

Enhancing Waqf Governance and Management: Aligning Sharī'ah Principles with Public Sector Governance for Enduring Societal Well-Being

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DOI: <https://dx.doi.org/10.47772/IJRISS.2025.909000402>

Received: 10 September 2025; Accepted: 17 September 2025; Published: 13 October 2025

ABSTRACT

Waqf is often viewed in Muslim countries, including Malaysia, as a beneficent tool for promoting socioeconomic well-being and reducing inequality. However, its performance is heavily reliant on effective and transparent governance. Waqf governance in Malaysia continues to face persistent challenges such as suboptimal asset management, lack of efficiency, and limited accountability. Inconsistent, incomplete, and unclear legal provisions, as well as state-specific governance processes, all have a role. The State Islamic Religious Councils (MAIN) are designated as the exclusive trustees of waqf. However, variations in standards and methods have resulted in discrepancies and ambiguities in governance implementation. This study addresses governance standards, procedures, and accountability practices in relation to two major frameworks. Public Sector Governance (PSG) principles and Shariah governance (SG) principles. It employs a qualitative methodology, relying on content analysis of policy papers and semi-structured interviews with experts from selected MAINs. Findings indicate that while waqf governance in Malaysia aligns with PSG principles such as accountability, transparency, and efficiency, implementation is inconsistent and frequently lacks systematic monitoring, risk management, and preventive mechanisms. The study proposes a Waqf Governance Framework that integrates PSG and SG, with emphasis on dual accountability—to Allah (SWT) and to stakeholders—underpinned by principles of integrity, ethical leadership, and the Maqasid al-Shariah. The suggested framework provides MAIN with practical, organized, and operational direction to improve governance effectiveness, enhance trust, and assure the sustainability of waqf assets. This study advances policy and practice by demonstrating how governance integration can protect waqf, provide long-term benefits, and encourage socioeconomic growth.

Keywords: Waqf Governance Framework, Public Sector Governance, Accountability, Sustainability.

BACKGROUND AND INTRODUCTION

Waqf is one of the foundational concepts of Islamic social finance and has been widely practiced among Muslim societies across the world. Historically, waqf has been closely associated with religiously oriented initiatives, such as mosques, schools, cemeteries, and related facilities. Within the classical interpretation of the Shāfi'ī school, waqf was restricted mainly to immovable assets such as land, buildings, places of worship, and wells [4]. In recent decades, however, socio-economic transformation and institutional innovations have broadened its scope to include movable assets and contemporary financial instruments such as cash, sukuk, services, educational institutions, hospitals, and housing projects [17].

Beyond its religious function, waqf serves as a welfare mechanism that generates perpetual benefits for society. This characteristic aligns it closely with the Sustainable Development Goals (SDGs), particularly poverty eradication (SDG 1), food security (SDG 2), health and well-being (SDG 3), quality education (SDG 4), and the promotion of justice and effective institutions (SDG 16) [41]. To fully realize these outcomes, effective governance is essential, as emphasized in SDG 16, which focuses on accountability, inclusivity, and strong institutions. In the context of waqf, this entails preserving core capital assets while ensuring continuous benefits

and long-term sustainability [33].

In Malaysia, the administration of waqf is entrusted to the State Islamic Religious Councils (Majlis Agama Islam Negeri, MAIN), recognized as the mutawalli (sole trustee). While this centralized model ensures uniform authority, it has also produced inconsistencies in legislation and governance practices across states. Prior research highlights weaknesses in accountability and reporting, with governance practices varying significantly among *mutawallis* [18][26][45][46]. The expansion of waqf practices in Muslim-majority countries has simultaneously spurred academic discourse on accountability, leading to emerging frameworks for governance and reporting [44][46][47][48]. Nevertheless, empirical findings continue to indicate that current reporting and governance standards remain inadequate [11][26].

This study examines governance and accountability in waqf institutions, focusing on Malaysia's MAINs. It assesses compliance with public sector governance (PSG) and Shari'ah governance (SG), while analyzing how accountability, transparency, and asset management drive waqf sustainability. Given the context-specific role of mutawallis, the study offers practical insights to reinforce effective waqf governance in Malaysia.

