

***Ihtisab* (Accountability) in *Waqf* Institutions: A Review and Synthesis of Literature**

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Abstract

Waqf is an Islamic philanthropy which has a very big *masalah* for the *ummah*, but less understood by community due to the lack of socialization. Research findings show the weaknesses on accounting and accountability in *waqf* institutions that reduce *waqf masalah*, the lost or dormant of *waqf* assets. Most of *nazhir* (trustee) do not manage *waqf* assets accountably, efficiently, and effectively. In addition, they also do not present it properly in the financial statement and report it to the public. The situation is due to the unavailability of *waqf* accounting standard for *nazhir*. This study was conducted with the aim to synthesize the findings of *ihtisab* (accountability) studies as a basic theory building of accounting standard which is expected to improve performance of *nazhir* which, in turn, will increase *masalah* of *waqf* for the *ummah*. This study employed *shuratic* method with IIE (Interactive, Integrative and Evolutionary) process modified by meta-synthesis. The research process was carried out by interactive and integrative of individual findings of the same research topics to find an integrative theory of *ihtisab* as an evolutionary of Islamic science that is the basic of *Ihtisab* standard. Synthesizing published 20 *ihtisab* studies leads some basics of *ihtisab* standard as guidance for *nazhir* to be responsible by having good understanding of accounting and conducting dual Islamic accountability. To meet the responsibility, *Nazhir* should be good in *akhlak* (moral) and bring his members into a good *akhlak* too as *akhlak* is a key success for Islamic institutions. Due to the fact that Synthesis of *ihtisab* research findings has not been done so far, it is expected that this synthesis of the studies can be the basis for subsequent researchers to continue and develop this findings on the other dimensions of theories and models by developing Islamic science and Islamic empirical methods in line with *shariah*.

Keywords: *Ihtisab, Meta-Sintesis, Wakaf, Nazhir, Ijtihad*

Introduction

Waqf is another Islamic philanthropy which is different from *zakah*, *infaq* dan *shadaqah* with *sunnah* in *fiqh* status. Al-Qurán explicitly mention *waqf* as a part of

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shadaqah and implementation of “Islamic distributive justice” for the whole *ummah*. *Waqf* give eternally *maslahah* to all people and also a potential way out of economic crisis and poverty, so it must be empowered as much as possible for the benefit of mankind and specially for *waqif* (*waqf* provider). From historical perspective, the *waqf* institutions play an important role in five areas: (a) an increase in Islamic ideology (b) to improve education and Islamic studies (c) to support the development of Islamic sciences. (d) to support the development of art and architecture. (e) to help understanding the values of the pure Islamic (Mannan, 2005). History has also proven that the *waqf* became public welfare facilities in various countries, specially in Turkey where *waqf* serve as a source of public welfare, until the turn of the new government that ignores the customary practice that weaken the *waqf* deeds (Kahf, 1998).

The important role and benefits is still very small, sporadic and only concentrated on a few countries where *waqf* is professionally managed. For example in the UK with Islamic relief and Singapore with *warees*, which grows very fast in professionally manage and great benefits for society. This is in line with Islamic business objectives, that is *maqashid shari'ah* that are a welfare protection of *duaafa'* in five key aspects of life that consists of the well-being of the religion (*deen*), life (*nafs*), intellectual (*aql'*), descent (*nasl'*) and property (*maal*).

Past research has shown that a major problem in the *waqf* institutions are poor management, professionalism and accountability (“accountability” hereafter referred to as *ihtisab*), beside also weak in control and transparency to the public and *waqif* (Kahf, 1998; Ihsan, 2007; Tanim, 2009; Zaki *et al.*, 2006). *Ihtisab* and transparency present information that motivates people to do more *waqf* deed because of good management and transparency of *waqf* fund (Kuran, 2001; Masyita, 2005; Tanim *et al.*, 2009 Hasan & Shahid, 2010; Syamsiyah, 2010; Noraini, 2009).

