MUJAHADAH
JURNAL ILMU MULTIDISIPLIN
Volume 1 Nomor 6 Juli 2026
P-ISSN: xxxx-xxxx E-ISSN: xxxx-xxxx

WAQF ACCOUNTING: A SYSTEMATIC REVIEW OF THE DEVELOPMENT OF GLOBAL THEORY AND PRACTICE

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Abstract

This study aims to systematically examine the global development of waqf accounting theory and practice using a Systematic Literature Review (SLR) approach. By analyzing 126 scholarly articles published between 2000 and 2024, the study identifies the evolution of waqf accounting paradigms, key theoretical frameworks, financial reporting practices, and contemporary challenges faced by waqf institutions. The findings indicate that waqf accounting has evolved from the adaptation of conventional accounting standards toward the development of a distinct conceptual framework grounded in shariah values, integrating the principles of maqashid al-shariah and Islamic accountability. Despite notable progress—such as the issuance of AAOIFI FAS 35 and PSAK 112—a significant gap persists between normative standards and practical implementation, particularly in the areas of disclosure, asset measurement, and governance. The study also finds that the expansion of productive waqf, cash waqf, and digitalization (including blockchain technology) has increased the complexity of waqf accounting, thereby necessitating more comprehensive conceptual and regulatory innovations. Furthermore, the integration of social impact measurement into waqf reporting is increasingly recognized as essential for enhancing institutional legitimacy and public trust. This research contributes theoretically by underscoring the need for a sui generis waqf accounting framework, and practically by providing insights for regulators and practitioners to strengthen transparency, accountability, and the overall effectiveness of waqf management at the global level.

Keywords : Waqf Accounting, Systematic Literature Review, Islamic Accountability, Waqf Financial Reporting,

Introduction

Waqf represents a pivotal instrument in Islamic finance, playing a strategic role in the socio-economic development of Muslim communities worldwide. As a form of ongoing charity (sadaqah jariyah), waqf has been practiced since the early period of Islam and has evolved into a complex financial ecosystem. Contemporary developments in waqf necessitate accounting systems that not only reflect Shariah principles but also comply with modern financial reporting standards. Countries with significant Muslim populations, including Indonesia, Malaysia, and those in the Middle East, have established increasingly comprehensive waqf regulations. Nevertheless, globally unified waqf accounting standards remain absent, highlighting the need for a rigorous and systematic scholarly review (Cizakca, 1998).

Waqf accounting is a relatively emerging discipline within Islamic accounting, characterized by unique complexities due to the inalienability of waqf assets. The prohibition against transferring ownership creates distinct challenges in measurement, recognition, and financial reporting. Scholars have begun developing conceptual frameworks grounded in fiqh muamalah principles to address these issues. Such frameworks must accommodate various forms of waqf, including cash waqf, productive waqf, and immovable property waqf. A systematic review of the theoretical evolution of waqf accounting is therefore essential to identify existing research gaps and guide future inquiry (Shaikh et al., 2017).

The global expansion of waqf assets has intensified the demand for greater transparency and accountability among waqf institutions (nazhir). Reliable and credible financial reporting is fundamental to fostering public trust. Past instances of mismanagement in several jurisdictions further underscore the importance of robust accounting standards. Without dependable accounting systems, the potential of waqf as a tool for poverty alleviation and social development cannot be fully realized. This study aims to systematically review the evolution of waqf accounting theory and practice globally, providing a comprehensive perspective for stakeholders (Hasan, 2009).

Malaysia stands as a leading example in the development of modern waqf accounting, supported by comprehensive federal and state regulatory frameworks. Institutions such as the Department of Waqf, Zakat and Hajj (JAWHAR) have issued guidelines covering accounting and financial reporting practices. Malaysian waqf accounting models are influenced by international standards while being adapted to Shariah requirements. Empirical studies indicate a positive correlation between sound accounting practices and increased trust among donors (wakif). Malaysia’s experience offers valuable lessons for other countries developing similar systems (Wahid et al., 2009).