METHODOLOGY

This study adopts a qualitative research methodology employing a library-based approach. Data were collected through content analysis and semi-structured interviews involving selected State Islamic Religious Councils (Majlis Agama Islam Negeri, MAIN) and relevant experts. The purpose was to propose improvements to a practical waqf governance framework by examining existing procedures and guidelines, with specific reference to the perspectives of Public Sector Governance and Shari'ah governance. The study sample consisted of three categories of MAIN, selected using purposive sampling, in line with the research focus and objectives, particularly to explore specific issues in depth [10] [11]. Participants were chosen based on their expertise, knowledge, or experience in governance and waqf law. A relatively small sample size was deemed sufficient for a qualitative study, as semi-structured interviews were conducted until data saturation was reached [10].

The selection of three categories of MAIN is consistent with the recommendations of [12], a small sample size was used to obtain rich and in-depth insights during the data collection process. Accordingly, the study sample was selected based on the following criteria):

Table I List of Interviews Conducted

MAIN Category	MAIN Code	Respondent Code
i. With waqf enactment and a waqf corporation	MAIN A	PWA
ii. With waqf enactment but without a waqf corporation	MAIN B	PWB
iii. Without a waqf enactment and without a waqf corporation	MAIN C	PWC
iv. Legal expert	–LEGAL FIRM	PUU

LITERATURE REVIEW

This study employs a qualitative research methodology, utilizing a library-based approach. Data were collected through content analysis and semi-structured interviews involving selected State Islamic Religious Councils (Majlis Agama Islam Negeri, MAIN) and relevant experts. The purpose was to propose improvements to a practical waqf governance framework by examining existing procedures and guidelines, with specific reference to the perspectives of Public Sector Governance and Shari'ah governance. The study sample consisted of three categories of MAIN, selected using purposive sampling, in line with the research focus and objectives, particularly to explore specific issues in depth [10] [11]. Participants were chosen based on their expertise, knowledge, or experience in governance and waqf law. A relatively small sample size was deemed sufficient for a qualitative study, as semi-structured interviews were conducted until data saturation was reached [10].

Governance and Accountability

Effective governance is the foundation of sustainable and trustworthy institutional management, achievable only when accountability is consistently practiced. The World Bank identifies that good governance is the use of organisational power and resources for growth, as a key determinant of institutional performance [49]. In the waqf context, mutawallis are accountable for accurate accounting, transparent reporting, and efficient operations, reflecting both integrity and responsibility. Good governance enables institutions to meet stakeholder obligations efficiently and equitably, minimizes operational risks, enhances long-term performance, and reduces corruption or misconduct [6][14][29]. It also prevents legal disputes, breaches of trust, and asset misappropriation [5][25].

Governance effectiveness can be assessed through internal control systems (ICS) and external oversight. ICS ensures efficiency, asset protection, financial accuracy, compliance, and risk management [28][50][51]. External oversight addresses environmental pressures, including regulations, competition, media scrutiny, and societal expectations [40]. Although MAINs are religious non-profits, accountability to stakeholders—particularly the *wāqif* (donor)—is crucial [52]. As a perpetual charity instrument, a waqf requires trustworthy and systematic governance to sustain its benefits. Research underscores ICS as a marker of transparency and integrity, while highlighting the need to integrate public sector and *Sharī'ah* governance principles, consistent with *Maqāṣid al-Sharī'ah*. Weak accountability undermines integrity, credibility, and public trust in MAINs as mutawallis. Therefore, MAINs must adopt comprehensive governance frameworks, ensure compliance with the law, and maintain continuous accountability. The integration of public sector and *Sharī'ah* governance principles provides a strong foundation for an effective waqf governance model.

Evolution of Public Sector Governance (PSG)

Since the 1980s, PSG has undergone significant reforms, influenced by the New Public Management (NPM) approach. These reforms emphasized decentralization, efficiency, performance management, and customer-oriented service delivery [8][15]. By the late 1990s, NPM had become a dominant paradigm, shaping governance reforms across Southeast Asia, including Malaysia [9]. Following the Asian Financial Crisis, global institutions such as the World Bank and ADB promoted good governance as essential for sustainable development. Malaysia adopted reforms to enhance transparency and accountability, improve infrastructure, streamline bureaucratic systems, and introduce digital innovations. Initiatives such as mobile counters, e-government platforms, and ISO 9000 certification reflected a shift toward quality, accountability, and competitiveness in the public sector [36][53][54]. NPM challenged the limitations of traditional bureaucratic models by introducing principles of decentralization, efficiency, accountability, and customer-oriented service delivery [8] [15].