Assets recording on *waqf* institution was incomplete, unsystematic and weak in management information system (Rahim, 1999; Kuran, 2001; Syamsiyah, 2010; Basri and Nabihah, 2010 and Noraini, 2009). Cordery & morely, 2005; Ihsan 2007 found an increase in *waqf* accounting of Islamic Religious Council's (SIRC), but there is still no separation of *waqf* asset in financial statements. Some researchers indicated that these problems caused by the unavailability of accounting standards for Islamic charities, and suggest anticipation by application of standard reporting practice (SORP) 2005 in the UK on the institution of *waqf* for a while until the establishment of Islamic accounting standards. SORP 2005 inter alia provides: 1) internal financial control, 2) transparency and reporting, 3) management of funds and 4) code of good governance. Thus for the improvement and revitalization of *waqf* funds and it *maslahah*, there are need to improve and develop management and specially *ihtisab* for the *waqf* institution as *nazhir* accountability.

Seeing the importance of *waqf* for the benefit of humanity raises a big question about "What are the causes of weak *ihtisab* in *waqf* institution, that reduced *waqf maslahah* which much needed? And How to compose a basic standard *ihtisab* for *waqf* institutions as Nazhir accountability guidelines to optimize *waqf maslahah* ?

This study aims to assess by using systematic review and synthesize *ihtisab* research findings of *waqf* institutions management, to integrate these findings into a unified and integrated findings as a basis for the establishment of *ihtisab* standards. This study uses shuratic method with interactive, integrative evolutionary process (IIE-process) which is modified by meta-synthesis. Review done by identifying *ihtisab* theme according to inclusion and exclusion criteria.

Data collection is done by searching *ihtisab* journal published through data bases and then selecting the articles that are relevant by screening and deep screening process. By using some keywords as needed and then expand the results to find another articles, among others, Islamic accountability, accountability Islamic research, *waqf* research, *waqf* management research, *waqf* institution research and others. Sources of data obtained from various web sites, among others: <http://www.monzer.kahf.com>; www.campbellcollaboration.org; <http://www.warees.com>; <http://www.awqafsa.Org.za/library&resources.htm>; <http://ifptest.law.harvard.edu/ifphtml>; <http://www.wakafcenter.com/rubrik-21.html>; <http://islamiccenter.kaau.edu.sa>; www.irtipms.org; http://papers.ssrn.com/sol3/cfdev_absbyauth.cfm?perid=289526; <http://bwi.or.id/index.php/en/download>; <http://www.isra.my/publications/journal-english/current-issues/volume-4-june-2012.html>; www.campbellcollaboration.org/resources; www.cochrane.org/resources and some other websites. From the journal articles, analysis has conducted by doing synthesizing process.

Journal analyzed consisted of 20 *ihtisab* journals from 1999 to 2013. 1999 was taken because it was the early year of *ihtisab* journals founded, and 2013 was the latest year *ihtisab* journals founded. Prior to 1990 very little research on *ihtisab*. Cadbury report on new governance circulated in 1990 and world bank began using the term in 1989 for the public sector of developing countries (Ruhanen, 2010).

***Ihtisab* in Waqf Institution**

God created the heavens and the earth with all its contents in perfect, harmony and balance between it, and then instructs the sustainability to mankind as a vicegerent on earth (*Khalifah fil-ardh*) and not to do mischief on the earth (Surah: Al-Ahzaab: 72):

إِنَّا عَرَضْنَا الْأَمَانَةَ عَلَى السَّمَوَاتِ وَالْأَرْضِ وَالْجِبَالِ فَأَبَيْنَ أَنْ يَحْمِلْنَهَا وَأَشْفَقْنَ مِنْهَا وَحَمَلَهَا الْإِنْسَانُ
إِنَّهُ كَانَ ظَلُومًا جَهُولًا

"Surely We offered the trust to the heavens and the earth and the mountains, so they refused to carry it for fear of trust betrayed, the commission thereof by humans. The man is very cruel and stupid".