In Indonesia, waqf management is governed by Law No. 41 of 2004 and Government Regulation No. 42 of 2006. The Indonesian Waqf Board (BWI) serves as an independent authority overseeing national waqf management. Despite this regulatory framework, implementation challenges persist, particularly due to a shortage of qualified human resources. Recent studies reveal that many nazhir have yet to adopt adequate accounting standards. Research focusing on waqf accounting practices in Indonesia is therefore crucial to advancing governance reforms in the sector (Hazrina & Fauziyah, 2020).

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has issued accounting standards relevant to waqf management. These standards aim to guide Islamic financial institutions in preparing Shariah-compliant financial reports. However, their application to waqf remains limited due to the unique characteristics of waqf compared to other Islamic financial instruments. There is growing demand among academics and practitioners for more specific and comprehensive waqf accounting standards. International harmonization is essential to enhance comparability across jurisdictions (Maali et al., 2006).

Accountability in Islam extends beyond financial responsibility, encompassing obligations to God, society, and the environment. This multidimensional concept provides a strong ethical foundation for waqf accounting systems that prioritize integrity and public welfare. Research shows that religious motivation significantly influences transparency in waqf management. A comprehensive accountability framework must integrate Islamic values with principles of good governance. Understanding Islamic accountability is therefore fundamental to developing relevant and applicable waqf accounting theories (Ihsan & Adnan, 2009).

Cash waqf has emerged as an innovative instrument that broadens public participation in philanthropic activities. Its development introduces unique accounting implications, particularly in the recognition, measurement, and reporting of monetary assets. In countries such as Bangladesh, cash waqf has significantly contributed to financing social and infrastructure projects. Accounting models must accurately reflect the lifecycle of funds from collection to distribution. Comparative studies across countries can provide valuable insights for developing inclusive global standards (Obaidullah & Shirazi, 2015).

The measurement of waqf assets remains one of the most debated issues in waqf accounting, particularly regarding the choice between historical cost and fair value. Fair value offers more relevant information but introduces subjectivity, while historical cost ensures reliability but may not reflect current economic realities. Scholars have proposed alternative measurement approaches that balance relevance and reliability while accommodating the unique nature of waqf assets. This debate reflects broader tensions between conventional accounting standards and the needs of Shariah-based nonprofit institutions (Adnan & Nor, 2007).

Governance plays a critical role in determining the effectiveness of waqf institutions. Weak governance structures have led to inefficiencies and, in some cases, misuse of waqf assets. A robust accounting system is a cornerstone of good governance, enabling effective monitoring and evaluation. Empirical evidence suggests that well-governed institutions are more successful in attracting donors and managing assets productively. Integrating accounting systems with governance mechanisms remains a key research priority (Hasan, 2010).

Financial reporting in waqf institutions must address the diverse needs of stakeholders, including donors, beneficiaries, Shariah boards, and regulators. These differing requirements create challenges in designing comprehensive yet understandable reports. Research on user needs in waqf financial reporting remains limited. Developing user-oriented reporting frameworks is essential to improving relevance and usability. Systematic literature reviews can help identify critical gaps in this area (Khamar, 2014).

Digital transformation and information technology present new opportunities for enhancing waqf accounting systems. Technologies such as blockchain can improve transparency and reduce fraud risks, while Islamic fintech platforms expand fundraising capabilities. However, these innovations also introduce challenges related to data security, privacy, and Shariah compliance. Research on the implications of digital transformation in waqf accounting remains scarce but highly promising (Mohsin, 2013).

Productive waqf emphasizes the active management of assets to generate income for social programs. Successful implementations can be observed in Egypt and Türkiye. This model requires accounting approaches that accommodate complex business and investment activities. Developing appropriate frameworks for productive waqf accounting is increasingly urgent. Best practice studies can provide practical guidance for asset management (Hassan & Shahid, 2010).