In Malaysia, NPM-inspired initiatives improved efficiency, accountability, and market responsiveness through performance-based management, human resource reforms, and service delivery innovations [9][34]. PSG reforms have focused on improving efficiency, productivity, and accountability in government institutions. Early initiatives emphasized performance-based management, financial discipline, and organizational restructuring [19][55]. These reforms marked a transition from process-driven systems to results-oriented governance, laying the foundation for later improvements in quality, innovation, and digitalization. The Asian Financial Crisis of the late 1990s highlighted weaknesses in transparency and accountability, prompting Malaysia to align its reforms more closely with global good governance standards promoted by the World Bank, the United Nations, and the Asian Development Bank [30]. Subsequent reforms included enhanced accountability mechanisms, improved service quality, and greater responsiveness to citizen needs.

This historical trajectory is essential to understanding the present context of waqf governance. The evolution of PSG provides both lessons and models that MAINs can adapt in managing waqf assets, particularly in embedding accountability, transparency, and efficiency within *Sharī'ah*-compliant governance structures.

Recent Developments and Challenges in Public Sector Governance

In recent years, Malaysia's public sector governance has shifted toward digitalization, innovation, and accountability-driven reforms. Initiatives such as the *Malaysia Digital Economy Blueprint* [22] and the *Twelfth Malaysia Plan* [13] demonstrate the government's commitment to adopting digital tools, data-driven

management, and citizen-centric governance. The use of big data, artificial intelligence (AI), and predictive analytics enhances evidence-based policymaking, resource allocation, and crisis management. These reforms are also aligned with the United Nations Sustainable Development Goals (SDGs), emphasizing transparency, inclusivity, and public well-being. Policy frameworks such as the *National Anti-Corruption Plan* [56] and the establishment of integrity boards [16] further strengthen accountability and institutional trust. Similarly, anti-corruption mechanisms and whistleblower protections contribute to reducing risks of misconduct and financial mismanagement [42]. Despite these advancements, structural challenges persist. Since the 1980s, reforms such as the review of business procedures in the 1990s and the introduction of the *Modified Budgeting System* (MBS) have been introduced to enhance financial accountability and performance orientation [35][36][55]. However, issues such as weak enforcement, limited transparency in performance evaluation, inadequate implementation of the Citizens' Charter, corruption, and bureaucratic inefficiencies have continued to undermine public service credibility [30].

To address these limitations, recent reforms have emphasized digital governance, citizen-centric services, and innovation. For example, AI, big data, and predictive analytics are increasingly applied to monitor agency performance and anticipate citizen needs. At the same time, e-government platforms facilitate inter-agency collaboration and streamline service delivery, while smart card systems simplify transactions. These measures, coupled with reinforced anti-corruption mechanisms, aim to institutionalize **accountability, transparency, and responsiveness** across the public sector, including in religious state agencies such as MAIN. Overall, the success of PSG transformation depends on effective implementation, compliance with standards, and institutional commitment to accountability, transparency, and responsiveness, including within state agencies such as MAIN, which will be further elaborated in the subsequent discussion on Shariah governance.

Sharī'ah Governance

Sharī'ah has emphasized good governance (*tadbīr al-'umūr*) for more than 1,400 years, rooted in the Qur'anic concept of *yudabbir*, which appears in several verses (Yunus 10:3, 31; al-Ra'd 13:2; al-Sajdah 32:5). These verses highlight responsible management as a key principle of human stewardship. Sharī'ah governance integrates ethical conduct, accountability, and holistic stewardship, balancing responsibilities toward Allah (*ḥablumminallāh*) and toward humanity (*ḥablumminannās*) [1]. At its core, Sharī'ah governance rests on an ethical framework that ensures all activities begin with righteous intentions, align with Sharī'ah objectives, and balance worldly and spiritual obligations. Its essential values include integrity, transparency, justice, accountability, honesty, consultation (*shūrā*), punctuality, and public welfare [37][39].

