

HOW ACCOUNTABLE IS ZAKAT MANAGEMENT IN INDONESIA? AN EVIDENCE FROM BAZNAS OF NORTH SULAWESI

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ABSTRACT - This study was motivated by some zakat management accountability issues discovered in preliminary studies conducted in several zakat agencies throughout the North Sulawesi province. This study investigates zakat management accountability in three chapters/sub-chapters of the National Zakat Agency (*Badan Amil Zakat Nasional – BAZNAS*) in North Sulawesi province: the BAZNAS provincial chapter, the BAZNAS of Manado City sub-chapter, and the BAZNAS of Kotamobagu City sub-chapter. Data were collected using documentation studies and in-depth interviews with zakat administrators from the zakat institutions using purposive and snowball sampling techniques. To analyze the data, this study employed an Action Research (AR) approach, while the results were interpreted using a four-stage qualitative analysis: domain analysis, taxonomic analysis, componential analysis, and theme analysis. The findings indicate that zakat management in the targeted institutions has not fully met the accountability standard outlined in Law No. 23/2011, specifically in terms of 1) the absence of certain accountability indicators, 2) inefficient use of websites, 3) ineffective use of social media, and 4) the absence of an internal audit unit (SAI). The findings have implications for improving BAZNAS in North Sulawesi province and throughout Indonesia. In particular, this study suggests optimizing institution websites and social media by integrating them with provincial zakat institutions. Consequently, it is crucial to employ an IT expert who specializes in in-out information from/to society. The establishment of SAI and the employment of shariah auditors are also noteworthy. Collaboration with Islamic universities could be a first step towards a solution.

Keywords: Accountability, BAZNAS, Management, Zakat

ABSTRAK – Seberapa Akuntabelkah Pengelolaan Zakat di Indonesia? Kajian pada BAZNAS Sulawesi Utara. Kajian ini dilatarbelakangi oleh beberapa persoalan akuntabilitas pada pengelolaan zakat di beberapa BAZNAS dalam lingkungan provinsi Sulawesi Utara. Tulisan ini bertujuan untuk mengkaji akuntabilitas pada tiga BAZNAS di provinsi Sulawesi Utara, yaitu BAZNAS provinsi, BAZNAS Kota Manado, dan BAZNAS Kota Kotamobagu. Selain dari studi dokumentasi, data juga dikumpulkan melalui wawancara mendalam administrator zakat dari ketiga BAZNAS terkait yang dipilih berdasarkan teknik sampling purposif dan bola salju (snowball). Untuk menganalisis data, kajian ini menggunakan metode Action Research (AR), yang kemudian diinterpretasikan dalam empat tahapan analisis kualitatif, yaitu analisis domain, analisis taksonomi, analisis komponensial, and analisis tema. Kajian ini menemukan bahwa pengelolaan zakat di objek penelitian tersebut belum sepenuhnya memenuhi kriteria akuntabilitas sebagaimana disebutkan dalam UU No. 23/2011, terutama dalam hal: 1) kealpaan dari beberapa indikator akuntabilitas, 2) websitenya belum optimal, 3) sosial media belum dimanfaatkan dengan baik, dan 4) ketiadaan dari satuan audit internal (SAI). Hasil kajian ini berimplikasi pada perbaikan institusi BAZNAS di Sulawesi Utara secara khusus dan Indonesia secara umum. Kajian ini merekomendasikan adanya optimalisasi website dan media sosial dengan pengintegrasian ke dalam website BAZNAS provinsi. Oleh karenanya, diperlukan seorang profesional di bidang IT yang khusus mengelola segala informasi dari luar ke dalam dan sebaliknya. Selain itu, membangun SAI dan merekrut tenaga audit syariah juga sangat penting untuk dilakukan. Pada tahap awal, hal ini dapat ditindaklanjuti melalui kerjasama dengan PTKIN.

Kata Kunci: Akuntabilitas, BAZNAS, Pengelolaan, Zakat.

