



THE ANALYSIS OF WAQF REPORTING PRACTICES AND WAQF INFORMATION DISCLOSURE: A STUDY AT PERBADANAN WAKAF SELANGOR, MALAYSIA

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ABSTRACT

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Disclosure of information related to waqf in the annual financial report is crucial to increase the level of confidence amongst Muslim communities and stakeholders in waqf institution. Due to the non-transparency and lack of disclosure by waqf institutions, it is difficult to ascertain whether the donated waqf assets can be utilized properly or otherwise. The objective of this study was to identify the practice of waqf information disclosure at Perbadanan Wakaf Selangor (PWS) from 2014 until 2019. This study is quantitative in nature by applying the content analysis method which focuses on counting and measuring themes in annual reports. This study found that PWS has successfully disclosed a good, transparent and quality waqf financial reporting as it obtained 86% in the waqf reporting disclosure index each year. The study's findings concluded that PWS followed the standards and reporting format set by the accounting body and successfully disclosed full information to stakeholders and the Muslim community in Malaysia.

Contribution/Originality: This study focuses on the waqf accounting practices, particularly in terms of disclosing unique waqf issues. It is one of the first studies on the development of waqf disclosure index suggesting how to improve the management and governance of waqf institutions, and can strengthen community's trust and confidence in them.

1. INTRODUCTION

In Malaysia, waqf is a common method of voluntary donation in current times. Waqf is a religious endowment that has had a significant impact on the social and economic condition of the Muslim community throughout Islam's history. (Imtiaz, 1988) took a larger view, arguing that a decent Muslim should contribute anything good, beneficial, and valuable in order to gain Allah's (*Subhanahu wa ta'ala* – SWT) pleasure. Furthermore, every worship that God commands is to increase two specific relationships in equal measure, namely the vertical and horizontal relationships. A vertical relationship is one in which a person has a direct relationship with God (*hablumminallah*), whereas a horizontal relationship is one in which a person has a direct interaction with other creatures of God (*hablumminannas*) (Muhamad, Sukor, & Muwazir, 2008; Muwazir, Muhamad, & Noordin, 2006). Muslims, for example, are particularly capable of performing *ibadah* (surrender) in order to gain Allah's blessings through wealth that will cleanse the heart by doing works like *sadaqah*, *hibah*, *infaq*, and *waqf*. While *hablumminannas* is via wealth

and can also assist to narrow the gap between the more fortunate (rich) and the less fortunate (poor), and this will give you satisfaction since you can help people in need to improve their lives (Hazriah & Ahmad, 2018).

Furthermore, according to Muhammad (2018) waqf is also known as a technique other than Muslims' obligation towards zakat to close the gap between wealth and poor in society. When it comes to wealth management, Allah SWT is the true owner of wealth, while man is simply the trustee. As a result, Muslims are encouraged to do charity and *infaq*, which is a voluntary donation. Many verses from the Quran and Hadith from the Prophet Muhammad (peace be upon him) endorse such action. Surah Al-Imran has several revelations, including the following:

Never will you attain the good [reward] until you spend [in the way of Allah] from that which you love. And whatever you spend - indeed, Allah is Knowing of it.

(Al-Imran, 4: 92)

Furthermore, waqf is a form of circumcission that, when performed with sincerity and perfection, can result in a significant reward for the waqf and so aid the wellbeing of Muslims. When this waqf worship is truly understood and appreciated, it might make a person's wish to continue worshipping because of the enormous rewards, as found in the Qur'an surah Al-Baqarah verse 261:

The example of those who spend their wealth in the way of Allah is like a seed [of grain] which grows seven spikes; in each spike is a hundred grains. And Allah multiplies [His reward] for whom He wills. And Allah is all-Encompassing and Knowing.

(Al-Baqarah, 2: 261)

Waqf is considered an economic institution that serves Muslims as a whole, as well as a religious matter to Allah SWT. It actively participates in ensuring that the social and economic needs of Muslims are met. The nature of waqf, according to Muhammad (2018), is inseparable from its core quality of permanence and inalienability. As a result, where waqf management in the Muslim community (*ummah*) development is concerned, it is critical to bridge social divides and eliminate income inequality in the economy (Abd-Halim, Nor, Aryani, & Henny, 2014). Furthermore, non-transparency and lack of disclosure by waqf institutions resulted in financial statements and reports on the performance of waqf assets not being communicated to contributors, according to Zharif (2019). As a result, the donor is unable to determine if the contributed waqf assets can be properly utilised or vice versa.

Transparency in the management of waqf assets is critical because it provides the public with confidence and trust in the waqf assets managed by the waqf institution. As a result, several research questions have been identified in order to achieve the goal of this study, which is to determine the extent to which the level of information disclosure in waqf reporting is clearly and in detail disclosed to stakeholders such as institutions and Muslim communities, as stated in the title. According to some reports, State Islamic Religious Council (Majlis Agama Islam Negeri – MAIN) institutions do not make waqf reporting disclosures. The investigation clearly demonstrates that MAIN has yet to properly disclose its assets and liabilities, as well as its waqf income and expenditure (Daud, Abdul Rahman, & Sulaiman, 2011).