Among the Key principles of Sharī'ah governance are:

- *Amānah* (Trustworthiness): Leaders must fulfill responsibilities faithfully, in line with Qur'anic guidance on honoring trusts as the basis of societal rights and obligations [57].
- *ʿAdl* (Justice): Decision-making must be fair and equitable. As human judgment is limited, *shūrā* ensures collective fairness and accountability.

The governance of waqf reflects these principles. Although the Qur'an does not specify waqf procedures, the Prophet Muhammad's guidance to ʿUmar on managing the land of Khaybar illustrates that governance must be trustworthy, just, and consultative for sustained societal benefit [23]. Sharī'ah governance also aligns with *Maqāṣid al-Sharī'ah* (MS), which aim to preserve faith, life, intellect, lineage, and property. These objectives frame waqf governance as both ethical and operational, ensuring transparency, sustainability, and public welfare.

Contemporary applications further emphasize:

- Risk management, internal control, and transparency in Sharī'ah-compliant institutions;
- Integration of digital monitoring and performance evaluation;
- Alignment with the Sustainable Development Goals (SDGs), highlighting the compatibility of Islamic

governance with global development ethics.

In short, Sharī'ah governance provides ethical and practical guidelines for MAIN to perform fiduciary duties, secure waqf assets, and deliver continual societal benefit in conformity with Islamic and modern governance standards.

1) *Maqāṣid al-Sharī'ah and Its Relevance to Waqf Governance*

According to al-Ghazālī, Maqāṣid al-Sharī'ah consist of five primary objectives: the protection of religion, life, intellect, lineage, and property. Waqf contributes directly to these objectives by safeguarding property and channeling it for social welfare [20]. In governance terms, maqāṣid provide a foundation for policy, decision-making, and Sharī'ah-compliant governance mechanisms.

2) *Principles of Sharī'ah Governance in Waqf Management*

Drawing on [1], Sharī'ah governance in waqf management encompasses three dimensions:

- Strategic Guidance: Accountability is directed to the institution (MAIN), stakeholders, and Allah, integrating both spiritual and worldly duties.
- Monitoring and Control: Oversight operates at three levels [43]:
 - *Tawḥīd*: recognizing divine oversight;
 - *Khilāfah*: internal self-regulation and ethical discipline;
 - *Siyāsah Shar'īyyah*: external supervision and regulatory enforcement.
- Accountability and Stakeholder Engagement: Decision-making must involve shūrā, collaboration, and consensus, avoiding centralization [3].

The *mutawalli* (waqf trustee) functions within this accountability system, managing assets as an *amānah* while fulfilling humanity's role as Allah's vicegerent (*khalīfah*) [32]. Historical practices from the Prophet and early caliphs illustrate the balance of ethics, oversight, and consultation.

3) *Operational Principles*

Operationalizing Sharī'ah governance in waqf management requires [21]:

- Appointment of qualified personnel;
- Robust internal controls;
- Accountability and transparency;
- Ethical standards and openness;
- Knowledge development and continuous learning.

These principles demonstrate Sharī'ah governance as a holistic approach, harmonizing ethical behavior, leadership, and stakeholder engagement with modern corporate governance practices.

4) *Implications for Waqf Governance*

Applying maqāṣid principles ensures:

- Sustainable protection of waqf assets;

- Dual accountability to stakeholders and Allah;
- Transparent and ethical decision-making;
- Contribution to socio-economic objectives such as poverty alleviation, education, and community welfare.

Thus, integrating *maqāṣid* with Sharī'ah governance establishes a governance framework that is both ethically grounded and operationally effective.