INTRODUCTION

The website function of the National Zakat Agency (*Badan Amil Zakat Nasional - BAZNAS*) is crucial for facilitating public access to zakat management reports in the current era of digitalization. It is a collection of web pages containing information about BAZNAS-related activities and zakat as part of its report to the public as the actual owner of the zakat funds. It is accessible on a variety of devices, including desktop computers, laptops, tablets, and mobile phones. In addition, the use of social media as interactive technologies that facilitate the creation and sharing of information, ideas, interests, and other forms of expression via virtual communities and networks is also essential (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011; Obar & Wildman, 2015). In financial literature, an organization is required to provide such information as part of its accountability (Ibrahim, Fitria, & Majid, 2021). It is especially pertinent to the accounting practices an organization employs when preparing financial reports for all stakeholders. A company cannot maintain the trust of its customers, regulators, or markets in the absence of checks and balances and consequences for wrongdoing. Thus, accountability is the assurance that an organization's performance or conduct in relation to something they are responsible for will be evaluated (Gary, Owen, & Adams, 1996).

Accountability is the condition of accepting assigned responsibilities, explaining and demonstrating compliance to stakeholders, and correcting failures to act appropriately (Papanikolaou & Pearson, 2013). Responsibility can be derived from the law, social norms, agreements, organizational values, and ethical duties (Lucas, 1995). This concept is refined by the accountability attributes (Nunez, Fernandez-Gago, Pearson, & Felici, 2013), which refer to 1) transparency - the property of a system, organization, or individual to provide visibility of its governing norms, behavior, and compliance of behavior to the norms; and 2) responsiveness - the property of a system, organization, or individual to consider input from external stakeholders and respond to queries from these stakeholders. 3) responsibility - the property of an organization or an individual with regard to an object, process, or system of being obligated to take action to conform to the standards 4) remediability - the capacity of a system, organization, or person to take corrective action and/or provide a remedy for any party harmed by noncompliance with its governing norms (WHO, 2015; Ibrahim, Fitria, & Dianah). For a non-profit organization like



BAZNAS, the concept of accountability is applied in accordance with the social concept.

Social accountability refers to community-based initiatives that aim to increase transparency and access to information by holding the government and its agents accountable (Gaventa & McGee, 2013). Social accountability has the potential to lead to poverty reduction, improved service delivery, people-centered policies, citizen empowerment, and a strengthening of democratic processes over the long term (Abbas & Ahmed, 2016). The Affiliated Network for Social Accountability (ANSA) provides a compact framework for social accountability comprised of the following four pillars: 1) organized and competent public groups; 2) accountable government; 3) access to information; 4) sensitivity to culture and context. Civic engagement is of utmost importance for achieving efficient and effective demand-side mechanisms and functions (Rahman, 2018).

Preliminary research, however, revealed that the BAZNAS had not been transparent enough in disseminating information to the public. Its website, for example, does not provide sufficient information about zakat management on a regular basis, particularly financial reports containing the flows of zakat funds collection and distribution. Similarly, BAZNAS lacks personnel to fill the Internal Audit Unit positions in its organizational structure. This situation will have an impact on overall institutional performance because it interferes with encouraging public engagement and responsiveness. Because of this distinction, social accountability is an especially relevant approach for organizations whose primary function is to manage public funds. As a result, it will have a long-term impact on zakat funds received from *muzakki* (zakat donors) and their distribution to *mustahik* (zakat beneficiaries). As a result, a comprehensive study of accountability implementation in BAZNAS is required.

To the best of the researcher's knowledge, there are not many studies on zakat management that specifically analyze the application of accountability in a social organization like the BAZNAS. Many prior studies on zakat management concentrated on a single topic or area. Mubtadi (2019), for example, describes the ideal concept of Islamic governance and accountability in zakat organizations but does not provide any practical data. Previously, Mutmainah (2015) and Riani (2012) investigated zakat governance in Yogyakarta, with the goal of identifying a plan to strengthen the trust of



muzakki and all stakeholders, as well as the relationship between accountability in zakat management and the intention to pay zakat. Similarly, Hakim (2014) concentrated on determining the association between factors in Semarang. Meanwhile, Kuncaraningsih (2014) concentrated on researching the association between GCG and *muzakki* satisfaction. Finally, Perbawa and Abdullah (2016) investigated the variables of *muzakki* awareness in zakat payment at BAZNAS. As a result, it is vital to remedy these existing gaps by investigating the accountability processes of a zakat agency such as BAZNAS. As a result, the purpose of this study is to scientifically investigate and examine the implementation of the accountability principle in BAZNAS. The findings of this study are expected to help improve the accountability concept in zakat management at BAZNAS throughout Indonesia. The outcomes are especially important for BAZNAS in building a better public image and obtaining the trust of *muzakki*.

