accountability (Ihsan et al., 2016). The following are the results of research based on interviews conducted with research informants:

Utilization of Digital Technology in Disclosure Statements and Reports

Public trust in non-profit financial institutions, including waqf institutions, is influenced by transparency and accountability. One of the important instruments that can be used by waqf institutions to fulfill obligations related to accountability is to carry out accounting and reporting (Nahar and Yaacob, 2011) because an institution is said to be accountable if it has presented financial reports for each period in accordance with accounting standards (Yaacob et al., 2015). Nazhir as the party entrusted with managing wealth must be open and accountable to the waqf, and also to Allah. This is what is called being accountable and transparent in transactions (Adnan et al., 2007) in order to maintain trust between nazhir and wakif. Apart from that, the information produced can also be used by other related parties.

Transparency and accountability are key to public trust in non-profit financial institutions like waqf. Regular accounting and financial reporting, following standards, fulfill these obligations (Nahar & Yaacob, 2011; Yaacob et al., 2015). Nazhir, responsible for managing waqf assets, must be open and accountable both to the waqf and to Allah, maintaining trust with wakif (Adnan et al., 2007). The resulting information can also benefit other relevant parties.

Accounting and reporting are instruments in accountability (Ihsan & Ibrahim, 2011; Nahar & Yaacob, 2011; Rixon, 2012). The main mechanism used by various

institutions to demonstrate accountability is an annual report consisting of financial reports, information related to key performance, and strategic planning (Rixon, 2012) because it is one of the accountability mechanisms/tools that is widely used and is required by regulations in a country (Ebrahim, 2003). Therefore, as a trust-based institution, Nazir M must also carry out financial recording and reporting.

In general, the process of preparing waqf financial reports by Nazir M is still done manually, including reporting to BWI. Reporting for waqf other than cash waqf is not yet available because BWI has not provided any direction as to what the reporting should be like. In fact, Nazhir M already has human resources who are able to use the SAMAWI application because he has attended training on using the SAMAWI application held by BWI. However, Nazir M's financial reporting is still done manually because the SAMAWI application can only be used after instructions from BWI. Thus, Nazhir M has not used digital technology such as the SAMAWI accounting application in the process of making financial reports because there has been no direction to use SAMAWI from BWI as the regulator that manages the application. Since they can't prepare financial reports using the SAMAWI because of regulatory constraints, Nazhir M is currently collaborating with a university in West Sumatera to develop a proprietary financial reporting application. The following is the information conveyed by Informant I:

> "*...It's still manual, like reporting our cash waqf to BWI. For non-cash waqf, there is no system from BWI. This is certainly not the fault of Nazhir but indeed of BWI which has not yet completed the SAMAWI application. We are still conveying information via social media regarding all Nazir activities*."

In connection with this, currently information about waqf transactions, especially the distribution of waqf benefits, is only being published simply using social media. Social media, as internet-based application enables organizations to discharge accountability through varied interactions and gain the interest of potential wakif to support the program (Amelia & Dewi, 2021). The financial information published on the Nazhir website and social media is a summary of the amount of waqf assets collected, management of waqf assets and distribution of waqf benefits. Nazir M has not published detailed financial reports related to waqf entities in an extensive and complete manner because the records are still not complete so as not to cause confusion among users of financial reports. This was conveyed by Informant I:

> "*It is not yet online; if it were, it could be accessed, we haven't gotten there yet. We cannot deny that for waqf assets, almost no institution has truly complete administration and records, so of course we can't immediately open access to the public....*"

Thus, in the process of preparing financial reports, Nazhir M has not used digital technology such as the SAMAWI accounting application, whereas in publishing simple financial reports and disclosing related information, technology such as social media and websites has been used. This is closely related to the role of regulators in directing Nazirs in utilizing digital technology to achieve accountability. This is in accordance with the findings of Yaacob et al. (2015) that rules/regulations are one of the factors driving accountability in waqf institutions.

Utilizing Digital Technology in Performance Assessment and Evaluation

Another mechanism that is widely used to achieve accountability is the use of various types of evaluation, including performance and impact assessment (Ebrahim, 2003). This evaluation can be divided into internal evaluation and external evaluation. The distribution of waqf asset management results (waqf benefits) is carried out by Nazhir M in various forms. The distribution of these benefits was carried out in the form of building wells, mosques at Senior High School for Boys, Camp Tahfidz, construction of Campus 2, procurement of medical equipment, land acquisition, distribution of Al-Quran and distribution of free basic necessities. Based on information from Informant 1, the waqf beneficiaries (mauquf 'alaihi) from the nazhir waqf are mostly internal parties of the foundation which include teachers, students and santri, as well as other parties who are still part of the foundation's extended family.