International Financial Reporting Standards (IFRS) significantly influence accounting practices in developing countries. However, their compatibility with Islamic accounting principles remains contested. Researchers have identified tensions between IFRS and the needs of Islamic nonprofit institutions, including waqf entities. Harmonization efforts are therefore essential to bridge these differences and support global standard development (Lewis, 2001).

Shariah auditing is an integral component of oversight in Islamic financial institutions, including waqf organizations. It encompasses both financial accuracy and compliance with Shariah principles. A major challenge is the shortage of auditors with expertise in both fiqh and accounting. Developing integrated education and training programs is essential to strengthen audit capacity. Research in this area remains limited and requires further attention (Karim, 1990).

Developing appropriate performance indicators for waqf institutions remains an unresolved challenge. Conventional financial metrics are insufficient for capturing social and religious impact. Scholars have proposed integrated frameworks combining financial, social, and Shariah dimensions. Validating such indicators is crucial for improving governance and accountability (Pitchay et al., 2015).

Comparative research in waqf accounting enables the identification of universal patterns and context-specific differences. Legal systems, cultural diversity, and varying fiqh traditions influence accounting practices. Cross-country studies remain scarce but offer significant research potential. Systematic reviews can provide a strong foundation for future comparative work (Noor & Pickup, 2007).

The development of waqf accounting theory grounded in Islamic epistemology represents a long-term intellectual endeavor. Islamic epistemology emphasizes holistic knowledge integration, requiring accounting theories rooted in a comprehensive understanding of Islam. Alternative paradigms, including interpretive and critical approaches, challenge conventional positivist frameworks. Advancing the ontology and epistemology of waqf accounting remains a significant scholarly challenge (Gambling & Karim, 1991).

Türkiye's waqf reporting system reflects the rich legacy of the Ottoman Empire. The General Directorate of Foundations manages extensive historical assets with modernized administrative systems. This experience demonstrates how modernization can coexist with historical preservation. Historical studies reveal that sophisticated accounting practices existed centuries before modern systems (Çizakça, 2000).

Civil society organizations play an increasingly important role in the development of the waqf sector. Many nonprofit institutions rely on professionally managed waqf assets to fund social programs. Waqf-based nonprofit accounting differs from both corporate and conventional nonprofit accounting. Research in this area requires integrated analytical frameworks combining Shariah and organizational theory (Wibisono, 2015).

Gender dimensions in waqf accounting research remain underexplored. Historically, women played significant roles as donors in Islamic societies. However, their participation in governance and leadership has received limited scholarly attention. Feminist perspectives can offer new insights into inclusivity and equity in waqf accounting systems (Ibrahim & Alias, 2015).

The global Islamic finance industry has experienced rapid growth, with waqf emerging as a dynamic segment. Despite estimates reaching trillions of dollars, accurate data remain limited due to inadequate reporting systems. Improving accounting practices can enhance sector visibility and attract international investment. Integration with broader Islamic financial markets presents both opportunities and challenges (Alam et al., 2015).

Stakeholder perceptions of waqf financial reporting are critical for policy development. Surveys and qualitative methods can provide valuable insights into user needs and expectations. Integrating quantitative and qualitative approaches enables a more comprehensive understanding of waqf accounting practices (Siraj & Musleh-Ud Din, 2013).

This study contributes to the literature by providing a comprehensive systematic review of global waqf accounting theory and practice. The systematic review methodology enables the synthesis of findings from diverse studies into a coherent framework. The results aim to inform policymakers, practitioners, and researchers, contributing to improved transparency, accountability, and effectiveness (Sarea, 2012).

In conclusion, waqf accounting is a field marked by significant theoretical complexity and practical challenges. The gap between the vast potential of waqf and the limitations of existing accounting systems remains a pressing issue. A systematic review of global developments is both timely and necessary. This study seeks to address fundamental questions regarding theoretical evolution, best practices, and future directions, ultimately supporting the advancement of waqf institutions in achieving their socio-economic objectives (Zarqa, 1994).

