International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

The Gap Between Standard and Practice in Waqf Reporting: A Synthesis of PSAK 112 Implementation among Nazhir Institutions in Indonesia

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Abstract

This study aims to map the level and pattern of PSAK 112 (Waqf Accounting) implementation among nazhir institutions in Indonesia, and to identify which components of the standard are most frequently left unfulfilled. This research is important because PSAK 112 has been effective since 1 January 2021, yet the evidence of its implementation is scattered across single-institution case studies that use differing assessment categories, so their findings cannot be compared and the general condition of the sector remains unread. The method used is a systematic synthesis of published research findings, following the PRISMA screening protocol. The data sources are twelve studies examining PSAK 112 implementation in twelve different nazhir institutions, published between 2019 and 2025, whose findings were recoded into a uniform five-component framework covering statement completeness, recognition, measurement, presentation, and disclosure. The results show that only one of the twelve institutions was reported to have implemented PSAK 112 fully, ten were reported as not yet implementing it optimally, and one was reported as not implementing it at all. Non-conformity is concentrated in the presentation, statement completeness, and disclosure components, while recognition and measurement are more often reported as conforming. The most recurrent forms of non-conformity are the absence of a statement of waqf asset details, the failure to separate waqf funds from zakat, infaq, and sadaqah funds, the continued use of other accounting standards as the primary guideline, and the absence of notes to the financial statements. There is a strong indication that the gap between standard and practice is structural and located at the final reporting stage rather than at the transaction recording stage.

Keywords: PSAK 112, Waqf Accounting, Nazhir Accountability.

INTRODUCTION

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Waqf has become one of the strategic instruments in the discourse of Islamic economics in Indonesia, particularly in its productive form, in which waqf assets are managed as business units that generate a continuous surplus for the beneficiaries. Its legal foundation has been established through Law Number 41 of 2004 concerning Waqf and Government Regulation Number 42 of 2006, both of which explicitly open space for the economically productive management of waqf assets.(Republic of Indonesia, 2004, 2006)

However, the realisation of this potential remains far behind the estimates. The Indonesian Waqf Board together with the National Committee for Islamic Economy and Finance estimates the national potential of cash waqf at around Rp180 trillion per year, while the recorded collection has reached only around Rp3 trillion, or approximately 1.6 percent of that potential.(KNEKS, 2025) On the asset side, the Waqf Information System of the Ministry of Religious Affairs recorded waqf land covering 57,263.69 hectares in 2023, of which 57.42 percent had been certified.(Permatasari, 2024) Of approximately 451 thousand waqf land points, only about ten percent are considered to have the potential to be developed productively.(Badan Wakaf Indonesia, 2025)

This gap cannot be explained by regulatory vacancy alone. The problem shifts towards the institutional domain, particularly the capacity of the nazhir as the party holding control over the management of waqf assets. Five obstacles to the accountability of productive waqf have been identified, namely the low level of public understanding, the lack of nazhir professionalism, inadequate systems, weak transparency, and the suboptimal role of the Indonesian Waqf Board and the Ministry of Religious Affairs.(Astuti & Tanjung, 2019) The managerial competence of the nazhir has likewise been identified as the principal determinant of waqf asset productivity.(Munawar, 2021; Sylvianie, 2023)

The accountability of the nazhir has an operational form that can be examined, namely the financial statements. Before 2021, waqf institutions had no dedicated accounting standard, so their reporting practices varied, referring to PSAK 109 on zakat, infaq, and sadaqah, PSAK 45 on non-profit organisations, or PSAK 101 on the presentation of sharia entity financial statements. This vacancy was addressed by the issuance of PSAK 112 on Waqf Accounting by the Sharia Accounting Standards Board of the Indonesian Institute of Accountants. The standard regulates the recognition, measurement, presentation, and disclosure of waqf transactions by nazhir entities, and stipulates that a complete set of waqf entity financial statements comprises a statement of financial position, a statement of waqf asset details, a statement of activities, a statement of cash flows, and notes to the financial statements.(Ikatan Akuntan Indonesia, 2019) The

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standard became effective on 1 January 2021, and the Indonesian Waqf Board subsequently issued an accounting guideline for nazhir institutions to facilitate its application.