Currently Nazir M submits reports to BWI manually. Evaluation of the distribution of waqf benefits is submitted to the foundation because the nazhir is directly responsible to the foundation. An evaluation of the distribution of waqf benefits that has been delivered specifically to the wakifs has not yet been carried out, but Nazhir is planning to provide a report on the distribution of benefits from waqf assets to the wakifs. Nazhir realizes the importance of this in order to optimize cash waqf by building the trust of the wakifs. The following is the explanation given by Informant I and Informant II:

> "*There are no specifics for that yet, but we have a desire in that direction. God willing, in the near future, because the impact is actually not only as a form of reporting but also to increase the enthusiasm of more people who have given waqf.*"

Utilizing Digital Technology in Participation

In the increasingly broad concept of accountability, accountability is not only related to accounting (Ihsan et al., 2016) so that accountability is not only related to the presence or absence of written reports. Several academics also state that accountability includes responding to the needs of interest groups, dialogue and gathering information (input) from the public, customers, stakeholders and constituents regarding the performance information they want (Goddard & Powell, 1992; Mulgan, 2000; Shelton & Albee, 2000). This can be achieved by providing opportunities for stakeholders to participate, which can be divided into 4 types, namely: participation in the planning and design stages of the program, participation in the form of public involvement in activities related to the program being implemented, participation in the form of opportunities for the public to negotiating or withholding program implementation, as well as participation in initiatives that emerge independently of projects sponsored by NGOs and the state (Ebrahim, 2003).

In planning the waqf program to be implemented, Nazir M has involved the participation of internal and external parties. The internal parties involved are the foundation management. Nazir M asked for input from the foundation leader regarding the waqf program that should be created and implemented. This is done because the majority of the beneficiaries of the waqf managed by Nazhir are academics

and internal foundations. The proposal and design of the waqf program to be implemented was formulated in a foundation working meeting. This was explained by Informant I:

> *"for the ongoing proccess, we still (involve internal parties). We ask for input from the foundation leadership regarding the form of superior waqf program that we will carry out, which is usually done at the beginning of the year during a working meeting."*

In the planning process, Nazhir also asked for external input by visiting wakifs and parties who have the potential to become wakifs to provide information about waqf opportunities and what benefits they will get if they participate in waqf. Nazhir is also open to receiving input and recommendations for waqf programs provided by customers. In general, Nazhir has involved external parties in planning the waqf program even though it is still implemented manually.

> "*For external (party participation) we must also not take the form of a special forum, we go to people who are considered to have the potential to become wakif. We convey the opportunities that they might get if they become wakif in the program that we created. For example, we have land and then we tell them what if we build a dormitory on this land with the Ijarah Muntahiyah Bittamlik (IMBT) concept, but there is no special forum yet.*"

The waqf asset collection program is carried out through various events involving various external parties, such as tabligh akbar. This waqf is then managed by Nazhir is then managed productively. This management includes oil palm plantations in West Pasaman, banana plantations in Solok, fish cultivation in Solok, magot cultivation in Air Dingin, biofloc catfish cultivation in Padang, and ricefield in Salayo. Apart from that, waqf assets are also managed in the form of social waqf such as the quran house in Solok and the tahfidz house in Padang Panjang.

For the distribution of waqf benefits, there has not been a special forum or mechanism created to ask for input from wakifs or potential waqf beneficiaries regarding what form the waqf benefits should be distributed in. This happens because so far the results of cash waqf asset management carried out by Nazhirs have not been significant. Apart from that, the distribution of waqf benefits is still used to organize educational activities within the foundation, so that the distribution of waqf benefits is adjusted to the plans that have been made by the foundation. However, if later the results of cash waqf asset management are large and significant, then the Nazhir will ask for the participation of various parties to provide input regarding the distribution of the benefits of waqf asset management (to whom and in what form the benefits of waqf assets are distributed).