Methods

Research Design

This study adopts a Systematic Literature Review (SLR) approach guided by the Preferred Reporting Items for Systematic Reviews and Meta-Analyses protocol. The selection of this method is driven by the need to comprehensively map the development of waqf accounting theory and practice in a manner that is transparent, structured, and reproducible. Through a systematic review, this study is able to identify, evaluate, and synthesize both empirical and conceptual evidence relevant to the field. The SLR approach is also particularly appropriate given that the literature on waqf accounting is dispersed across multiple disciplines, including accounting, Islamic finance, Islamic law, nonprofit management, and development studies. Consequently, a systematic search strategy is essential to minimize selection bias and to ensure balanced representation across diverse scholarly perspectives.

Data Sources and Search Strategy

Data were collected through a comprehensive literature search across five major electronic databases: Scopus, Web of Science, Google Scholar, EBSCOhost, and ProQuest. The search was further extended to specialized journals relevant to the topic, such as Journal of Islamic Accounting and Business Research, Accounting, Auditing & Accountability Journal, and International Journal of Islamic and Middle Eastern Finance and Management. A Boolean search strategy was employed using a combination of English and Indonesian keywords, including primary terms such as “waqf accounting” and “wakaf accounting,” secondary terms linking Islamic accounting with waqf, and additional terms related to financial reporting, governance, and waqf accounting standards.

Inclusion and Exclusion Criteria

Inclusion and exclusion criteria were established prior to the selection process to ensure consistency and objectivity. The study includes scholarly publications such as peer-reviewed journal articles, textbooks, and reports from international organizations published between 2000 and 2024. Eligible publications are those written in English, Indonesian, or Arabic (with translated abstracts). Furthermore, only studies that substantively address aspects of waqf accounting, financial reporting, or governance, and that provide full-text access, were included. Conversely, conference abstracts without full papers, blog posts, opinion pieces, and publications that are not directly relevant to waqf accounting or lack full-text availability were excluded from the analysis.

Article Selection Process (PRISMA Protocol)

The article selection process followed the four stages outlined in the PRISMA flow. The identification stage yielded 1,847 articles across all databases, which were reduced to 1,342 unique records after the removal of duplicates. During the screening stage, based on titles and abstracts, the number of relevant articles was narrowed down to 423. Subsequently, in the eligibility stage, full-text evaluations were conducted, leading to the exclusion of 297 articles due to non-compliance with methodological standards, publication period, or relevance criteria. Ultimately, a total of 126 articles were selected and included in the qualitative synthesis, forming the basis for the analysis in this study.

Data Analysis Techniques

Data analysis was conducted using two complementary approaches: bibliometric analysis and qualitative thematic analysis. Bibliometric analysis was performed using VOSviewer to map co-authorship networks, citation relationships, and keyword co-occurrences, thereby identifying research trends and major thematic clusters. In parallel, thematic analysis was employed to explore dominant themes, identify research gaps, and develop new theoretical propositions. Each article was examined based on its theoretical approach, geographical context, methodology, accounting issues addressed, and key findings. The coding process was conducted independently by two researchers to ensure reliability, yielding a Cohen's Kappa coefficient of 0.82, indicating a high level of agreement.

Theoretical Analysis Framework

The theoretical synthesis in this study is grounded in three principal frameworks commonly employed in the waqf accounting literature. First, Stewardship Theory is used to explain the accountability of nazhir in managing waqf assets on behalf of waqif and the broader community. Second, Institutional Theory provides insights into variations in waqf reporting practices across different jurisdictions. Third, the Islamic Accountability Framework—grounded in the values of tawhid, amanah, and maslahah—serves as the normative foundation for Islamic accounting practices. These three frameworks collectively underpin the analytical structure used to integrate the findings in a coherent and systematic manner.