The analysis clearly shows that there is no more uniform reporting between Malaysia's MAIN institutions. Furthermore, the practise of waqf reporting and transparency is a vital component for the development of waqf practise since it offers the community confidence in a waqf institution while also providing a platform for greater community participation. As a result, this study was done to determine the extent to which the practise of reporting and disclosing waqf information to the Muslim community and stakeholders is explained clearly and in depth.

2. LITERATURE REVIEW

2.1. Waqf Reporting Practices in Malaysia

Since the time of the Prophet Muhammad, the waqf institution has been one of the most important Islamic financial institutions. This institution serves as a vital catalyst for the Muslim community's economic development.

Furthermore, waqf institutions are growing and expanding in accordance with shariah objectives (*maqasid shariah*) (Muhammad, 2018). According to Mohamad, Mek, and Mohd (2012), the *maqasid shariah* is considered in the context of waqf, where wealth is protected and Muslims must conserve, maintain, and manage economic and financial development in accordance with shariah law, which includes waqf management. Waqf is thought to be one of the wealth generating and distribution strategies based on Islamic teachings and principles (Muhammad, 2018). Waqf has a bright future in resolving the challenges that the *ummah* is facing today. Shariah sects have underlined the necessity of building waqf, which has played an important role in the past and would continue to play an important role in the future if this institution is reactivated and its management is placed on track. At the same time, many studies claim that waqf is unique, even the best waqf-giving system that has been proven from the Abbasid caliphate era (754-1258M) to the Ottoman caliphate (1299-1924M), and that it is growing rapidly and effectively supported in the construction of many schools, libraries, and universities, as well as the production of many Muslim scholars (Aminah Mohsin & Mohammad, 2015; Che'Khalilah, Hamzah, & Wan Mohd, 2017; Monzer, 2007).

Furthermore, numerous Muslim scholars around the world have explored various forms of waqf instruments in order to reintroduce waqf activities into the Muslim economic arena. To enhance waqf operations, two types of waqf instruments have been introduced: cash waqf and land waqf. The major tool for raising waqf funds is cash waqf, which allows people to donate cash without having to have any fixed assets. While land waqf is typically used for the construction of social goods such as education and health; public goods (roads, bridges, and national security); assisting the poor and needy (orphanages and old people's homes); commercial businesses built; utilities (water and sanitation); religious infrastructure (construction and maintenance of mosques and graveyards); creating jobs; and supporting agriculture and the industrial sector without incurring costs to the government (Norizan, Aisyah, & Zaleha, 2018).

The formation of waqf institutions in Malaysia is presently managed and regulated by the government through MAIN. Each state has the authority to conduct its waqf activities according to its own laws and procedures. In 2004, the federal government formed the Department of *Arwaqaf*, Zakat, and Hajj (JAWHAR), to coordinate the management of all waqf institutions in the state (Noorhayati, Jamil, & Bahari, 2017). Furthermore, the department not only oversees the administration's efficacy and efficiency, but also works to improve the management and development of Muslim wealth in the form of endowment, zakat, finance, and hajj in each Malaysian state. Noorhayati et al. (2017) highlighted that there are disparities in waqf reporting practices due to changes in the legal forms of entities when looking at waqf reporting methods (Rosnia & Shafii, 2013). Nori, Radziah, Aini, and Mohd (2018) found that there is a lack of systematic accounting and administration of waqf assets, as well as a lack of documented processes to record waqf asset financial transactions. Furthermore, prior research on waqf reporting show that there are no precise criteria for maintaining waqf reports, and no explanation for what type of information waqf institutions should offer (Hidayatul, 2007; Hidayatul & Ihsan, 2009; Nahar & Yaacob, 2011).

The presentation of the Financial Statements of Islamic Financial Institutions issued by the Malaysian Accounting Standards Board (MASB) is not entirely appropriate especially for waqf reporting. As a result, relying only on current accounting and reporting standards for waqf reporting proves problematic, as it results in waqf institutions' performance being measured using insufficient financial information (Nahar & Yaacob, 2011).

Aside from that, there is no doubt that waqf reporting remains a weakness among waqf institutions, particularly in Malaysia. Scholars have long questioned the exact and suitable measures to apply when evaluating Malaysian waqf institutions. It is, however, difficult to summarize/express and measure, particularly for waqf projects and activities (Roshayani & Norzaihan, 2017). This is due to the difficulty of measuring, since nonprofit organizations include waqf institutions that place a high priority on completing their missions and whose achievements are difficult to measure (Epstein & McFarlan, 2011). As a result, more comprehensive waqf reporting is required to guarantee that financial and non-financial information is properly and honestly provided to waqf

stakeholders (Muhammad, 2018). The information disclosed is based on what the stakeholders desire, not what the *mutawalli* (waqf manager) wishes to disclose. Non-profit organizations, especially waqf institutions, must be able to evaluate and measure their own performance in order to stay relevant and trustworthy (Medina-Borja & Triantis, 2007). This is because fundraising activities have a positive relationship with performance and effect, including waqf (Jamaliah, Azizah, Zuraidah, & Sharifah, 2013; Maliah, Siraj, & Ibrahim, 2008; Siciliano, 1996).