The normative framework for waqf reporting is therefore reasonably complete. What remains unanswered is the extent to which that framework is actually applied at the institutional level. A number of studies have examined the implementation of PSAK 112, yet all of them take the form of single-institution case studies. Their findings vary considerably, ranging from institutions reported to have implemented the standard fully with statements audited by public accounting firms, to institutions that prepare only simple accountability reports consisting of records of income and expenditure.

This variation in findings reveals the limitation of the single case study design. When one institution is reported as compliant and another is not, the reader cannot draw any conclusion about the general condition of waqf reporting, because no common assessment framework is available for both cases. Each researcher employs different categories and depths of analysis, so the results cannot be compared. Consequently, the questions most relevant to policymakers remain unanswered, namely which components of PSAK 112 are most frequently neglected by nazhir institutions, and whether such non-conformity is casuistic or patterned.

Unlike previous research that focused on only one aspect, namely the application of PSAK 112 within a single institution, this study reads the accumulated body of case studies as a single unit of evidence. The findings of twelve prior studies are recoded into a uniform five-component framework, so that results which were previously scattered and incomparable become comparable and patterns of non-conformity can be identified. A systematic synthesis of this kind has not been conducted specifically for PSAK 112. Existing reviews, such as those examining the application of PSAK 109 and PSAK 112 in zakat management institutions, place waqf within a broader discussion of ZISWAF and have not mapped non-conformity at the level of the standard's components.

Objectives

This article intends

- To map the general level of PSAK 112 implementation among nazhir institutions in Indonesia
- To identify which components of PSAK 112 are most frequently reported as unfulfilled
- To recognise the recurrent forms of non-conformity in waqf financial reporting

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- To understand the implications of these patterns for strengthening nazhir reporting capacity

The method employed is a systematic synthesis of published research findings, screened using the PRISMA protocol. Data were collected from Indonesian scholarly databases, including Google Scholar, Garuda, institutional repositories of state Islamic universities, and national journal portals, using the keywords “PSAK 112”, “waqf accounting”, “implementation of PSAK 112”, and “nazhir financial reporting”, covering publications from 2019 to 2025. Studies were included when they examined PSAK 112 implementation in an Indonesian waqf-managing entity and reported an explicit conclusion regarding conformity. Twelve studies covering twelve different institutions met these criteria. The findings of each study were then recoded into five components: statement completeness, recognition, measurement, presentation, and disclosure, using three categories, namely reported as conforming, reported as non-conforming, and not explicitly reported.

This study is important because the identification of the weakest components provides a basis for the Indonesian Waqf Board and the Ministry of Religious Affairs to design nazhir capacity-building programmes that are directed at the actual point of difficulty, rather than distributed evenly across all aspects of the standard.

DISCUSSION

The purpose of this study is to examine the condition of waqf financial reporting in Indonesia through the accumulated findings of research that has examined the implementation of PSAK 112 at the institutional level. This is done in order to identify the components of the standard that most require strengthening, so that efforts to improve nazhir accountability can be directed at the actual point of difficulty.

The Level of PSAK 112 Implementation among Nazhir Institutions

Twelve studies meeting the inclusion criteria examined twelve nazhir institutions located in various regions of Indonesia, published between 2019 and 2025. Their characteristics and principal findings are presented in Table 1.

Table 1: Reported Findings on PSAK 112 Implementation among Nazhir Institutions

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No	Researcher (Year)	Institution Examined	Principal Finding	Category
	Putri (2019)	Indonesian Waqf Board, Batam City	Accounting treatment not yet fully consistent with PSAK 112, although several points conform conceptually	Not yet optimal
	Dermawan (2021)	Baitul Maal Muamalat	Examined the application of waqf accounting under PSAK 112	Not yet optimal
	Nuraeni (2022)	Yayasan Semai Sinergi Umat	Five statements presented, yet recognition, measurement, presentation, and disclosure not yet fully conforming	Not yet optimal
	Ishak (2022)	Waqf institutions in Surabaya	Nazhir understanding and application of the waqf accounting system remain limited	Not yet optimal
	Anonymous (2022)	Indonesian Waqf Board, Riau Province	Has not implemented PSAK 112 overall; presents only the statement of financial position, statement of waqf asset details, and statement of cash flows	Not implemented
	Nurlela (2023)	Buntet Mart YLPI Buntet Pesantren	Presents only an accountability report; recording not yet accountable	Not yet optimal
	Yulasti (2023)	PC Persatuan Islam Pangalengan	Reporting covers income and expenditure only; complete waqf financial statements not presented	Not yet optimal
	Anonymous (2023)	Yayasan Mizan Amanah	Does not present a statement of waqf asset details and does not separate waqf statements from zakat, infaq, and sadaqah	Not yet optimal