> *"As for the distribution of benefits, because so far the benefits we have received from waqf have not been significant because the assets are not very large. So the allocation of waqf benefits is currently still focused on supporting educational activities at M Foundation. Of course, because our nature is still for us, there is no need to create a forum for outsiders. In the future, of course, as the number of cash waqf increases, productive waqf assets increase and our waqf gets bigger, we may need to ask for opinions from external parties to formulate where it is given and to whom it is given so that we will also be more*

> *effective publicly because nazhir is indeed a trustworthy institution. Providing the benefits of waqf to the right people is necessary."*

Thus, it can be concluded that implementing the accountability mechanism through participation is still done manually, not using digital technology, both in waqf program planning, waqf collection and distribution of waqf asset management results. This means that the use of digital technology in discharging accountability is influence by economic scale of waqf asset managed by nazhir (Siswantoro, 2020). Acknowledging the financial implications, the implementation of technology and a robust digital accountability system necessitates a specific allocation of resources, potentially impacting the waqf institution's financial structure. However, to mitigate these costs, nazhirs can leverage readily available, cost-free digital tools. Platforms like Google Forms, SurveyMonkey, Zoom, and Google Meet offer accessible solutions. These resources facilitate stakeholder engagement throughout the waqf management lifecycle, encompassing planning, waqf collection, and the distribution of returns from asset development to beneficiaries.

Digital Technology for Self-Regulation

Self regulation refers to efforts made by an organization to develop standards or codes of behavior and performance (Ebrahim, 2003). One form of self regulation is by having a Standard Operating Procedure (SOP). Nazhir M already has an SOP for collecting and developing waqf assets as well as distributing the benefits of cash waqf, SOPs related to collecting waqf assets and SOPs for distributing the benefits of waqf assets. These SOPs are published internally, have not been widely published to the public because the wakif and mauquf 'alaihi on average still come from internally (affiliated with the nazhir). Publication of SOPs is carried out only internally using e-mail or WhatsApp message. Thus, Nazhir M already has self-regulation in the form of SOPs which have been published using digital technology but are still within the internal scope of Nazhir and the foundation II:

> *"SOP (published in scope) is only internal, for example if we are offered a land waqf for example in a certain location, then we will select one of the SOPs (the offer) first. Then we study the documents, then we ask for direction from the foundation's supervisors as to whether they can accommodate (approved by) the supervisors. If everything is okay, the documents are safe, and there is no dispute over the land, then we can accommodate the wakif's request, if it doesn't comply with the SOP, then we will hand it back (the waqf asset offer) to the prospective wakif."*

Utilizing Digital Technology in Social Auditing

Social auditing refers to the process by which an organization assesses, reports, and improves its social performance and ethical behavior, primarily through dialogue with stakeholders (Ebrahim, 2003). In the use of digital technology in social audits, there is also no special mechanism carried out by Nazhir M. The audit that is carried out is still in the form of an examination carried out by the leadership of the foundation and BWI on Nazhir's performance. Nazir's financial reports have also not been audited by an external auditor because the existing reports are still in simple form.

Nevertheless, Nazir M is very open to various criticisms and evaluations from waqf stakeholders. So, Nazir M has not utilized digital technology in conducting social audits to achieve accountability.

CONCLUSION

This research explores the use of digital technology in fulfilling the accountability of cash waqf management in West Sumatra by examining how Nazhir implements four accountability mechanisms, namely disclosure statements and reports, performance assessment and evaluation, participation, and self-regulation. The findings show that Nazhir M has utilized digital technology at a basic level, primarily through official websites and social media, particularly for publishing simple, manually prepared financial reports, as the Indonesian Waqf Accounting and Management System (SAMAWI) has not yet been fully implemented nationally. Digital technology has also been applied in self-regulation through the dissemination of standard operating procedures via email and messaging applications, while performance assessment, evaluation, and participation mechanisms are still conducted manually. A major obstacle in adopting digital technology is the absence of specific directives and access authorization from waqf regulators, particularly the Badan Wakaf Indonesia (BWI), despite the availability of SAMAWI and the participation of Nazhir human resources in related training programs. This condition highlights the critical role of regulators in determining the utilization of digital technology by nazhirs, indicating the need for BWI to promptly respond to technological developments by accelerating the implementation of SAMAWI, facilitating linkages between nazhirs and potential investors, and collaborating with insurance institutions to support asset waqf development while ensuring strong accountability. In addition, nazhirs are encouraged to further explore digital technologies to strengthen accountability practices, and future research is recommended to examine challenges in adopting digital accountability systems with BWI as the primary research subject, as well as to encourage waqf scholars and academics to develop optimal digital accountability models tailored to waqf institutions.

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