In line with the development of *waqf* institutions, the need for *waqf* accounting increased. Modern *waqf* management emphasizes the principle of "*ihtisab* and

transparency" in management as part of organizational governance (good governance) to improve performance of *nazhir*. Many researches found the weaknesses of *ihitisab* and financial reporting in *waqf* institutions, presumably because of unavailability of accounting standards in Islamic social sector.

Ihtisab means to take action and refrain from certain actions, taken into account the actions to be taken by the parties in carrying out the *sharia* obligations, both contractual and social obligations as a self-correction and behaviour that pushed *falah* into account. Thus, Islamic accounting would turn into a social accountability activities by stakeholders approach. In organizational context, *ihitisab* interpreted as an institutional accountability to the public for the success or the failure of the task has been assigned.

Transparency is one element of *ihitisab*, which means open access to community of information related to management activities through public information system in many ways that are considered effective, making it easier for social control of *nazhir* performance, operations result and income distribution and future planning of *nazhir*, such as business development plan, new investment and so on.

Accountable *waqf* management instrument rests on three basic principles of Islamic management which are: the principle of upholding the truth; carry out the mandate (*amanah*) and uphold justice, it can be added with some booster items, namely: community involvement, transparency of *nazhir* and control of resources by the community at an early stage in order to avoid misuse. Accountable management will make *nazhir* more socially acceptable and can work more efficiently and effectively, and more over as a control over possible corruption.

Synthesis of Ihtisab Research Finding

In Islamic perspective, *ihitisab* is an Islamic basic concept ingrained in the Muslim community and forming one of the core concepts of belief in the afterlife, heaven and hell, the calculation (*muhasabah*) and penalties. *Ihtisab* arise from primordial mandate or beliefs (eg, free will, freedom of choice, knowledge and reason) given to humans only (Al-Faruqi, 1992).

Rahim & Rahman (1998) found *ihitisab* is a combination of *tawhid*, the *caliphate* and *taqlid* besides adequate accounting and adherence (compliance) and control through institutions of *hisbah*, religious audit and *shura*. *Ihtisab* as part of Islamic governance should start from the application of Islamic values instead of a standard or rule made by human, because *ihitisab* key is *akhlak* " of human himself.

Lewis (2001) state that accounting is central to Islam in a broad sense, since *ihitisab* (accountability) to Allah and to community for all activities is paramount to a muslim's faith. According to Islamic philosophy, Islam is concern of business ethics (*akhlak*) conducted in each transactions, which required muslim to be fair, honest and equitable towards others.

Expanding the definition of *ihitisab* as dual accountability as referring to the Qur'an is a must. The management shall be accountable to human (stockholders, creditor, stakeholders, etc.), and should also be accountable to Allah which is the metaphysical dimension of accountability. Thus it can be concluded that *ihitisab* is the primary objective of Islamic accounting, both to man and to Allah. *Ihtisab* against Allah (Primary Accountability) arising from the *caliphate* concept in which human beings bear Allah's mandate of resources (physical and intellectual). Humans are responsible for the environment maintenance (community, employees, nature, animals and the environment). Primary *ihitisab* is transcendent, because it deals directly to Allah. On the other hand, secondary *ihitisab* is the responsibility of human arising from contractual relationship and the trust between them, among other *waqf* funds contracts.

Triyuwono (2004) believes that *ihitisab* is the responsibility to the owners (shareholders) and also to the stakeholders at large. Besides, managers must also responsible to Allah as the *caliphate* (vicegerent) of Allah on earth. *Ihtisab* is done by implementing *shariah* supervisory board (SSB) along with *akhlak* of Islam that arise from religious consciousness.