The remainder of this study is organized as follows: Section 2 examines chosen theories and works of literature on accountability and zakat administration. Section 3 focuses on data and research methodologies, whereas Section 4 presents empirical evidence and discusses it. Section 5 concludes with conclusions and recommendations for additional research.

LITERATURE REVIEW

The Concept of Accountability

As previously stated, the concept of accountability is tied to stakeholders' obligations in resolving any failures and acting appropriately. According to Raba (2006), accountability is responsible for the events that can be held accountable, whereas Mardiasmo (2006) stated that accountability is concerned with something that is successful or fails on a regular basis in implementing the institution's mission to achieve targets and objectives. The traits of accountability consist of transparency, responsiveness, responsibility, and remediability. Its purpose is connected with verifiability, which is the extent to which norm compliance can be assessed.

Accountability characteristics are used to capture a significant part of the deployment of an acceptable and effective measure that meets technical, legal, and ethical compliance standards and serves as the following indicators: 1) appropriateness, which is the amount to which the technical and organizational measures employed are capable of contributing to accountability; and 2)



effectiveness, which is the extent to which the technical and organizational measures used contribute to accountability (Abbas & Ahmed, 2016; Ibrahim et al., 2020). Responsibility in a non-profit organization refers to its social rules, which are referred to as social responsibility. The World Bank describes social accountability as a demand-side good governance endeavor. It discusses how communities should best connect with local governments, service providers, and state actors to demand greater service delivery in areas such as education and health (Malena, Forster, & Singh, 2004). The success of social accountability techniques is strongly dependent on how they are begun and utilized. The National Institute of Administrative Research relates the effectiveness and success of social accountability mechanisms to their institutionalization in their study; indirectly, social accountability mechanisms attempt to improve government officials' and politicians' work efficiency and performance (Abbas & Ahmed, 2016).

As seen in Figure 1, the concept of accountability in managing zakat includes both accountability to Allah and accountability to the community. This example can be implemented by producing a report on zakat collection and distribution actions that is accountable and transparent (N. Mustaffha, Yusuf, & Kasim, 2020). It will guide the growth of *muzakki* and stakeholder confidence and contribute to a rise in accountability and transparency (Johari, Mustaffha, & Hameed, 2012).

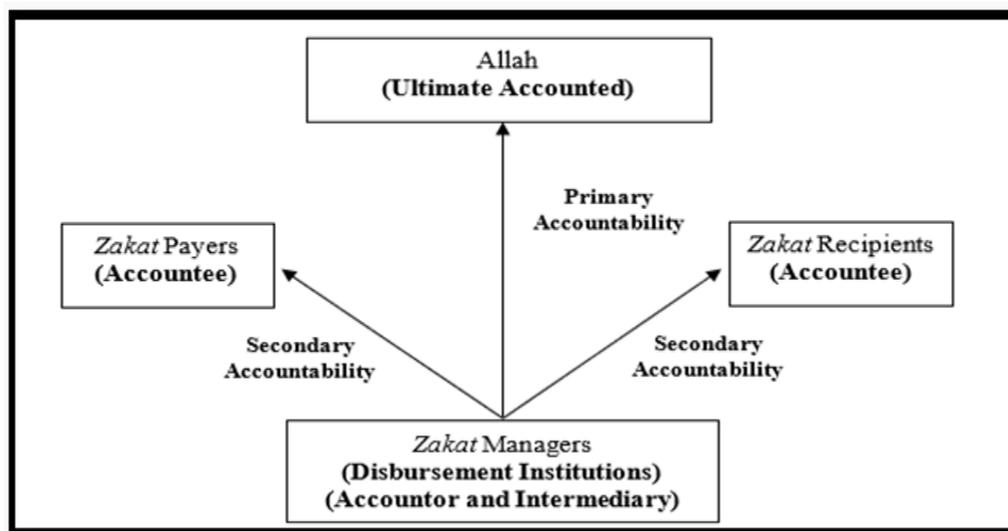


Figure 1. Zakat accountability concept
(Source: N. B. Mustaffha, 2007)