2.2. The Importance of Waqf Information Disclosure

According to Islamic perspective, one of the trusts that requires an organization to give disclosure, whether mandatory or voluntary, is disclosure. Management must decide whether or not to provide additional information in a financial report if it is voluntary. Restoration of waqf institutions has been a priority in Muslim communities throughout the world in recent years, including Singapore, Bangladesh, and South Africa. Furthermore, institutions such as the Islamic Development Bank (IDB), which is a subsidiary of the Islamic Research and Training Institute (IRTI), have expressed interest in using waqf institutions as a tool for societal development (Cajee, 2008). According to past research, there are numerous scenarios involving charitable organizations that necessitate reporting. Some authors and scholars who are interested in waqf accounting have taken into consideration the necessity of reporting and transparency of waqf institutions (Saleem, 2004). The lack of transparency in MAIN has made it difficult to convince the public (Daud et al., 2011).

Scholars have conducted several research studies on the practice of waqf reporting. The emphasis on the lack of proper reporting and accounting on waqf practices is one of the most extensive studies (Abdul-Rahim, Mohd, & Yusof, 1999; Che'Khalilah et al., 2017; Hidayatul & Ihsan, 2009; Hidayatul & Shahul, 2011; Noorhayati et al., 2017; Nori et al., 2018; Sri & Latifa, 2014).

The research undertaken by Abdul-Rahim et al. (1999), who investigated the accounting and management methods used by MAIN, is one of the early studies connected to the practice of waqf reporting. This research discovered a lack of clear information on waqf property, a lack of disclosure in financial reporting, and non-uniform waqf property management. MAIN also lacks a written procedure for recording waqf-related financial transactions. According to the findings of this study, the absence of asset management recording is attributable to a lack of control by Malaysian authorities (Abdul-Rahim et al., 1999).

The lack of accounting standards for waqf organizations might explain the phenomena of differences in accounting standard across MAIN waqf institutions (Hidayatul & Ihsan, 2009). MAIN should develop a waqf department that focuses on waqf accounting management, according to Abdul-Rahim et al. (1999). Accounting and reporting practices, as well as financial transactions linked to waqf, would be enhanced, and internal controls in the administration and management of waqf property will be strengthened. Siti-Rokyah (2005) expanded on the research of financial reporting disclosures by evaluating financial reports and utilizing primary and secondary data to estimate the amount of transparency by MAIN institutions.

Respondents in MAIN who were directly involved in the financial management of waqf, including accountants, executive accountants, waqf officers, and waqf clerks, were given questionnaires. By reviewing MAIN's financial reports, secondary data was also used. MAIN was discovered to have failed to produce yearly financial reports on schedule. This means that MAIN's financial statements have a poor level of transparency. However, certain MAIN institutions have a high level of transparency in their financial reporting because they employ a professional accountant to manage waqf-related financial activities. When compared to MAIN institutions with a low level of financial reporting disclosure, these MAIN institutions always issue financial reports every year (Siti-Rokyah, 2005).

Furthermore, the absence of standards for waqf accounting and reporting has been connected to the lack of accurate accounting records (Rosnia & Shafii, 2013). As a result, experts have increasingly emphasized the significance of having standards for waqf administration in order to overcome the problem of a waqf institution's

accountability and transparency in Malaysia (Adnan, Sulaiman, & Nor, 2007; Hidayatul, Sulaiman, Alwi, & Adnan, 2016; Norman, Asharaf, Abdullah, & Asmaddy, 2013; Nur, Yaa'kub, Hamid, & Palil, 2014). The rise in the quantity of waqf, which may be seen of as a large number of waqf assets that can be developed and that can contribute to socioeconomic development, has highlighted the significance of strong waqf accounting and reporting standards. The role of trustees in maintaining waqf and as an institution that provides social services to the community is becoming more widely recognized. As a result, this accountability method must be proved to various stakeholders (Hidayatul et al., 2016). Several relevant parties have worked to produce waqf criteria for all MAIN in Malaysia. This is evidenced by the Malaysian national accountant department's recent attempts, in partnership with many university research groups in Malaysia, to develop guidelines to make waqf asset management and administration easier. Waqf accounting and reporting requirements are still in demand today.