5) Islamic Corporate Governance (ICG)

Islamic Corporate Governance (ICG) complements conventional frameworks, such as the OECD principles, by embedding divine accountability alongside human accountability [1]. Whereas OECD standards emphasize financial responsibilities, ICG incorporates justice, fairness, and compliance with Sharī'ah law. ICG requires organizations to act productively, ethically, and responsibly while avoiding prohibited practices such as *ribā*, *maysir*, fraud, and exploitation. Ethical conduct is thus central to transparency, accountability, and the rule of law. The principles of ICG reinforce Sharī'ah governance and the concept of humans as Allah's *khalīfah*. For waqf, ICG provides an operational framework for *mutawallis*, guiding them to manage assets transparently and sustainably. This convergence of ICG, Sharī'ah governance, and *maqāṣid* establishes a comprehensive waqf governance foundation for MAIN, integrating modern management practices with Islamic ethics.

A. Issues and Challenges in Waqf Governance

Under the Federal Constitution (List II, Ninth Schedule), MAIN acts as *mutawalli* of waqf at the state level. This decentralization, however, has led to non-uniform laws and practices. While several states, such as Selangor, Negeri Sembilan, Melaka, Perak, Terengganu, Sabah, and Pahang, have enacted specific waqf legislation, others rely on general Islamic Administration Acts or older regulations such as Johor's Waqf Rules 1983. Some states have established waqf corporations, while others have not, resulting in inconsistencies in governance. Persistent challenges include inefficient asset management, negligence, misappropriation, and weak accountability. Public perception of waqf as limited to mosques and burial grounds further restricts its socio-economic potential [27][38]. Meanwhile, innovations such as sukuk, digital waqf, healthcare waqf, and hospitality waqf expand opportunities but introduce new governance complexities.

Although reforms have improved legislation and structures, gaps remain. Not all MAINs have dedicated waqf enactments or corporations, and provisions often lack clarity on governance mechanisms, undermining stakeholder confidence and asset sustainability. As waqf diversifies, governance frameworks require continual updates to maintain transparency, accountability, and impact. Empirical and doctrinal evidence suggest that transformation is urgent. Current practices fall short of efficient governance, limiting waqf's potential contribution to socio-economic development [2][58]. This study's semi-structured interviews with MAIN officers and waqf experts highlight these challenges and provide recommendations for strengthening governance. By integrating PSG, SG, and *maqāṣid*, the study aims to support MAIN in fulfilling its role as an effective and accountable *mutawalli*.

REVIEW FINDING AND DISCUSSION

A. Public Sector Governance (PSG) Findings

Interviews were conducted with officers from three selected MAIN institutions (MAIN A, MAIN B, and MAIN C) to examine the implementation of PSG principles in the management of waqf assets. Respondents included senior officials and operational staff involved in governance activities. The interviews aimed to assess how the institutions apply governance frameworks, including compliance with statutory requirements, accountability mechanisms, performance monitoring, and adaptation to evolving waqf types [7][42].

1) Overview of Interviews

Interviews were conducted with officers from three selected MAIN institutions (MAIN A, MAIN B, and MAIN C) to examine the implementation of PSG principles in the management of waqf assets. Respondents included senior officials and operational staff involved in governance activities. The interviews aimed to assess how the institutions apply governance frameworks, including compliance with statutory requirements, accountability mechanisms, performance monitoring, and adaptation to evolving waqf types [7][42].

2) Governance Challenges in Waqf Management

The findings indicate a widespread recognition among MAIN officers of the rapid growth and diversification of waqf assets, which demands more effective and efficient governance mechanisms. Respondents acknowledged that current governance frameworks are inadequate for ensuring the sustainability and proper management of waqf assets.

For example, a senior officer from MAIN A (PWA) noted:

“We anticipate rapid growth in various types of waqf and recognize the need for an effective governance framework to manage these changes. The existing system is insufficient, presenting challenges in achieving good governance and ensuring the sustainability of waqf benefits.”

Similarly, MAIN B (PWB) emphasized the importance of establishing a systematic and uniform governance framework and enhancing the skills and qualifications of staff:

“With the appropriate skills and qualifications among staff, waqf governance can be implemented more efficiently and effectively. Training and workshops are essential to equip personnel with the knowledge required for effective waqf management.”

Respondents from MAIN C (PWC), which lacks a waqf enactment or dedicated waqf corporation, highlighted the additional challenges posed by the absence of statutory guidance:

“Our institution does not have a waqf enactment or a waqf corporation, which makes it challenging to implement governance across the growing number of waqf types. Nonetheless, we are committed to improving our governance system and hope for a new, suitable framework.”