Based on the description mentioned above, the accountability indicators in zakat management institutions could be modified as follows:

1. Honesty and regulations are needed in the following areas: avoiding corruption, collusion, and nepotism in zakat administration, adherence to laws, whether civil or sharia law, including socio-ethics, and transparency in zakat distribution reporting.
2. Adhere to the following procedures: responsive in terms of the zakat collection from *muzakki* and its distribution to *mustahik*, accuracy in terms of interchangeable status between *muzakki* and *mustahik*, and affordable costs.
3. Create programs that provide an optimal result in addition to traditional programs such as socialization of productive zakat and transparency in its reporting through an official site.
4. Provide a policy that involves *muzakki* in order to be responsible closely related to the form of responsibility regarding policies in the decisions chosen, where policies related to zakat also affect *muzakki*.

Zakat

Zakat is one of the five pillars of Islam. The fundamental principle of zakat in Islam is to be blessed by Allah, to keep one's property and soul clean, and to collect rewards for the hereafter. The following are some authoritative figures and scholars' perspectives on the meaning of zakat. (Asnaini & Oktarina, 2020):

1. From a linguistic and technical perspective, al-Qaradhawi (1999) states that zakat is an infinitive of the verb *zakah*, meaning 'to grow' and 'to increase.' In *Lisan al Arab*, Ibn Manzur (1990) reveals the root of the word *zakah* in Arabic means cleanliness, growth, blessing, and praise. All these meanings of the word are used in Qur'an and Hadith.
2. Al-Qaradhawi (1999) further stated that "the word zakat refers to the determined share of wealth prescribed by Allah to be distributed among deserving categories." It is also used to mean the action of payment of this share.
3. According to al-Nawawi's report from al-Wahidi (t.t.), this share of wealth is called zakat because it increases the funds from which it is taken and protects them from being lost or destroyed. According to al-Wahidi and Imam Nawawi, zakat means *at-thahuru* (cleansing or purifying).



4. Ibn Taymiyyah (2011) stated, “the soul of a person who gives Zakat will be clean, and his wealth will be neat, clean, and have an increased meaning.”
5. Al-Imam Muhammad ibn Ismail Al-Kahlany (nd) argues that “zakat is a compulsory charity, also stress *ṣadaqah*, or voluntary almsgiving, which, like zakat, is intended for the needy.”
6. According to Indonesian Law No. 23/2011, zakat is part of assets that must be issued by a Muslim or business entity to be distributed to those entitled to in accordance with Islamic law.

Based on the previously mentioned opinions on zakat, it can be concluded that zakat is a form of obedience and worship to Allah SWT, obligatory for every Muslim by allocating a certain amount from their properties to the entitled beneficiaries. Paying zakat has an economic impact on several dimensions, including aggregate consumption, savings and investment, the aggregate supply of labor and capital, eradicating poverty, and improving the economy (Nur Barizah and Abdurahim, 2011 in Ram, Norazita, Norfaiezah, 2014).