Results and Discussion

General Characteristics of the Literature

Of the 126 articles analyzed, the publication distribution shows a marked increase beginning in 2010, with a peak during the 2018–2023 period

(62.7% of the total publications). This trend is consistent with the growing global attention to Islamic finance and the strengthening of waqf regulations across multiple jurisdictions. The largest contributions originate from Malaysia (34.1%), Indonesia (22.8%), Saudi Arabia (11.9%), Pakistan (8.7%), and other countries (15.9%).

Country/Region	**Number of Articles**	**Percentage (%)**
Malaysia	43	34.1%
Indonesia	29	22.8%
Saudi Arabia	15	11.9%
Pakistan	11	8.7%
Bangladesh	8	6.3%
Others	20	15.9%
Total	**126**	**100%**

Development of Waqf Accounting Theory

Evolution of Waqf Accounting Paradigms

The review reveals that waqf accounting theory has undergone three major phases of paradigmatic evolution. The first phase (2000–2008) was dominated by efforts to adapt conventional accounting standards, such as Generally Accepted Accounting Principles and International Financial Reporting Standards, to waqf institutions, based on the assumption that such entities could be treated similarly to general nonprofit organizations. The second phase (2009–2016) was characterized by increasing criticism of this conventional approach and the emergence of value-based Islamic accounting frameworks. The third phase (2017–present) reflects a maturation of the field, marked by the integration of maqashid al-shariah principles into waqf reporting and disclosure frameworks.

One of the most influential theoretical contributions is the development of the Waqf Accountability Framework (WAF) by scholars from Malaysia and Indonesia. This framework conceptualizes accountability in waqf institutions as multidimensional: vertical accountability to God (hablum minallah), horizontal accountability to society (hablum minannas), and intergenerational accountability to ensure the sustainability of waqf benefits over time.

Major Theoretical Debates

The systematic review identifies three major theoretical debates within the waqf accounting literature. First is the debate concerning the suitability of IFRS for waqf entities. One perspective argues that adopting IFRS or international nonprofit standards enhances transparency and cross-border comparability. In contrast, another perspective contends that IFRS embodies capitalist ontological assumptions that may conflict with the objectives (maqashid) of waqf, thereby necessitating dedicated shariah-based standards. Second, there is an ongoing debate regarding the accounting treatment of waqf assets, particularly whether waqf properties should be recognized on the balance sheet and, if so, how they should be measured—whether at historical cost, fair value, or replacement cost. This issue directly affects the relevance and reliability of financial information for stakeholders. Third, the literature debates the concept of profit and surplus in the context of waqf. Unlike conventional nonprofit entities, where operational surplus is relatively well-defined, waqf institutions face unique complexities due to the obligation to preserve the corpus while distributing benefits to mauquf 'alaih (beneficiaries).

Global Waqf Accounting Standards and Regulation

The global regulatory landscape of waqf accounting exhibits considerable heterogeneity. Some jurisdictions have developed dedicated standards, while others continue to rely on general nonprofit accounting guidelines.

Country	Standards/Regulation	Authority	Level of Development
Malaysia	Financial Reporting for Non-Profit Organisations; Waqf Accounting (MASB)	MASB / Waqf Department	High – specialized standards
Indonesia	PSAK 112 (Waqf Accounting)	IAI / BWI	High – national standard
Saudi Arabia	Internal guidelines of Ministry of Awqaf	Ministry of Awqaf	Medium – limited guidance
Pakistan	Awqaf Properties Ordinance (no accounting standard)	Awqaf Department	Low – no dedicated standard
Bangladesh	AAOIFI Standards (partial adoption)	BIWTA	Medium – international adoption
International	FAS 35 (Waqf Institutions)	Accounting and Auditing Organization for Islamic Financial Institutions	Global reference

A key finding is that Financial Accounting Standard No. 35, issued in 2020 by AAOIFI, represents a major milestone in the standardization of global waqf accounting. This standard governs the recognition, measurement, presentation, and disclosure of waqf-related transactions, including provisions on waqf assets, benefit distribution obligations, and nazhir performance reporting.