3) Compliance with Public Sector Governance Principles

As part of the Malaysian public administration system, MAIN institutions are expected to comply with public sector governance mechanisms such as customer charters, strategic planning, performance auditing, and transparency measures. Interview data revealed variability in adherence across institutions.

- **Customer Charter and MyPortfolio Implementation:** PWA confirmed proactive compliance with government directives, including updating customer charters and participating in MyPortfolio training workshops. In contrast, PWC reported limited implementation and monitoring:

“...we acknowledge the need for a customer charter, but there has been no formal oversight to ensure compliance. MyPortfolio has not been officially implemented, and traditional filing systems are still used.”

- **Internal Audits and Risk Management:** PWA and PWB indicated that internal audits occur but lack structured schedules and follow-up procedures. Main audits by the National Audit Department (NAD) were infrequent, with some institutions last audited nearly a decade ago. PWC reported minimal internal audit activity and an absence of risk management units.
- **Corrective Actions and Accountability:** All respondents agreed that actions addressing misconduct, errors, or inefficiencies are inconsistent, often limited to informal reprimands or reassignment without formal disciplinary measures. There is a shared recognition of the need for clear, structured, and enforceable protocols to ensure accountability and prevent recurring issues.

4) Analysis

The findings reveal that while MAIN officers recognize the importance of good governance, current practices fall short in several areas:

- *Regulatory Gaps and Legal Fragmentation*: The absence of uniform waqf enactments and dedicated governance structures in some states leads to inconsistent governance practices.
- *Capacity and Skills Deficit*: Effective governance is constrained by insufficiently trained personnel; structured training and skill development are crucial.
- *Monitoring and Enforcement Weaknesses*: Customer charters, MyPortfolio systems, and audit mechanisms are unevenly applied, reducing accountability and transparency.
- *Need for Systematic Framework*: Respondents consistently called for a structured, integrated governance framework that combines statutory compliance, internal controls, and standardized procedures.

These challenges align with the literature on PSG, highlighting the importance of accountability, transparency, and performance monitoring in ensuring effective service delivery [35][36][59]. The findings suggest that while MAIN institutions nominally follow public sector guidelines, practical implementation remains inconsistent, particularly for emerging waqf types requiring more specialized governance mechanisms.

5) Implications

The data indicate the urgent need for:

- A dedicated and uniform governance framework for waqf management across all MAIN institutions.
- Capacity building programs to equip staff with the necessary skills in governance, compliance, and waqf administration.
- Structured audit and monitoring systems to ensure corrective actions are documented and implemented systematically.
- Integration with Shariah governance principles to maintain alignment with Islamic fiduciary responsibilities while adhering to public sector standards.

B. Shariah Governance (SG) Findings

1) Overview

Shariah governance (SG) is holistic, encompassing both the relationship with Allah (*hablumminallah*) and interpersonal obligations (*hablumminannas*). As Islamic institutions, MAIN are expected to adopt SG principles as the foundation for their waqf management responsibilities. Interviews with officers from MAIN A, B, and C revealed a shared recognition of the holistic nature of SG, emphasizing ethical conduct, accountability, transparency, trustworthiness (*amanah*), consultation (*shura*), justice, and adherence to Maqasid al-Shariah principles [1][32].

2) Observed Practices and Gaps

While respondents acknowledged the importance of SG principles, all three MAIN categories confirmed that current practices do not fully align with these principles. The absence of structured operational systems and clear guidelines was cited as the primary reason for this misalignment.