Based on the explanation in Law No. 23/2011, article 4 paragraph 1, zakat consists of:

1. Zakat on wealth (*zakah al-maal*).

Zakah al-maal can be defined as the obligation upon every Muslim man and woman having a certain amount of wealth kept for a (lunar) year to pay a certain amount to deserving people (al-Qaradhawi, 1999). Zakat is, therefore, the amount to be paid (obligation) calculated upon the savings (*nisab*) held for a year and to be paid to the needy people whether in monetary terms or the form of commodities. Zakat al-mal is applicable on all financial belongings such as currency, gold, silver, property, and vehicles if these are either held with the intentions of trading or savings, i.e., zakat is not applicable over things that are necessities life (islamicmarkets.com, 2022). Zakat on wealth is based on the value of all of one's possessions (Shoufani, 1973). It is customarily 2.5% (or $\frac{1}{40}$) (Sarwar, 2015) of a Muslim's total savings and wealth above a minimum amount known as *nisab*, but Islamic scholars differ on how much *nisab* is and other aspects of zakat. The gathered money, according to Islamic theology, should be paid to the poor and needy, zakat collectors, recent converts to Islam, those to be liberated from slavery, those in debt, in the cause of Allah, and to help the stranded traveler (al-Qaradhawi, 1999).



2. Zakat Fitrah

Zakat al-Fitr is a modest charity requirement that is obligatory for all Muslims — male or female, minor or adult, as long as they have the means — and is generally paid at the end of the Islamic holy month of Ramadan (Buehler, 2008). The collected amount is used to pay zakat collectors and poor Muslims so that they can celebrate *Eid al-Fitr* (the celebration of breaking the fast) with the rest of the Muslims after Ramadan (Al-Hamar, Dawson, & Guan, 2010).

Zakat al-Fitr is a modest charity obligation that is obligatory for all Muslims — male or female, minor or adult, so long as they have the means — and is typically paid at the conclusion of the Islamic holy month of Ramadan (Buehler, 2008). The funds are used to pay zakat collectors and poor Muslims so that they can celebrate *Eid al-Fitr* (the holiday marking the end of Ramadan) with the rest of the Muslim community (Al-Hamar, Dawson, & Guan, 2010).

Zakat al-Fitr is assessed as a fixed amount per person, whereas zakat al-mal is based on personal income and property (Buehler, 2008). The amount of zakat is the same for everyone, regardless of income: one *sa'* (four double handfuls) of food, grain, or dried fruit for each family member, or an amount of money equivalent (von Benda-Beckmann & von Benda-Beckmann, 2007) to the basic food consumed in a country/region. Examples include rice in the majority of Indonesia, corn in Madura, sago in Papua, and others. Abu Sa'eed al-Khudree, a companion of the Prophet Mohammed, remarked, "During the Prophet's time, we used to give (*Zakatal-Fitr*) as a *sa'* of food, such as dried dates, barley, raisins, or dried cheese" (al-Bukhr, 1997). According to the majority of scholars, 1 *sa'* is roughly 3,1 liters or 2.5 kilograms. In most schools, with the exception of the Hanafis, gifts other than basic food are not permitted, such as clothing, electronic goods, vehicles, or money.

In Islam, people who are entitled to pay zakat are called *muzakki*. The general assumption is that if a person qualifies to pay zakat, they are not permitted to receive it. Based on the *ijmak*, zakat is required for 1) Muslim only; zakat is a form of worship related to property for a Muslim as a means to do *taqarrub* (get closer) to Allah SWT, and the deeds of worship of a disbeliever will never be until he embraces Islam, as stated by Allah in the Qur'an Surah At-Taubah:



54) whose translation reads: “And what prevents their expenditures from being accepted from them but that they have disbelieved in Allah and His Messenger...”; 2) Be independence – therefore, an enslaved person was not subject to zakat obligation as their property belongs to their master; 3) Be *baligh* (has attained the age of puberty) and sane; 4) Full ownership – Another requirement is a Muslim has full and legal ownership of an asset; 5) Assets that exceed a minimum value (*nisab*) – the assets that exceed a minimum value which is termed *nisab*; and completed of *haul*, which is defined as the completion period for a zakah asset (one *Hijrah* year or 12 months).

While the pillars of the property to be eligible for zakat are as follows; (1) has reached the *nisab* amount); (2) the property right to be released; (3) the ownership switch to the needy (*mustahik*); (4) Distribute directly to *mustahik* or via *amil*. The property that is eligible for zakat are: 1) livestock, 2) agricultural goods, 3) precious metals, including money, 4) trade goods; 5) honey and animal production; 6) minerals and marine products; 7) earning from investment; 8) earning from professions and livelihoods; (9) earning from stocks and bonds.