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	Setiadji (2024)	Salman ITB Waqf Institution	Not yet optimal; still uses ISAK 35 as the primary presentation guideline	Not yet optimal
0	Permatasari (2024)	Waqf and Land Affairs Institution of PBNU	Recognition and measurement conform, yet presentation does not; temporary waqf assets not separated and notes to the financial statements omitted	Not yet optimal
1	Anonymous (2024)	Dompet Dhuafa Waqf Nazhir, Jakarta	Has implemented PSAK 112 in full; all required statements presented and audited by a public accounting firm	Fully conforming
2	Anonymous (2025)	Waqf Board of Yayasan As'adiyah, Wajo	Management of movable assets indicates the need to strengthen institutional capacity	Not yet optimal

Of the twelve institutions, only one, namely the Dompet Dhuafa Waqf Nazhir, was reported to have implemented PSAK 112 in full. Ten institutions were reported as not yet implementing it optimally, and one, the Indonesian Waqf Board representative office in Riau Province, was reported as not implementing it at all. In proportional terms, full conformity accounts for 8.3 percent, partial conformity for 83.3 percent, and non-implementation for 8.3 percent.

One aspect of this distribution deserves particular attention. Two of the institutions assessed are representative offices of the Indonesian Waqf Board itself, in Batam City and Riau Province, and both were reported as not yet applying the standard in full. This finding carries weight because the Indonesian Waqf Board is the body responsible for guiding other nazhir institutions in matters of governance. Caution is nonetheless warranted in interpreting it, since the study of the Batam office was published in 2019, before PSAK 112 came into effect, and therefore reflects conditions during the transitional period.

Patterns of Non-Conformity across the Components of PSAK 112

The recoding of the reported findings into the five components of the standard is presented in Table 2.

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Table 2: Coding of Reported Findings by PSAK 112 Component

Component	Reported as Conforming	Reported as Non-Conforming	Not Explicitly Reported
A.Statement completeness	1	6	5
B. Recognition	3	3	6
C. Measurement	3	2	7
D. Presentation	1	7	4
E. Disclosure	1	6	5

The pattern is reasonably clear. Presentation is the component most frequently reported as non-conforming, followed by statement completeness and disclosure. Recognition and measurement, by contrast, display a comparatively higher proportion of conformity, although fewer studies discuss them explicitly. The high figures in the final column constitute a finding in themselves, indicating that many prior studies did not examine all components of the standard systematically, but rather highlighted only the aspects most conspicuous in the case at hand.

Four forms of non-conformity recur across more than one institution. The first is the absence of a statement of waqf asset details. This statement is the component that most distinctly differentiates PSAK 112 from general non-profit reporting standards, yet it is precisely the one most often omitted. The second is the failure to separate waqf funds from zakat, infaq, and sadaqah funds. Such commingling removes the reader's ability to trace the integrity of the waqf principal, even though the perpetuity of that principal is the founding principle distinguishing waqf from other philanthropic instruments. The third is the continued use of other standards as the primary guideline, as in the case of the Salman ITB Waqf Institution, which was reported still to apply ISAK 35, while several other institutions prepare simple accountability reports that refer to no accounting standard at all. The fourth is the absence of notes to the financial statements, without which information on accounting policies and the details of reported items is unavailable, so that the statements lose their explanatory force even where the format appears complete.

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The relationship between reporting capacity and waqf accountability in supporting institutional strengthening

The most salient finding of this synthesis is that non-conformity is not distributed evenly across the components of PSAK 112, but is concentrated at the final stage of the accounting process. Recognition and measurement, which concern the recording of transactions, are more often reported as conforming. Presentation, statement completeness, and disclosure, which concern the preparation of the final product in the form of financial statements, are most often reported as non-conforming.