Asri and Fahmi (2004) states that *Ihtisab* is a concept of trust (Trustworthiness). Humans would be cautious in using his property, for fear of reckoning and *ihitisab* to Allah one day, so the concept of "honesty" is very important in Islam, as the Hadist: "*honest merchant will be with the righteous and martyrs*" (HR: Hakim and Tirmizi). Thus it can be concluded that all employees and managers must implement and uphold Islamic *akhlak* in the organization as a basis of *ihitisab* for the *amanah* fund (*waqf*).

Accounting concepts derived from al- Qur'an, which requires human record, calculate and accountable for all that is done based on the principle of "trustworthy, honest and fair". Islamic law derived from al-Qur'an is perfect, comprehensive and thorough (*syummul*) law, because it is based on Allah's law. It is wider than conventional accounting standards made by humans. Islamic law is based on *akhlak* (Islamic values) and morals of Islam. Another issue about *Ihtisab* is that Islamic dual accountability. *Ihtisab* is responsibility to human being (horizontal) and is also responsibility to Allah SWT (vertical) in the form of trust and *caliphate*. Allah commanded human to record all transactions, which shows the importance of the fulfillment of rights and obligations. QS (2): 282:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا إِذَا تَدَايَنْتُمْ بِدَيْنٍ إِلَىٰ أَجَلٍ مُّسَمًّى فَاكْتُبُوهُ ۚ وَلْيَكْتُب بَيْنَكُمْ كَاتِبٌ بِالْعَدْلِ ۗ

"O you who believe! When you incur debt among yourselves for a certain period of time, write it down. And have a scribe write in your presence, in all fairness."

Management is responsible for internal and external of the company's operation including to shareholders, creditors and stakeholders. Some other verses with respect to *ihitisab* are: al-Mutaffifin: 1-3, an-Nisa 4: 86, al-Ahzab: 72 al-An'am: 152; al-Anfaal: 27. Surah al-Baqarah: 284 confirms the importance of *ihitisab* as mentions in the Qur'an:

لِلَّهِ مَا فِي السَّمٰوٰتِ وَمَا فِي الْاَرْضِ ۗ وَاِنْ تَبَدُّوْا مَا فِىْ اَنْفُسِكُمْ اَوْ تَخْفَوْهُ يُحٰسِبْكُمْ بِهٖ ۗ اللّٰهُ لَا يَغْفِرُ لِمَنْ يَشَآءُ
وَيُعَذِّبُ مَنْ يَشَآءُ ۗ وَاللّٰهُ عَلٰى كُلِّ شَيْءٍ قَدِيْرٌ

“To Allah belongs everything in the heavens and the earth. Whether you reveal what is within your selves, or conceal it, Allah will call you to account for it. He forgives whom He wills, and He punishes whom He wills. God is Able to do all things”. (Al-Baqarah:284)

Lewis (2006) highlighted the *ihtisab* issue and concluded that *ihtisab* include vertical *ihtisab* to Allah, and horizontal *ihtisab* to others and society, and both are mandatory as part of the faith.

Ihsan & Adnan (2007) incorporated the *ihtisab* findings of Hisyam (2006) and Ihsan (2007) concerning *ihtisab* as an individual responsibility of each party (*nazhir*, *waqf* board and regulators) to Allah as the primary *ihtisab* (*hablun min Allah*) and to humans (*hablun min an-naas*), because each individual is responsible for all his own actions. (Q.S: 2:284). *Ihtisab* against Allah relates to human *ihtisab* as a fiduciary to the *waqf*. About information content, Ihsan (2007) agreed that *disclosure* to stakeholders must contain information as discussed above, while Cordery & Morley (2005) argued that information should include quantitative information (financial statements) as *nazhir* performance and qualitative information which contains information on management policies, performance objectives specific *waqf* and development of new *waqf*.