There are two methods in calculating the *nisab* of zakat; *first*, it is calculated based on income and the type and value of one's assets/possessions, which is imposed when it has reached above a minimum amount (*nisab*). There is no obligation for paying zakat if the income has not met the *nisab*. Therefore, in reality, zakat will only be imposed for high-income employees, who are usually middle to upper-class professionals. Second, the method of summing up all income ranging from salary to additional revenue from professional services obtained in the adjacent terms.

According to the Quran's Surah Al-Tawba, there are eight categories of people (*asnaf*) who qualify to benefit from zakat funds: "Alms are for the poor and the needy, and those employed to administer the (funds); for those whose hearts have been (recently) reconciled (to Truth); for those in bondage and debt; in the cause of Allah; and for the wayfarer: (thus is it) ordained by Allah, and Allah is full of knowledge and wisdom." — *Qur'an, Sura 9 (Al-Tawba), verse 60*, Islamic scholars have traditionally interpreted this verse as identifying the following eight categories of Muslim causes to be the proper recipients of zakat (Sabiq, 1991; Salih, 2004):

1. Those are living without means of livelihood (*al-fuqarā'*), the poor



2. Those who cannot meet their basic needs (*al-masākīn*), the needy
3. To zakat collectors (*al-āmilīyn 'alihā*)
4. To persuade those sympathetic to or expected to convert to Islam (*al-mu'allafatu qulūbuhum*), recent converts to Islam, and potential allies in the cause of Islam.
5. To free from slavery or servitude (*Fir-Riqāb*), slaves of Muslims who have or intend to free from their master by means of a *kitabah* contract.
6. Those are incurring overwhelming debts while attempting to satisfy their basic needs (*Al-Ghārimīn*), debtors who incurred a debt to pursue a worthy goal.
7. Those are fighting for a religious cause or a cause of God (*fi sabīlillāh*), or *jihād* in the way of Allah by means of pen, word, or sword, or for Islamic warriors who fight against the unbelievers but are not salaried soldiers.
8. The wayfarers, stranded travelers (*ibnu al-sabīl*), those are traveling with a worthy goal but cannot reach their destination without financial assistance.

Zakat Management

In Indonesia, the basis for implementing zakat management is Law No. 23/2011 and the Government Regulation (*Peraturan Pemerintah – PP*) No. 14 of 2014. According to Qadir (2001), the zakat funds that is managed by an authorized institution have several advantages, among others as follow:

- (1) it provides assurances in the form of certainty and discipline in distributing zakat;
- (2) it protects the *mustahik* from the feeling of humility as when the *muzakki* directly distributed the zakat;
- (3) it strives for the realization target that can be adjusted depending on priority scale of a region efficiently and effectively;
- (4) it pictures as the *shiar* symbols in terms of enthusiasm in implementing an Islamic pillar;
- (5) it facilitates related agencies in coordinating and consolidating the data of *muzakki* and *mustahik*; and
- (6) it simplifies providing reports and accountability to the public; (7) it manages zakat professionally.



Zakat management is an activity of planning, organizing, coordinating, and monitoring the zakat resources efficiently and effectively. It aims to achieve the zakat vision and mission under sharia guidelines and related regulations. The quality of the zakat agencies should be measurable and fulfilling the following key indicators: 1) *amanah* (trustworthy), every agency that is appointed to be an amil must have *amanah* in nature; 2) professional, in addition to the *Amanah*, a zakat agency is also required to have professionalism in its organizational culture; 3) transparent, this attitude could optimize the monitoring mechanism, where every party publicly announces their involvement or hold a role in the internal and external organization. This could diminish the suspicious feeling, and doubt can be minimized with this transparent attitude.