In conclusion, previous research has revealed that waqf reporting is critical in a waqf organization that manages the Muslim community's waqf holdings. Previous research, on the other hand, has largely focused on the practice of waqf reporting, waqf accounting, waqf accountability, waqf management, and waqf accounting in a waqf institution. There has been very little research on waqf-related financial reporting disclosures. Thus, this study will highlight and focus on the elements of waqf financial reporting disclosure that need to be emphasized to be created in a waqf financial report, which includes forms of waqf, conditions related to waqf, supervision and management of waqf, controls on leasing of waqf assets, application of modes of investment for the development of waqf income and assets, maintenance, renovation, and replacement of waqf property, and *istبدال* (exchange) of waqf assets. The findings of this study intend to assist specific parties in establishing standards for waqf accounting and reporting, as well as build public trust in the institution of waqf and satisfy stakeholders.

3. METHODOLOGY

The aim of this study was to identify the practice of waqf information disclosure at Perbadanan Wakaf Selangor (PWS) from 2014 until 2019. This study was conducted based on quantitative methodology to collect relevant data pertaining to how a practise of disclosure and reporting of waqf information is clearly disclosed to stakeholders in accordance with Shariah Standard No. 33 (SS 33) on waqf.

Secondary data from Selangor State Islamic Religious Council (Majlis Agama Islam Negeri Selangor – IMAIS) financial data received from PWS was used to conduct this research. During the course of this investigation, the data collected was descriptively examined. From 2014 to 2019, MAIS financial data was derived from its financial statements for a six-year period for the year ending December 31. Financial statements for MAIS have also been published on the official MAIS website.

With reference to previous research, such as the study of Anna and Mohamed (2015), this study identifies elements for the disclosure of waqf financial reporting. Furthermore, this research uses the content analysis method to examine seven elements of waqf property disclosure: forms of waqf, conditions related to waqf, supervision and management of waqf, controls on leasing of waqf assets, application of modes of investment for the development of waqf income and assets, maintenance, renovation, and replacement of waqf property, and *istبدال* of waqf assets.

The content analysis approach utilized in this study was based on the number of item disclosures. The list of waqf disclosure elements served as the basis for determining item disclosure. Item disclosure is measured by assigning a score of 1 if an item appears in the annual report disclosure, and a score of 0 if it does not. The total of all elements is then divided by the total of all elements and multiplied by 100 percent to determine the overall percentage of waqf reporting disclosure each year. These items have been used in computational techniques (Haniffa & Cooke, 2005; Inderpal & Mitchell, 2008; Li, Pike, & Haniffa, 2008; Nathasa, Amilia, Nurul, & Nor, 2014).

4. RESULTS AND DISCUSSION

Figure 1 shows the cash waqf managed by Perbadanan Wakaf Selangor (PWS) from 2014 to 2019. According to the annual report analysis data, PWS reveals that the largest amount of cash waqf received by PWS in six years is in 2019 (RM10,770,305), which has increased drastically with a ratio of 20.90 percent compared to 2018 (RM10,044,756). PWS, on the other hand, showed a slight decrease in 2015 (RM7,061,854) with a change ratio (-13.71 percent) compared to the previous year in 2014 (RM8,030,089), resulting in the lowest collection value collected during the six-year period. Meanwhile, there was a slight increase in 2016 (RM7,868,257) compared to the previous year 2015 (RM7,061,854). However, there was a slight decrease with a change ratio (-1.5 percent) in 2017 (RM7,751,908) compared to the previous year, which was in 2016 (RM7,868,257). Due to the growing value of cash waqf each year, PWS showed good cash waqf collection for six years from 2014 to 2019. During the six-year period from 2014 to 2019, the average total value of PWS cash waqf was RM8,587,861.

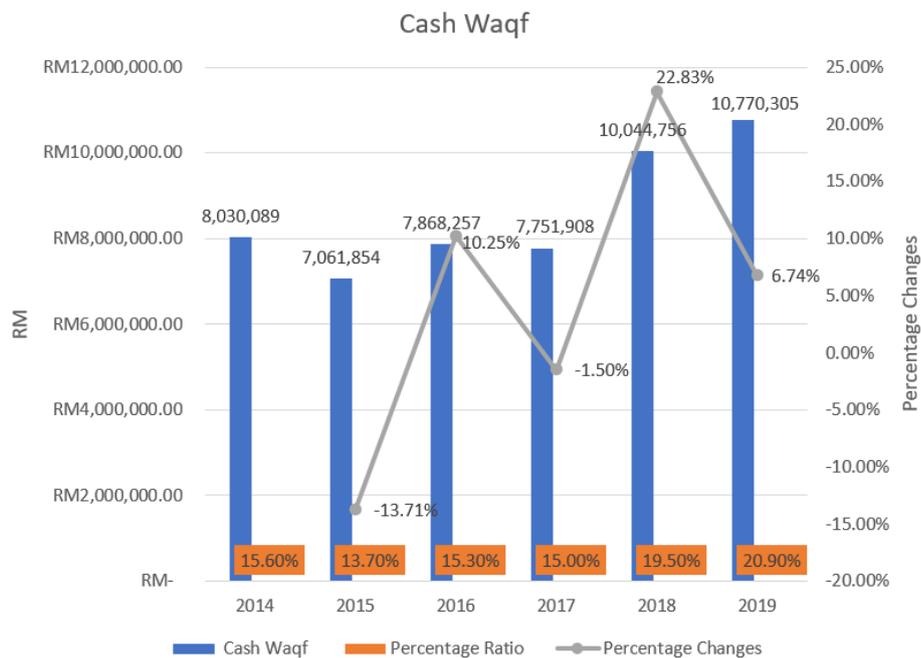


Figure 1. Changes in PWS cash waqf income.