Ihtisab implementation should start by creating “culture and environment” of transparency, accountability and integrity as the culture of the institution as a whole. *Waqf* accounting is needed as part of best practice to encourage *waqf* revitalization process by optimizing *nazhir*'s performance (Cajee 2007; Pirasteh, 2007; Rashid & Khalid, 2011).

Hasan & Zulkifli (2009) states that *ihtisab* is implement in line with sharia based on ownership and contractual rights which monitored by *Shariah* Supervisory Board (SSB), in addition to monitoring by share holders (SH) and the board of directors (BOD), while managers and stakeholders run the Islamic management in line with *sharia* as part of *ihtisab* for *waqf* institutions.

Hasan & Sahid (2010) found that *Ihtisab* to stakeholders morally bound based on the concept of trust, equity, balance and fairness (*'adl and qist*), benevolence and excellence (*Ihsaan*). On the other hand, Osman & Zamri (2010) formed *ihtisab* theory as foundation of his empirical research, and found that it is holistic *ihtisab* (holistic accountability) that is balancing up-wards *ihtisab* and down-wards *ihtisab* towards all stakeholders. Improvement of *waqf* management can be done using beneficiary approach due to *ihtisab* to beneficiary is an important requirement for the fulfillment of

ihtisab to Allah. *Ihtisab* can be seen as institution's ability to learn beneficiaries through relationships and participation in order to serve them better.

Basri & Nabihah (2010) found that the majority of Islamic institutions are use the principles of fairness, honest, and sincere faith in their management without doing *ihtisab* correctly for mandate they received so that it is difficult to measure their performance, and it can reduce public confidence due to lack of information and transparency to the public and other related parties.

Al-Faruqi (1992) argued that in *ihtisab*, internal control is the concept of "trustful and caliphate" (*amanah* and *khilafah*). *Amanah* is a trait that must exist in a Muslim either supervised or not by others, because of the belief that everyone must be in seen by Allah (vertical *ihtisab*), and on the other hand, human beings should also responsible for others in his position as *caliph* (vicegerency), which is often called agency relationship (horizontal *ihtisab*).

Islam requires every person to be honest, but still he or she has to do the reporting duties to the parties who gave the mandate to create transparency to prevent slander, cruelty and discord among humans before he or she is accountable to Allah. Al-Qur'an has provided a warning about it, and also the relevant *hadiths*.

Daud *et al*, 2011 discussed *tawhidic* approach in *ihtisab* argued that it is the most important concepts in Islam. In conjunction with the institution of *waqf* endowments they conclude that the ideal *ihtisab* is based on the 3rd-based models, that are *ihtisab* to Allah, *waqif* and also towards extensive stakeholders as stated in the Quran Surah al-Fathir 35-39; surah al-Israa': 34; al-Maidah: 23. At the theory level, *ihtisab* is integration of accountability theory and stakeholders theory (An-Nuur: 38).

Siraj (2012), in an empirical investigation of accounting, *ihtisab* and management effectiveness of *waqf* institutions in Malaysia, found several weaknesses in *waqf* institutions. Firstly, budget is just as the variances between budget and actual budget, not as a control of budget effectiveness and efficiency. Secondly, financial statements do not contain specific chart of accounts for recording assets and fund of Islamic institutions. Finally, strategic planning, human resources, financial position (financial adequacy) and management on SIRC's very limited and weak, especially in *ihtisab* and management effectiveness of *waqf* fund, because *nazhir* responsible for *waqf* assets as an *amanah* (trust) and managed that trust fund in line with *shari'ah*.