Key insights include:

- *Ethical and Holistic Orientation*: Respondents highlighted that SG integrates divine, human, and societal values, providing a comprehensive framework for waqf management. However, operationalization remains limited due to a lack of structured procedures.
- *Comparison with Conventional Governance*: Officers observed that conventional corporate governance systems often appear more systematic and efficient, with well-defined checks and balances, transparency, and data management practices. Despite lacking the theological dimension of Shariah, these systems provide useful models for process organization. Respondents agreed that integrating conventional governance methods with Shariah principles (emphasizing tauhid and amanah) could enhance effectiveness and accountability in waqf management.
- *Human Resource and Expertise Gaps*: Officers emphasized the need to recruit personnel with diversified skills beyond Islamic studies, including finance, accounting, corporate management, and investment. This aligns with the role of the khalifah, who should be competent and skilled in fulfilling their fiduciary responsibilities [20]. Institutions with dedicated waqf corporations were better able to employ specialized staff compared to those without statutory enactments or corporations.
- *Need for Structured Guidelines and Internal Frameworks*: All respondents stressed the importance of establishing a clear internal governance framework for waqf management, which can operate independently of legislative amendments. This includes codifying preventive measures, disciplinary procedures, and monitoring systems based on Shariah concepts such as *Amar ma'ruf nahi munkar* (enjoining good and preventing wrongdoing), *Hisbah*, and the *Dewan al-Mazalim* [1][21].
- *Training and Knowledge Enhancement*: Experts and respondents agreed that continuous learning, accessible resources, and updated guidance materials (manuals, online platforms, modules) are essential for ensuring staff are competent in SG practices.

3) Analysis

The findings demonstrate that while MAIN officers recognize the theoretical comprehensiveness of SG, practical implementation faces challenges:

- Lack of standardized internal operational systems prevents full integration of Shariah principles.
- Skills gaps and limited professional diversity constrain the ability to manage increasingly complex and varied waqf assets.
- Conventional governance practices offer procedural efficiency that can be adapted alongside Shariah principles to strengthen accountability and transparency.

These insights align with prior studies highlighting the holistic and integrative nature of SG, which combines ethical, legal, and managerial dimensions [1][32].

4) Implications for Waqf Transformation

The study highlights the urgent need for a structured waqf governance framework within MAIN institutions, including:

- Lack of standardized internal operational systems prevents full integration of Shariah principles.
- Clear internal guidelines codifying Shariah principles in operational procedures.
- Integrated disciplinary and corrective action systems based on Shariah mechanisms.
- Enhanced recruitment policies ensuring staff possess relevant expertise beyond Islamic studies.

- Accessible and regularly updated knowledge resources to support continuous learning.
- Adoption of best practices from conventional governance systems while maintaining Shariah principles of amanah, accountability, and tauhid.

By implementing these measures, MAIN can enhance efficiency, accountability, and sustainability.

C. Proposed Waqf Governance Framework

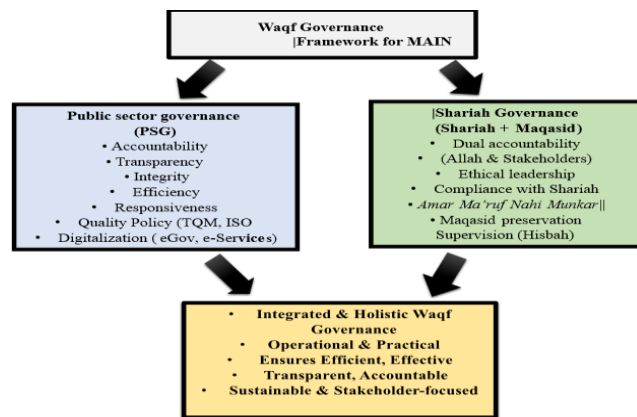


Fig. 1. Proposed Waqf Governance Framework - Integrated Waqf Governance Framework for MAIN

This framework integrates Public Sector Governance (PSG) mechanisms and SG principles, including Maqasid al-Shariah, to guide the administration of waqf by MAIN. The framework emphasizes dual accountability to Allah (SWT) and stakeholders, operational efficiency, transparency, ethical conduct, and sustainability of waqf assets and benefits. Unlike a purely conceptual model, this framework is actionable and can be implemented in practice, supporting the transformation of waqf governance at both the organizational and state levels.

1) Why is the Proposed Waqf Governance Framework is Practical?

The proposed waqf governance framework is not confined to a conceptual or theoretical orientation but is designed as a practical model for implementation by the State Islamic Religious Councils (MAIN). Several factors justify its practical orientation.