Figure 2 shows the waqf *khas* managed by PWS from 2014 to 2019. Every year, the value of waqf *khas* collected by PWS rises dramatically. The largest collection value was gathered in 2019 (RM72,408,777) with a ratio of 23.8 percent compared to the previous year (65,849,022) with a ratio of 21.6 percent. While the lowest collection throughout the six-year period occurred in 2014 (RM28,702,053), with a ratio of 9.4 percent. Overall, the waqf *khas* increased year after year, with no decreases over the six-year period. This demonstrates that the general public is aware of the significance and necessity of waqf *khas* for the wellbeing of Muslims. For the six-year period from 2014 to 2019, the overall average for waqf *khas* was RM50,790,318.

Figure 3 shows the percentage change in cash waqf and waqf *khas* from 2014 to 2019. Cash waqf shows a significant increase in percentage change in 2018 with a percentage change of 22.83 percent compared to the previous year, which is in 2017, which decreased drastically with a negative 1.5 percent. In 2019, however, the percentage change was 6.74 percent. Furthermore, the percentage change in 2016 increased to 10.25 percent as compared to 2015, which decreased sharply with a negative value of 13.71.

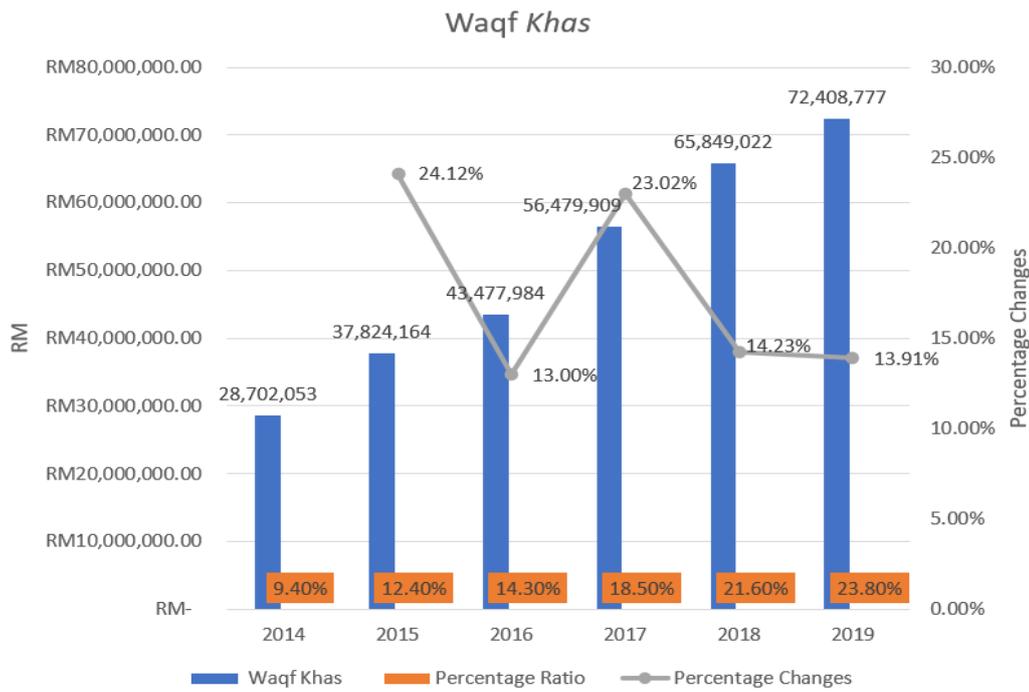


Figure 2. Changes in PWS waqf khas income.

In terms of waqf khas, the percentage change increased drastically in 2015, reaching 24.12 percent, but decreased by 13 percent in 2016. However, the percentage change increased by 23.02 percent in 2017, but decreased by 14.23 percent in 2018. Furthermore, in 2019, the percentage change decreased to 13.91 percent.