Basri & Nabihah (2012) investigating accounting and *ihtisab* in non-profit organizations, found that *ihtisab* is based on concept of *tawhid* and ownership (Napier, 2007). The concept of *tawhid* is broader than the concept of *ihtisab* (accountability) (An-Nisa: 86). Basri & Nabihah (2012) concluded that there is no standard definition of religion based institution, as it depends on the unique characteristics, and they are different among Non-Profit Organizations. These organizations mostly are supported by other parties (founders), so it must be managed professionally. Islamic organizations such as *waqf* institutions are very philanthropy in nature as the oldest philanthropy institution in Islamic history, requires renewal and adjustment to the

latest development and social condition (*Ijtihad*) to get the optimal *maslahah* for the *ummah*. Thus, Islamic organization has dual *ihitisab* that are vertical *ihitisab* and horizontal *ihitisab*. They must comply with *shariah* in addition to ethical standards, concern to organization's mission, being ethical and protect the rights of stakeholders.

Discussion

Many research findings show the differences of accounting practice and the lack of *ihitisab* on *waqf* institution. This findings encourage more research on it to follow-up and address the drawback. In relation with that case, it is necessary to optimize *waqf* *maslahah* and to define *waqf* *ihitisab* for *waqf* institutions. This article attempts to synthesize research findings in accounting and *ihitisab* to formulate *ihitisab* standard by using an interactive integrative evolutionary process of *shuratic* method. This basic formulation of *ihitisab* standard will be gained to encourage *nazhir* performance to improve *waqf maslahah* as well as encourage Islamic researchers to concern to *waqf* revitalization.

Ihtisab Definition

Based on the problems that have been revealed, there are several important factors to be formulated, that are *ihitisab* definition, which is very important and must be clear as the basis of performance measurement, evaluation and reporting (Cordery & Morely, 2005; Cutt & Murray, 2000) to prevent occurrence of *ihitisab* practice variation.

Ihtisab is refrain from certain actions and actions to be taken into account in implementing *shari'a* obligations, either as contractual obligations or as caliph for self-correction and behaviour that pushed him to think about *falah*. Thus, *ihitisab* is part of social accountability with stakeholders approach (Rahim & Rahman, 1998). On the other hand, Sheikh al-Shafi argues that man-made definition is just simply set material status. By law, *ihitisab* is *taqlif*, that is obedience which must be done by every person to be responsible for any actions in the hereafter. So *ihitisab* should be fused and ingrained in Muslim's mind as Islamic values (*akhlaq*). *Ihtisab* is a combination of *Tawhid*, *khilafah* and *taqlid*, beside accounting information, compliance and control through *hisbah* institutions, *shura* and religious audit.

Ihtisab as part of Islamic corporate governance should start from application of Islamic values, not just a standard which is man-made. The key of *Ihtisab* is good *akhlaq* and moral that forms the basis of faith and belief of the afterlife, heaven and hell with calculations of *amal* (good deed). Faith will encourage good *akhlaq*, such as honest, fair, trustworthy, transparent (does not hide a lie), that everything will be accounted for at the end of the day. This will form the core concept of faith, calculation (*muhatabah*) and retaliation for all actions in the world. *Ihtisab* arise from *amanah* or primordial mandate, for example free will, freedom of choice and knowledge given to man alone (Rahim & Rahman, 1998; Al-Faruqi, 1992).

Holistic Dual Accountability

Ihtisab is holistic dual accountability, which is *ihitisab* to Allah as *caliph* and balanced with *ihitisab* between human as a trust and a contract, that are to *waqif*, community and government. *Nazhir* must prepare financial report as a transparent information to interested parties to prevent slander, cruelty and cleavage among human (Triyuwono, 2004; Hisyam, 2006; Lewis, 2006; Ihsan & Adnan, 2009; Osman & Zamri, 2010). Daud *et al.* (2011) name it with 3rd based *ihitisab* models and refer it to al-Quran Surah: al-Fatir 35-39; 17:34; al-Maidah: 23; at-Tawbah; Hud: 3; at-Tahrim: 8.

At the theory level, *ihitisab* is an integration of *ihitisab* theory and stakeholders theory (An-Nuur: 38). *Ihtisab* requires control through *sharia* supervisory board (SSB), share holders and board of directors (BOD) along with *akhlaq*, morals and religious awareness too. Islamic morality including attitudes: fair, trustworthy and honest to all organization members, especially a leader as a figure (Qur'an: 2: 282) (Triyuwono, 2004; Asri & Fahmi, 2004; Hasan & Zulkifli, 2009; Lewis, 2006).