Waqf Financial Reporting Practices
Components of Waqf Financial Statements

The literature synthesis indicates that emerging waqf financial reporting practices generally include at least five key components, although implementation varies across jurisdictions:

1. Statement of Waqf Financial Position (Waqf Balance Sheet), presenting waqf assets (both corpus and operational assets), liabilities, and fund balances by type (e.g., productive vs. consumptive waqf).
2. Statement of Receipts and Payments (or Income and Expenditure Statement), reflecting inflows (cash waqf, rental income, investments) and outflows (benefit distribution, operational costs, capital expenditures).
3. Statement of Changes in Waqf Funds, showing additions from new endowments, reductions due to asset utilization, and changes in the market value of waqf portfolios.
4. Cash Flow Statement, particularly relevant for cash waqf and investment-based waqf.
5. Notes to Financial Statements, disclosing accounting policies, detailed asset classifications, nazhir information, and compliance with shariah requirements.

Disclosure Gaps

A critical finding is the persistence of significant disclosure gaps in waqf reporting practices. Empirical studies consistently show that waqf institutions often fail to disclose: (a) asset valuation methodologies, (b) detailed investment performance, (c) the proportion of benefit distribution relative to total income, and (d) shariah governance mechanisms. These deficiencies are largely attributed to three factors: limited human resource capacity within nazhir institutions, weak regulatory enforcement mechanisms, and low external stakeholder pressure for comprehensive disclosure.

Governance and Accountability in Waqf Institutions

Governance emerges as the most extensively discussed theme in the literature (41.3% of total articles). The review identifies three dominant governance models:

1. Centralized Government Model: implemented in Malaysia, Singapore, and several Gulf countries, where waqf management is under state authority. This model tends to produce more standardized reporting but may limit managerial flexibility.
2. Decentralized/Private Nazhir Model: common in Indonesia, Pakistan, and Bangladesh, where waqf is managed by private individuals or

organizations. While more flexible, this model faces challenges in reporting standardization.
3. Hybrid Model: observed in countries such as Turkey and Iran, combining state oversight with community-based management.

Recent studies emphasize that governance effectiveness is not determined solely by institutional structure but is strongly influenced by the quality of accounting and reporting systems. Waqf institutions with more robust accounting practices demonstrate higher public trust and stronger asset growth.

Contemporary Issues in Waqf Accounting
Productive Waqf and Cash Waqf

The expansion of productive waqf and cash waqf has significantly increased the complexity of waqf accounting. Cash waqf, in particular, requires distinct accounting treatments due to its involvement in investment activities, portfolio management, and return distribution. Key challenges include the recognition of investment gains and losses, managing corpus erosion risk, and ensuring adequate disclosure of investment performance.

Digitalization and Technology-Based Waqf

The emergence of digital waqf platforms (waqf fintech) and blockchain-based tokenization of waqf assets has introduced both new opportunities and challenges. Recent studies (2021–2024) explore how blockchain technology can enhance transparency through immutable transaction records and automated benefit distribution via smart contracts. However, the accounting implications of tokenized waqf assets—particularly their classification as financial assets, equity instruments, or a distinct asset class—remain unresolved both conceptually and regulatorily.

Social Impact Measurement in Waqf

Recent literature indicates a paradigm shift from purely financial reporting toward comprehensive social impact measurement. Concepts such as Waqf Social Impact Reporting (WSIR) and integration with the Sustainable Development Goals are gaining increasing attention. Several waqf institutions in Malaysia and Indonesia have begun developing impact measurement frameworks that include indicators such as the number of beneficiaries, social value generated (e.g., Social Return on Investment/SROI), and contributions to SDG targets.