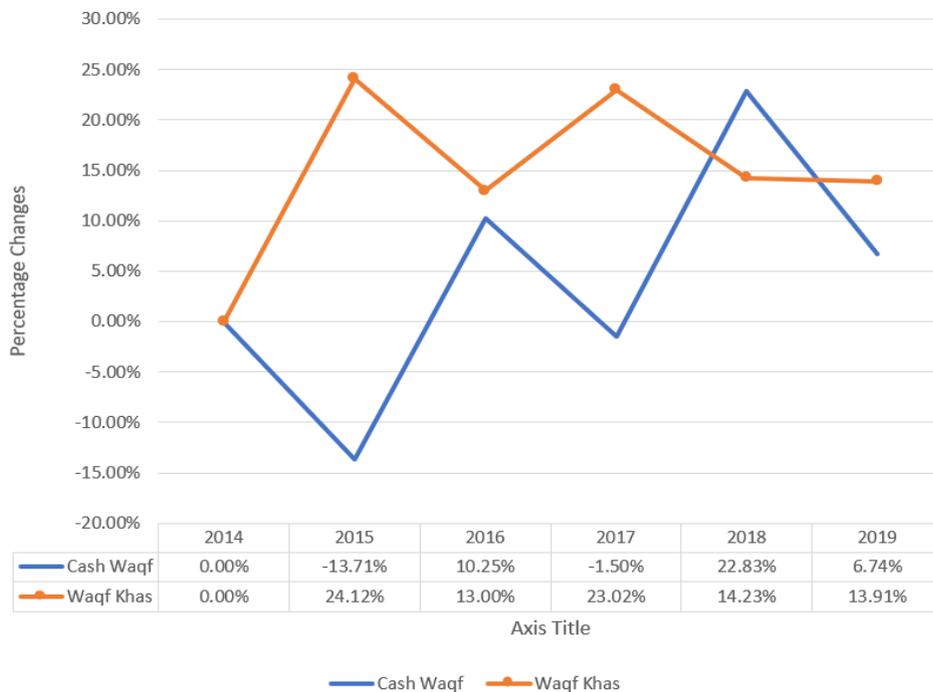


Figure 3. Percentage change in cash waqf and waqf khas of PWS.

Table 1 shows that disclosure items such as form of the waqf, conditions related to waqf, supervision and management of waqf, application of modes of investment for the development of waqf income and assets (*mudharabah, bai' bithaman ajil*), (maintenance, modification, and replacement of waqf) and *istبدال* had the highest percentage of 100%. Meanwhile, it recorded the lowest percentage of 0% for one item of disclosure, namely the controls on leasing of waqf assets, because the information on the item of controls on leasing of waqf assets was not

published in PWS' financial statements. As a result, the overall percentage of PWS waqf disclosure items remains constant, at 86 percent, from 2014 to 2019. This shows that PWS has provided strong financial disclosure reporting, as nearly all items and aspects of disclosures were disclosed in the annual financial report.

Table 1. Waqf reporting index and waqf information disclosure by PWS.

No.	Elements of disclosure	2014	2015	2016	2017	2018	2019
	The form of the waqf						
1	Fixed assets – <i>Kumpulan wang waqf</i> (property, plant and equipment)	1	1	1	1	1	1
2	Current assets – <i>Wang waqf khas</i>	1	1	1	1	1	1
	Percentage	100%	100%	100%	100%	100%	100%
	Conditions related to waqf (acquisition of waqf)						
3	Shares in <i>waqf khas</i>	1	1	1	1	1	1
4	Benefits in <i>waqf khas</i>	1	1	1	1	1	1
	Percentage	100%	100%	100%	100%	100%	100%
	Supervision and management of waqf						
5	Submission of financial report for audit	1	1	1	1	1	1
6	Payment to the beneficiaries	1	1	1	1	1	1
7	Defending of waqf rights (waqf expenses)	1	1	1	1	1	1
8	Supervision of waqf property	1	1	1	1	1	1
	Percentage	100%	100%	100%	100%	100%	100%
	Controls on leasing of waqf assets						
9	Rental rates based to current price	0	0	0	0	0	0
10	Waqf leas supporting documents (permission form)	0	0	0	0	0	0
	Percentage	0%	0%	0%	0%	0%	0%
	Modes of investment used in the development of waqf asset for income generation						
11	<i>Mudharabah</i>	1	1	1	1	1	1
12	<i>Bai' bithaman ajil</i>	1	1	1	1	1	1
	Percentage	100%	100%	100%	100%	100%	100%
13	Maintenance, renovation and replacement of waqf	1	1	1	1	1	1
	Percentage	100%	100%	100%	100%	100%	100%
14	<i>Istibdal</i> (exchange) of waqf assets	1	1	1	1	1	1
	Percentage	100%	100%	100%	100%	100%	100%
	Overall Percentage of Disclosure	86%	86%	86%	86%	86%	86%

Sources: MAIS Annual Report 2014–2019 supervised by PWS.

The PWS waqf reporting disclosure index, shown in Table 1, comprises all of the disclosure items that must be included in an annual financial report. Table 1 shows that items of disclosure such as forms of waqf, conditions related to waqf, supervision and management of waqf, applications of modes of investment for the development of waqf income and assets (*mudharabah*, *bai' bithaman ajil*), (maintenance, renovation and replacement of waqf) and *istibdal* had the highest percentage of 100%. This demonstrates that PWS is always consistent in sharing information in their yearly financial reports relating to the disclosure elements of waqf reporting. The disclosure is important so that stakeholders and the Muslim community as fund donors to the waqf institution may read and examine the information provided by PWS.