Ihtisab Informations Content

Information content in *ihitisab* should be appropriate to the information needed by users (Hisyam, 2006). Useful information should cover quantitative information (financial statements) as *nazhir* performance and also qualitative information (management policy, performance of *Nazhir*'s plan, the development of new *waqf* and others) as planning and growth information (Cordery & Morley, 2005).

Ihtisab Implementation in Waqf Institutions

Ihtisab implementation in *waqf* institutions must begin by creating Islamic values as an institution's culture of *akhlaq* and moral over all members. Islamic culture includes honesty (Trustworthiness), balanced, fairness, *adala*, *qist* and *ihsan* (benevolence and excellence) (Hasan & Sahid, 2010).

Conclusion

This study presents the results of analysis and synthesis of *ihitisab* research findings. Review of 20 research findings try to overcome *ihitisab* problem in *waqf* institutions. Problems identified by the previous researches are the lack of *ihitisab* definition and implementation on Islamic social institutions they lead to differences of *ihitisab* understanding and differences on *ihitisab* practice. Another factor is unavailability of accounting standards for the *waqf* institution in preparing financial statements along with honest and fair, transparency and disclosure.

Ihtisab is refrain from certain actions and actions to be taken into account in implementing *shari'a* obligations, either as contractual obligations or as caliph for self-correction and behaviour that pushed him to think about *falah*. Thus, *ihitisab* is part of social accountability with stakeholders approach

Ihtisab is dual holistic accountability, which are *ih̥tisab* to humans, including financial reporting with transparency and adequate disclosure, that covered quantitative and qualitative information. The other one is *ih̥tisab* to Allah as transcendent relationship between Nazhir and Allah for responsibility of trust fund under his management. Both must be done in the balance as they are interrelated.

Islamic accounting is social *ih̥tisab* with stakeholders and faith approach. The essence of *Ihtisab* is *taqlif*, that each person is responsible for any act he made in the world, so *ih̥tisab* is already fused and ingrained in Muslim's mind. However, *ih̥tisab* implementation requires adequate accounting, supervision and adherence (compliance and control) through *hisbah* institutions, *shura* practice in decision making and religious audit as a means for *nazhir ihtisab*.

Implementation of Islamic values is the most important factor in every function in Islamic management. *Nazhir* will be more responsible for managing *waqf* institution and present financial reports in the honest, fair and equitable way as application of *ihsan* attitude that arise from *akhlaq* which is combination of *Tawhid*, *Caliphate* and *Taqlid*. *Akhlaq* form the basis of faith, that is belief in the afterlife, heaven and hell with computation of *amal* (everything people did). Faith will encourage morality of Islam honesty, fairness, trustworthiness, transparency (openness), which does not hide any information that is harmful to others. Thus, *ih̥tisab* implementation on Islamic institutions will only succeed through *akhlaq* cultivation and transparent environment, accountable and high integrity in *waqf* institution that should start from the leader as a figure. *Waqf* accounting is needed as best practice to encourage revitalization process of *waqf* fund by optimizing *nazhir* performance on *waqf* institution.

It can be concluded that *ih̥tisab* is an Islamic accountability that is wider than conventional accountability, because it covers all aspects of cause and effect with the level of the world and the hereafter. *Waqf* institutions required *Nazhir* who is professional, capable and expert or high knowledge to perform his duties to optimize *waqf masalahah*. *Nazhir* must also provide professional financial statements as transparency and disclosure means that are informative to all related parties to prevent slander, cruelty and discord among human. *Waqf* accounting as best practice for revitalizing the *waqf* funds along with supervision and control through institution of *hisbah*, *shura* in decision-making and religious audits.

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