RESEARCH METHOD

This study employs a qualitative approach as it aims to picture the accountability condition of zakat management in three chapters/sub-chapters of the National Zakat Agency (*Badan Amil Zakat Nasional – BAZNAS*) in North Sulawesi province, which are BAZNAS provincial chapter, BAZNAS of Manado City sub-chapter, and BAZNAS of Kotamobagu City sub-chapter. Data were gathered through in-depth interviews with the zakat administrators from the selected agencies determined using purposive and snowball sampling techniques. In addition, data were also collected through documentation studies of related literature and also observation of BAZNAS daily operations. The requirements for being an informant for this study were 1) the head in each of the selected chapter/sub-chapters of BAZNAS or an official in charge of administrating zakat; 2) actively involved in collecting and distributing administration, 3) willingness to participate. In analyzing data, this study employs a modified Action Research (AR) approach; and they are interpreted using the Spradley four-stage qualitative analysis: domain analysis, taxonomic analysis, componential analysis, and theme analysis. The domain analysis captures an overview of the socio-religious situation of zakat management in the BAZNAS of North Sulawesi. The taxonomic analysis describes more detail of the selected domain becomes more detailed to find out its internal structure. Next is componential analysis, which compares the phenomenon with existing concepts and theories. Lastly, analysis of cultural/cultural themes looking for phenomena seen in the field.



RESULTS AND DISCUSSION

The findings suggest that the three BAZNAS actively used their websites to deliver information to the public as part of their reporting responsibilities regarding zakat funds management. However, the information is not regularly updated based on the reporting period, as evidenced by the North Sulawesi Province BAZNAS website at this URL: <https://pid.baznas.go.id/sulawesi-utara/>. The website, in theory, is one of the simplest and quickest tools for submitting reports and delivering information on zakat management, collecting data, or distributing evidence with images. Because of limited human resources, the zakat administrator at these three BAZNAS institutions chose the manual method of reporting and delivering information to the public. Another reason is that the *muzakki* is used to receiving the official accountability report (*Laporan Pertanggung Jawaban - LPJ*) in the form of a printout/note.

From this perspective, one of the accountability aspects of zakat management, transparency in reporting, has not been fulfilled. As the *accountee*, *muzakki* needs to be informed on how and where the zakat funds have been distributed. These days where people are living in a digital world, a reporting process that is conducted manually is considered to be ineffective and inefficient. It is due to the barriers of time and place that cause the information is not conveyed correctly. In reporting zakat funds, religious values are necessary as the BAZNAS institution plays a vital role in implementing zakat, one pillar in Islam.

Consequently, it becomes the responsibility of the zakat administrator (*amil*) as a form of “*hablum minan naas*” (human to human relationship or horizontal accountability). By increasing the disclosure of necessary information, it is expected that the level of public trust can be improved so that it may change its zakat payment behavior through zakat organizations, especially BAZNAS, as highlighted by Nurfadhilah and Sasongko (2019) and Karim, Sasanti, Lenap, and Sari (2019). Meanwhile, the form of vertical accountability is at first submission the reports to the local governments, such as provinces or cities/districts, and then most importantly, the submission of the report to Allah SWT as the ultimate owner of everything in the heavens and on earth, by reporting it honestly, and recording it correctly and delivering properly on a regular basis. Verily, Allah SWT always sees what his servants are doing without ever being missed.



Based on an interview with the informants, the second finding is that the supervisory function in zakat management has not yet fully complied with Law No. 23/2011. This is also evidenced by direct observation of the three BAZNAS organizational structures that do not seem to have the Unit of Internal Audit (*Satuan Audit Internal - SAI*). The position of SAI within the BAZNAS structure should be between the Head and Deputy Heads of BAZNAS. The missing of this unit could lead to unethical practices in zakat management. In these selected locations, the supervision function only relies on the direct supervisor of the staff/amil, which is in most cases without proper assessments to evaluate to what extent the work has been performed. According to the Heads of BAZNAS in the selected locations, it is difficult to find Muslim auditors in these locations, unlike the non-Muslim auditors. Professional auditor services have not been a priority due to unaffordable services fees, while the operational budgets of BAZNAS of North Sulawesi Province, Manado City, and Kotamobagu City, including the resources available in the regions, are still minimal. Therefore, the SAI position at the three BAZNAS institutions is still vacant until this research is completed.