Meanwhile, it recorded the lowest percentage of 0% for one item of disclosure, namely the controls on leasing of waqf assets, because the information on the item of controls on leasing of waqf assets was not published in PWS' financial statements. This is because the revenue information collected from the leasing of waqf property is not clearly shown in the financial report issued by PWS. As a result, PWS should include additional remarks in the financial statements, particularly about rental durations and prices, to provide more information to stakeholders.

Furthermore, one of the strategies for the growth of waqf property acknowledged by scholars is the way of renting waqf property (*ijarat al-waqf*). This method of renting is one of the financial components that may be used to assist the waqf recipients (*mawquf 'alaih*). Although the waqf property is rented, the condition of the property

must be ensured as long as the issue is in effect. In addition to the rental business based on Islamic law, the basic principles and rules of a waqf that are designed to benefit the beneficiaries should be emphasized.

Finally, it can be observed that the PWS waqf reporting disclosure has effectively given the Muslim community and stakeholders with strong and effective financial reporting and waqf management. However, the total percentage from 2014 to 2019 remains the same at 86 percent every year. This suggests that PWS' financial reports have not evolved to include greater financial reporting disclosures in terms of innovation and diversification. This financial reporting should be upgraded on a regular basis to pique the public's interest in reading the financial report and to motivate them to continuously give to the underprivileged community. As a result, PWS needs to be more creative and innovative when it comes to providing financial information in their annual financial report. An improved and more transparent reporting will persuade stakeholders and the community to continue to donate since they will be able to see/read the actions that PWS has carried out. However, this reporting disclosure index still indicates that PWS has provided good financial disclosure reporting, since nearly all items and elements of the disclosure were disclosed in the annual financial report.

Table 2. Revenue source of income of waqf property of PWS.

Income	2014 (RM)	2015 (RM)	2016 (RM)	2017 (RM)	2018 (RM)	2019 (RM)	Overall Average (RM)
Selangor waqf shares	8,030,089	7,061,854	7,868,257	7,751,908	10,044,756	10,770,305	8,587,861
Leasing of waqf premises	734,477	639,400	810,233	1,043,025	1,242,430	1,343,370	968,822
Dividends and profits from investments	213,646	111,367	186,388	91,063	66,602	78,876	124,657
Various incomes	18,286	50,461	237,605	390,169	96,593	249,339	173,742

Sources: MAIS Annual Report 2014-2019 supervised by PWS..

Table 2 displays the sources of waqf property income collected by the PWS from 2014 to 2019. PWS waqf property comprises of Selangor waqf shares, which are a method of waqf through cash by purchasing units of shares given by the Council as a trustee and endowing the units of shares in perpetuity for the benefit and welfare of Muslims. The study discovered that Selangor waqf shares are the greatest contributor to the PWS waqf fund's income source since the community now has a strong awareness of doing waqf via purchasing share units. According to the disclosure of waqf reporting, waqf shares had the largest collection in 2019 (RM10,770,305). For the six-year period, the overall average source of income for Selangor shares was RM8,587,861.

Furthermore, the source of income from the leasing of waqf premises decreased slightly in 2015 (RM639,400) when compared to the previous year in 2014 (RM734,477). However, revenue from the leasing of waqf premises has increased year by year from 2016 to 2019, with an overall average of RM968,822 during a six-year period. Aside from that, other sources of income that generate profits, such as dividends and investment profits, contribute to the income of the PWS waqf fund. The biggest income and profit from investment was obtained in 2014 (RM213,646), while the following year, 2015, there was a decrease in collection with a collection of RM111,367. However, there was a rise in dividends and investment income in 2016, with a collection of RM186,388 compared to the previous year in 2015 (RM111,367). Following that, there was a two-year straight decrease in dividend collection and profit from investments in 2017 (RM91,063) and 2018 (RM66,602) when compared to 2016 (RM186,388). However, there was a rise in 2019 (RM78,876) compared to the previous year, which was in 2018 (RM66,602). The overall average yield from dividends and profit from investments for the six-year period was RM124,657.

Furthermore, revenue from various incomes increased steadily from 2014 to 2017, with the highest income of RM390,169 in 2017, but dropped sharply the following year from the time in six years in 2018 (RM96,593). However, a significant rise happened in 2019 when revenue from different sources managed to gather RM249,339

compared to the previous year, which was 2018 (RM RM96,593). The lowest collection throughout the six-year period was in 2014, when it amounted to RM18,286. For the six-year period, the total average revenue from various incomes was RM173,742.