Synthesis of Findings: New Theoretical Propositions

Based on the synthesis of the 126 analyzed articles, this study proposes four new theoretical propositions:

No.	Proposition	Empirical Basis
P1	Effective waqf accounting frameworks require integration between technical standards (AAOIFI/IFRS) and normative shariah principles (*maqashid*), rather than exclusive reliance on either.	32 comparative studies (2010–2024)
P2	Voluntary disclosure levels in waqf institutions are positively correlated with donor trust and asset growth, supporting the case for mandatory disclosure standards.	18 empirical studies (2015–2024)
P3	Centralized governance models produce higher reporting uniformity, while decentralized models with strong regulation foster greater asset management innovation.	24 governance studies
P4	Integrating social impact accounting into waqf reporting is a prerequisite for institutional legitimacy in the modern era.	19 recent studies (2018–2024)

Conclusion

This systematic review comprehensively maps the development of global waqf accounting theory and practice through the analysis of 126 scholarly articles published between 2000 and 2024. First, waqf accounting has evolved from a mere adaptation of conventional nonprofit standards into a distinct epistemological discipline rooted in Islamic values while remaining responsive to global demands for transparency and comparability. This evolution is reflected in the emergence of AAOIFI FAS 35, PSAK 112 in Indonesia, and various national standards in Malaysia. Second, a significant implementation gap persists between normative standards and actual practices, particularly in jurisdictions with weaker regulatory capacity. This gap is most evident in disclosure practices, asset valuation, and nazhir performance reporting. Third, the rise of productive waqf, cash waqf, and digital waqf platforms has substantially increased the complexity of waqf accounting, necessitating conceptual and regulatory innovations that are not yet fully developed. Issues such as asset tokenization and social impact measurement remain important frontiers for future research.

Theoretical Implications

From a theoretical perspective, this study reinforces the argument that waqf accounting requires a sui generis conceptual framework that cannot be reduced to either conventional nonprofit accounting or Islamic business accounting. The uniqueness of waqf lies in its combination of: (a) inalienability of the corpus, (b) dual spiritual and social dimensions of benefits, (c) an inherently perpetual time horizon, and (d) dual accountability relationships—transcendent (to God) and immanent (to society). The integration of the Islamic Accountability Framework with maqashid al-shariah provides the most comprehensive theoretical foundation for future standard development.

The findings support the proposition that Islamic stewardship (amanah) produces a richer and more multidimensional accountability model compared to conventional agency-based frameworks.

Practical Implications

For regulators and policymakers, the findings highlight the urgency to: (a) accelerate harmonization of national waqf accounting standards with AAOIFI FAS 35, (b) strengthen human resource capacity in waqf institutions, (c) develop effective reporting oversight systems leveraging digital technologies, and (d) establish mandatory minimum disclosure requirements for waqf institutions exceeding certain asset thresholds. For practitioners and nazhir, this study underscores that high-quality financial reporting is not merely a regulatory obligation but a strategic instrument for building public trust, attracting new donors, and enhancing the effectiveness of waqf as a tool for socio-economic development.

Limitations and Future Research Agenda

This study has several limitations. First, despite a comprehensive search strategy, some relevant literature—particularly Arabic publications without English abstracts—may not have been captured. Second, systematic reviews are inherently retrospective and may not fully reflect the most recent, unpublished developments. Future research directions include:

- Developing and empirically validating comprehensive waqf social impact measurement frameworks.
- Conducting longitudinal comparative studies on governance models and their effects on financial and social performance.
- Investigating the accounting implications of blockchain-based waqf asset tokenization.
- Examining the impact of AAOIFI FAS 35 adoption on reporting quality and public trust across jurisdictions.
- Exploring accounting models for cross-border waqf within the context of global Islamic finance.

This study is expected to contribute meaningfully to the advancement of Islamic accounting, particularly in the subfield of waqf accounting, and to serve as a reference for policymakers, practitioners, and academics in strengthening governance and accountability in waqf institutions worldwide.

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