These conditions are relevant to Hafidhuddin (2002) study that found that lack of trust of zakat institutions due to unprofessionalism and the report of zakat management are not publicly accessible to the public. Another factor is that financial statements are not constantly available in each reporting period. Several studies such as Muhtadi (2019), Firmansyah and Devi (2017), Saad, Aziz, and Sawandi (2014), and Wahab and Rahman (2011) also produce similar results concerning the unprofessionalism of zakat management in each observed institution. These conditions influence the *muzakki's* trust in zakat institutions and thus affect their intention in paying zakat, as highlighted in several previous studies such as Jayanto and Munawaroh (2019), Ikhwandha and Hudayati (2019), Mukhibad, Fachrurrozie, and Nurkhin (2019), Hasrina, Yusri, and Agusti_Sy (2018), and Muhammad and Saad (2016).

Given the preceding information, it is evident that incorporating SAI into the hierarchical structure of BAZNAS is an essential step. In fact, the existence of this unit could prevent the possibility of fraud in their financial reporting and allow them to release the information without reservation. The implementation of a SAI within a zakat institution ensures the institution's transparency and accountability; as a result, the decision made is both rational and accountable. Accountability practices will reassure the public that administrative institutions, such as BAZNAS, adhere to the standards of transparency,



participation, rational decision-making, and legality, and provide a valuable review of the rules and decisions.

Action and Offers

This study utilized a modified form of Action Research to find solutions to research issues and social issues. This study suggests that BAZNAS in the province of North Sulawesi optimize their websites by establishing policies regarding the use of the internet and websites in each BAZNAS chapter to report zakat-related information as a means of addressing the first problem identified in the study. This study also suggests that the institutions collaborate with BAZNAS from other provinces that have effectively integrated their websites into their daily operations. Both organizing workshops and conducting comparative research are viable strategies for achieving this objective. In addition, BASNAZ in the province of North Sulawesi is required to socialize or disseminate their websites to the larger community. This is necessary so that the general public can utilize the websites to monitor and obtain information about zakat, whether it be the collection or distribution of zakat. This study recommends that the chosen BAZNAS establish a SAI and integrate it into their organizational structure in order to address the second issue. This unit could assist institutions in monitoring the various management budgets and distributing zakat to *mustahik*. To make up for the lack of human resources, the selected BAZNAS could expedite their collaboration with State Islamic Universities in the surrounding area, such as the Institut Agama Islam Negeri (IAIN) in Manado, which has some available human resources.

Regarding the action, the findings of this study have been provided to the heads of each chapter and sub-chapter, who have then forwarded them to their respective deputy heads and zakat administrators. In addition, follow-up actions, such as a Focus Group Discussion (FGD), assistance in preparing financial reports, and collaboration with IAIN Manado lecturers with a professional accountant degree will be carried out to establish the SAI so that the organizational structure of the three BAZNAS can be completed. To complete the organizational structure of the three BAZNAS, all of these tasks will be carried out.

CONCLUSION

This study reveals that zakat administration in the BAZNAS of North Sulawesi Province, Manado City, and Kotamobagu City has not fully met the



accountability standard outlined in Law No. 23/2011, particularly in terms of: 1) the absence of some accountability indicators; 2) ineffective use of websites; 3) ineffective use of social media; and 4) the absence of an Internal Audit Unit (SAI). The findings have implications for BAZNAS improvement in North Sulawesi and throughout Indonesia. This study, in particular, suggests that the institution's websites and social media be optimized by integrating them with provincial zakat institutions. As a result, it is critical to hire an IT professional who specializes in in-out information from/to society. Furthermore, the establishment of SAI and the recruitment of shariah auditors are critical. As an initial step, collaboration with Islamic universities could be a solution.

This study proposes that future research should expand its scope to encompass all provinces. Other possible studies could be undertaken by comparing the administration of zakat in North Sulawesi to that of other provinces. In addition, future research might examine the effects of accountability measures on *muzakki* faith in institutions and, consequently, on the intention to pay zakat via BAZNAS in North Sulawesi.

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