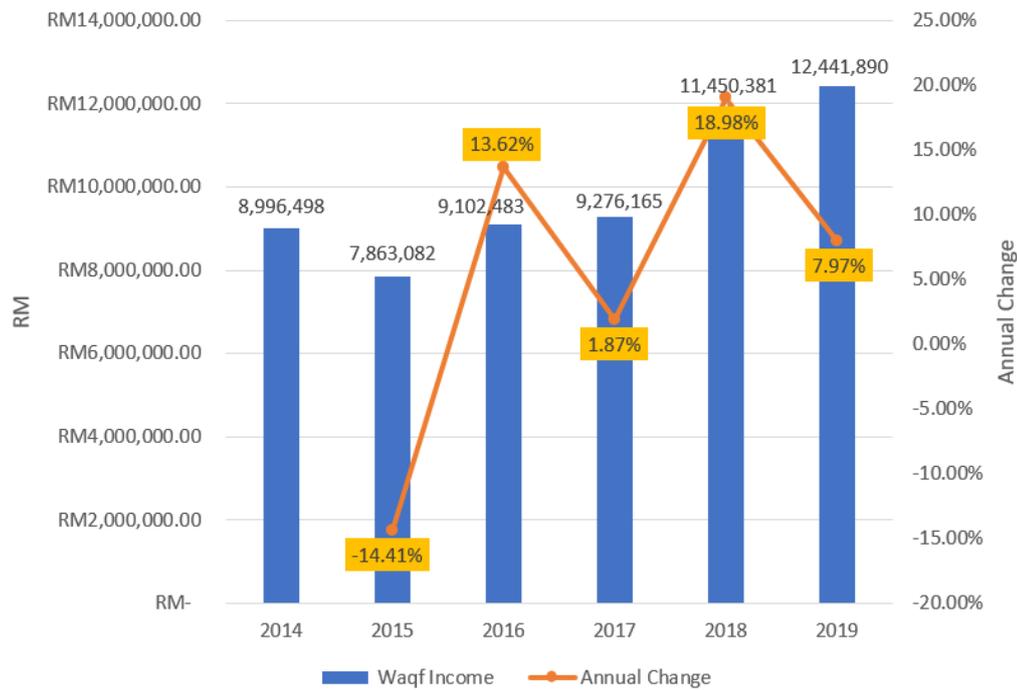


Figure 1. Total income of PWS waqf fund.

Sources: MAIS Annual Report 2014–2019 supervised by PWS. .

Figure 4 illustrates the waqf fund income collected by PWS throughout a six-year period. Selangor waqf shares, leasing of waqf premises, dividends and profits from investments and various incomes make up the Selangor waqf fund's income. The difference between total waqf income in 2014 (RM8,996,498) and 2015 (RM7,863,082) was negative 14.41 percent. However, there was a significant rise in 2016, with a total collection of RM9,102,483 and a change of 13.62 percent, and a modest increase in 2017, with a total collection of RM9,276,165 and a change of 1.87 percent.

In 2018, income increased by 18.98 percent, with a collection of RM11,450,381 compared to the previous year in 2017 (RM RM9,276,165). In addition, the waqf fund's overall income increased in 2019, reaching RM12,441,890, an increase of 7.97 percent, marking the largest income collection in the six-year period. Because the Muslim community has placed a high level of trust in the PWS to handle their waqf property effectively, the growth in waqf fund income can be witnessed year after year due to the disclosure of good waqf reporting every year.

5. CONCLUSION

The study shows that full reporting disclosure to stakeholders and the Muslim community has an impact on the income of the Perbadanan Wakaf Selangor's (PWS) waqf property. As a result, waqf institutions, such as PWS, must pay attention to the elements of disclosure that must be emphasized in order to improve the quality of the waqf institution itself, allowing stakeholders and the Muslim community to continue waqf because they are confident that the waqf property has been properly managed.

There is no doubt that PWS' financial reporting disclosure is at a good and encouraging level, as it complies with the Accounting and Auditing Organizations for Islamic Financial Institutions (AAOIFI) requirements, but not totally. The income of waqf resources obtained either from general waqf or waqf *khas*, costs, *istibdal* waqf, and so on,

which are among the disclosures made by PWS in its annual financial report. This demonstrates that PWS virtually completely discloses its activities in order to inform stakeholders and the Muslim community.

However, as a corporate waqf institution, PWS must constantly ensure that the financial reports given and disclosed to the Muslim community satisfy the elements of disclosure to be at the highest level, so that it can serve as an example to other waqf institutions. This aligns with the company's objective of "becoming a strong, reputable, respected, and exemplary Islamic organization by 2025". Without the PWS's own hard effort, the vision established will not be achieved. The necessity to give transparent disclosure to stakeholders with full integrity and professionalism in the waqf property management process is a responsibility that must be implemented as an Islamic charitable institution. This is crucial because it can persuade stakeholders and the Muslim community of the importance of the project. When trust grows, the problem of non-transparency in the management of waqf property and abandoned waqf land is no longer an issue.

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