WAQF REPORTING IN MALAYSIA

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LAPORAN AKHIR PENYELIDIKAN "WAQF GOVERNANCE AND WAQF REPORTING PRACTICES : A CASE STUDY AT JOHOR, WILAYAH PERSEKUTUAN AND KELANTAN ISLAMIC RELIGIOUS COUNCILS"

Merujuk kepada perkara di atas, bersama-sama ini disertakan 2 (dua) naskah Laporan Akhir Penyelidikan yang bertajuk seperti tertera di atas untuk simpanan pihak YBhg. Prof.

Sekian. Terima Kasih

Yang benar

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1. Enhanced Executive Summary

This study is to investigate the reporting in Malaysian State Islamic Religious Councils using qualitative analysis. The lack of transparency is the supreme problem which derives from several attributes. There has been a little exploration on the prior studies focus more on other issues on *waqf*: administration, social, accounting etc. This study aiming to identify the current practice especially in reporting.

2. Introduction

As *waqf* have the quality of perpetuity so that the properties cannot be sold, brought or given as a gift to others, it is necessary to make sure that the property is fully utilised and properly managed by the Malaysian Islamic councils. In order to properly manage these properties, it is essential for the councils to have proper reporting. However, it was found that there is lack of reporting on *waqf* matters (Abdul Rahim et. al., 1999; Abdul Rahim and Goddard, 2003; Md Zain, 2004; Mustafa, 2007; Mohamed et al., 2006; Daftadar, 2008; Daud et al., 2009; Daud and Abd. Rahman, 2010; Daud et al., 2011).

This study investigates why there is lack of reporting. The main purpose is to understand and explore the governance factors that may have contributed to the lack of reporting in Islamic Religious Councils. This study investigates current governance and reporting practice of *waqf* councils in Malaysia. In doing that, prior literature and theories regarding *waqf* are explored. This includes definition, history, benefits and characteristics. Theories, such as stakeholder theory, agency theory, resource dependency theory and institutional theory are discussed as to how they are related to *waqf.*

Reporting is regarded as an essential tool in discharging accountability (Ihsan, 2009; Muwazir et.al, 2006; Ihsan and Ibrahim, 2006), thus, *waqf* reporting is very important as it presents a picture of what is happening in the councils. The public perceives *waqf* reporting functions as "story telling" to them. Limited reporting causes limited information amongst some of the users.

As stated earlier, there are many problems regarding lack of reporting, and it is best to start from basics. The main management component in an organisation is the Board. The Board is important because it is where responsibility for all the actions in an organisation stem from. The Board determines what and how things should be done in an organisation. Thus, this study examines how the Board's procedures cause reporting constraints. How may this have happened? How does governance in the council relate to lack of reporting? Thus, this study examines how weaknesses in