- *Practical Orientation:* The framework offers actionable measures that can be directly applied by MAIN in enhancing waqf governance practices. Rather than remaining abstract, it emphasizes operational efficiency, accountability, and systematic asset management [31].
- *Structured Components:* It identifies core governance components—such as accountability, transparency, dual accountability to Allah (SWT) and stakeholders, digitalization, and quality assurance—that can be embedded within institutional structures. These elements ensure that governance is both operational and ethically grounded [61].
- *Policy-Relevant and Scalable:* The framework informs policy by guiding the development of standard operating procedures (SOPs), internal control systems, and digital governance tools. Its design is adaptable across states and types of waqf assets, thereby enabling consistency while allowing contextual flexibility [24].
- *Integrative and Holistic:* By combining conventional public sector governance mechanisms, such as auditing, performance monitoring, and strategic planning, with SG principles rooted in ethics, accountability, and social justice, the framework ensures a holistic model of governance [24][46]. This integration supports transparency, sustainability, and alignment with *maqasid al-Shariah*.

In essence, the framework goes beyond conceptual dispute to provide a systematic and implementable

governance approach. Its implementation is projected to improve the efficiency, credibility, and sustainability of Malaysian waqf institutions, hence increasing their socio-economic contributions [60]. In summary, the Waqf Governance Framework (Diagram 1) is a practical instrument that MAIN can use to improve efficiency, accountability, and sustainability in waqf governance. By combining PSG and SG, the framework bridges the gap between theory and practice in Islamic endowment administration, offering a holistic method for achieving socioeconomic goals through waqf.

2) Waqf Governance Framework: Overview and Justification

The Waqf Governance Framework developed in this study (see Fig. 1) provides a structured and implementable model for the management and administration of waqf assets by MAIN. By integrating principles from PSG with SG, the framework bridges theoretical constructs with operational realities, ensuring that waqf governance is both efficient and accountable. Unlike purely conceptual frameworks, this framework is designed as a practical tool, offering actionable guidance for practitioners and policymakers.

As illustrated in Fig. 1, the Waqf Governance Framework integrates PSG and SG into a holistic model for MAIN. The PSG dimension stresses accountability, transparency, integrity, efficiency, responsiveness, and quality assurance, reinforced by anti-corruption policies, digital initiatives, and continuous improvement tools such as TQM, benchmarking, and ISO standards. The SG dimension aligns waqf management with the *Maqasid al-Shariah* (faith, life, intellect, lineage, wealth), emphasises dual accountability to Allah SWT and stakeholders, promotes ethical leadership, and operationalises *Amar Ma'ruf Nahi Munkar* through hisbah and corrective measures under *al-Mazalim*. Together, these dimensions create synergy by combining audits, monitoring, and strategic planning with Shariah-based ethics and spiritual responsibility. More than conceptual, the framework offers practical applications—SOPs, digital governance, and monitoring mechanisms—adaptable across states and asset types. This integration strengthens transparency, accountability, efficiency, and sustainability in waqf governance, bridging theory with practice [31][61].

CONCLUSION

This study examined waqf governance practices in three State Islamic Religious Councils (MAIN A, MAIN B, and MAIN C) and compared them with PSG and SG principles. The findings show that current practices remain inconsistent and incomplete. Weaknesses were identified in monitoring, audit, and risk management, alongside limited preventive mechanisms against misconduct and insufficient transparency in reporting. While some positive alignment exists with Shariah principles such as amanah, mas'uliyah, and hisbah, systematic application across states is lacking. Good governance is vital to ensure transparency, accountability, and sustainability in waqf administration. The study concludes that governance will be more effective when PSG mechanisms are integrated with SG principles. This combination strengthens institutional accountability, safeguards assets, and enhances stakeholder trust. Ultimately, effective waqf governance supports the preservation and growth of waqf assets, ensuring that their socio-economic objectives are achieved in line with Shariah. Implications for Policy and Practice

The study highlights the need for MAIN to:

- Strengthen monitoring, audit, and risk management systems.
- Institutionalize preventive and disciplinary measures against misconduct.
- Enhance transparency through standardized digital reporting.

Adopting these measures would reinforce accountability and legitimacy in waqf governance, while promoting sustainability and public confidence.

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