This pattern carries a significant practical implication. Nazhir institutions are generally able to record waqf transactions correctly, recognising waqf assets at the moment the waqf pledge is executed and measuring non-cash assets at fair value, as reported at the Waqf and Land Affairs Institution of PBNU.(Permatasari, 2024) What they have not mastered is the conversion of those records into a complete set of financial statements conforming to the prescribed format. The obstacle therefore lies not in conceptual understanding of the nature of waqf, but in the technical skill of statement preparation.

It follows that nazhir capacity-building programmes centred on socialising waqf concepts and sharia principles are unlikely to address the actual difficulty. What is more urgently required is technical training in the preparation of financial statements, accompanied by ready-to-use templates. The accounting guideline for nazhir institutions issued by the Indonesian Waqf Board, which includes transaction illustrations, sample journal entries, and a sample chart of accounts, represents a step in the appropriate direction within this framework.

The findings also lend empirical support to proposals for mandatory integrated digital reporting, such as that advanced for the East Java region.(Maryaningsih, 2026) The underlying logic is straightforward yet compelling: a digital reporting system that requires the completion of specified components will, by compulsion, produce those components. Where a system obliges the nazhir to enter waqf asset details before a report can be saved, the component most frequently neglected becomes impossible to omit. A structural approach of this kind is potentially more effective than persuasion through training alone, particularly among smaller nazhir institutions for which the preparation of complete statements is resource-intensive.

Finally, these findings deepen the earlier identification of weak transparency as an obstacle to the accountability of productive waqf.(Astuti & Tanjung, 2019) This synthesis adds a further dimension to that identification: weak transparency is not merely a question

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of an institution's willingness to be open, but also of its technical capacity to produce statements that meet the standard. There is consequently a strong link between reporting capacity and waqf accountability, in that the latter cannot be realised without the former.

CONCLUSION

Based on the synthesis of twelve studies examining the implementation of PSAK 112 in twelve nazhir institutions, it can be concluded that the level of implementation remains low. Only one institution was reported to have applied the standard in full, ten were reported as not yet applying it optimally, and one was reported as not applying it at all. Non-conformity is concentrated in the presentation, statement completeness, and disclosure components, while recognition and measurement are more frequently reported as conforming. The recurrent forms of non-conformity are the absence of a statement of waqf asset details, the failure to separate waqf funds from zakat, infaq, and sadaqah funds, the continued use of other standards as the primary guideline, and the absence of notes to the financial statements.

The pattern indicates that the gap between standard and practice is structural in character and located at the stage of preparing the final statements rather than at the stage of recording transactions. The principal obstacle is therefore the technical skill of statement preparation, not conceptual understanding of waqf. For the Indonesian Waqf Board and the Ministry of Religious Affairs, this suggests that nazhir capacity building should be directed specifically at the components most frequently omitted, accompanied by ready-to-use templates, and that mandatory integrated digital reporting offers a structurally more effective mechanism than persuasion alone. For nazhir institutions, the separation of waqf funds from zakat, infaq, and sadaqah funds is not a matter of format but the condition under which the perpetuity of the waqf principal can be demonstrated to the wakif.

This study carries four limitations. It assesses findings as reported rather than the financial statements themselves, so the quality of the synthesis depends on the quality of the source studies, most of which are undergraduate theses without a standardised assessment instrument. The assessment categories used by the source studies are not uniform, so the recoding involves a degree of interpretation, reflected openly in the substantial number of components not explicitly reported. Twelve institutions do not represent the far larger population of nazhir in Indonesia, and the institutions studied tend to be those accessible to researchers, which may bias the sample towards relatively well-organised entities. The time span of the source studies covers periods both before and after PSAK 112 came into effect, so comparison across institutions is not entirely

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equivalent. Further research is accordingly recommended in two directions: the construction of an item-based PSAK 112 compliance index derived directly from the text of the standard and applied uniformly to published financial statements with inter-coder reliability testing, and qualitative inquiry into the obstacles to implementation from the perspective of those who prepare the statements at institutional level.

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