



## Good Amil Governance (GAG) and Efficiency of Zakat Institution in Indonesia

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### Abstract

The governance of zakat institutions relates to the transparency and accountability of reporting as a trusted party/representative by mustahiq to distribute zakat in the midst of the proliferation of zakat organizations to be one of center issue in the management of zakat in Indonesia. If the amil zakat is good, capable, and trustworthy in its management, then the eight asnaf will also be like that. Conversely, if amil zakat is bad in its management, asnaf zakat should not find the same thing. This study aims to analyze the implementation of Good Amil Governance (GAG) in zakat management organizations (OPZ) and the efficiency of zakat distribution in Indonesia. This study uses a qualitative method with a literature study approach through secondary data tracing in the annual reports of zakat management organizations, journals, books and the official website of OPZ in Indonesia. The results showed that most of the OPZ had implemented the GAG principles thoroughly. In addition, the problem of inefficiency in the distribution of zakat in Indonesia has been overcome by the National Amil Zakat Agency (BAZNAS) through the issuance of the decision of the chairman of BAZNAS No. 33 of 2019 through identification of the Mustahik Identification Number (NIM). This research is expected to have implications for improving the application of governance and coordination of zakat distribution by OPZ in Indonesia.

**Keywords:** *zakat; good amil governance; zakat management organization; efficiency*

### A. INTRODUCTION

In Indonesia, although zakat is not required in the legal-formal law of the state, state facilitation through Law no. 23 of 2011 (replacement of Law No. 38 of 1999) concerning Zakat Management has had a positive impact on the growth of many zakat institutions (*amil*) spread throughout Indonesia, starting from the national, provincial, to district/city levels.

This law becomes the legal umbrella that strengthens the management of zakat in Indonesia, supporting the fact that Indonesia is a country with a majority Muslim population, which has an obligation to pay zakat, both zakat fitrah and zakat on assets (zakat *maal*) (Fadilah, 2012).

Data from the 2019 National Zakat Statistics issued by the National Zakat Agency (BAZNAS) states that as of 2019 there is a total of 1 Central BAZNAS, 34 Provincial BAZNAS, and 456 district/city BAZNAS throughout Indonesia. In addition, there are also 26 National Amil Zakat Institutions (LAZ), 18 Provincial LAZ, and 37 Regency/City LAZ throughout Indonesia (BAZNAS, 2020). Beyond this number, it is estimated that there are still hundreds of regional LAZ and Zakat Collector Organizations (OPZ) that have been established, both mosque-based or companies that are not or have not been registered with the Zakat Forum (FoZ) organization as a form of implementation of the Corporate Social Responsibility (CSR) (Fadilah, 2012).

The governance of zakat institutions relates to the transparency and accountability of reporting as a trusted party/representative by *mustahiq* to distribute zakat in the midst of the proliferation of zakat organizations to be one of center issue in the management of zakat in Indonesia. If the *amil* zakat is good, capable, and trustworthy in its management, then the eight *asnaf* will also be like that. Conversely, if *amil* zakat is bad in its management, *asnaf* zakat should not find the same thing (Rusydziana & Al Farisi, 2016). This Issue is important not only because mismanagement and distribution of zakat that is not appropriate will result in failure to achieve the main goals of zakat institutions, but more than that, mistakes in misusing zakat funds can endanger the trust of Muslims about the importance of zakat institutions (Kasri, 2018). Beyond that, at the macro level, the presence of zakat institutions can contribute to economic growth and poverty alleviation through its multiplier effects (Kasri, 2018; Nur & Arif, 2010; Zakaria & Malek, 2014).

Responding to the challenges of managing zakat above, it is important for zakat managers to understand and apply the principles of good governance (Zakaria et al., 2019). In line with that, detailed and practical zakat institutions are also important to apply the concept of Good Amil Governance (GAG) which was born from the concept of GCG and has been introduced in the World Zakat Forum meeting in Surabaya in 2017. In the GAG concept, efforts to improve zakat governance are based on the aim of prioritizing the sharia side but not ignoring management aspects (Widiastuti et al., 2020). Efficiency in the management and distribution of zakat funds is also another crucial thing besides the governance of zakat institutions which is important to note (Zakaria et al., 2019). The goal is to create clear authority between zakat institutions, so that overlap between BAZNAS, BAZDA, and LAZ tasks can be avoided or minimized (Fadilah, 2012).

Based on the explanation above, this study aims to describe the application of Good Amil Governance (GAG) and the efficiency of zakat distribution. This research is expected

to complement and add to the body of knowledge in terms of Good Amil Governance (GAG) study. As studied by Abdullah et al. (2019), E Amalia et al. (2018), Chotib et al. (2018), dan Sudirman (2019), serta Rusydiana & Al Farisi (2016), Zakaria et al. (2019), and Zakaria & Malek (2014) regarding the efficiency of the distribution of zakat funds by focusing on practices in Indonesia. The next section of this research will discuss literature review, research methodology, discussion, and end with conclusions and recommendations.

## B. LITERATURES REVIEW

### 1. Zakat as a Source of State Revenue

Zakat is worship in the form of giving part of the assets to someone in need in accordance with the rules and conditions stipulated by the shari'a, both the amount, time, subject and object of the recipient. Fulfillment of zakat obligations will help individuals who experience economic difficulties (*mustahiq*) and increase the reward in the sight of God for the giver of zakat (*muzakki*). In this case, besides being able to increase the faith side in the form of the relationship between humans and creators, zakat can also strengthen human relations from a social, economic and societal perspective (Widiastuti et al., 2020).

Zakat has become a very reliable element of state revenue, starting from the time of the Prophet, *Khulafaur Rashidin*, continued until the golden age of Islam and ended in the Ottoman Empire. The obligation of zakat as a religious order which was supported by strong monotheism at the beginning of the Islamic da'wah period at that time, encouraged high public compliance to pay zakat. At that time, zakat played an important role in the distribution of wealth and alleviating poverty and increasing the welfare of the people, especially the weak (Hasibuan, 2016; Minarni, 2020). More broadly, the role of zakat can be found in terms of supporting state expenditure both in the form of government expenditure or government transfer (Hasibuan, 2016). The role of zakat is clearly photographed in the quality of the distribution of zakat during the successful reign of Umar bin Abul Aziz where the majority of the people at that time were classified as *muzakki*, even very difficult to find *mustahiq* (Minarni, 2020).

In modern times, the opportunity to apply zakat as a source of state revenue is quite large. In relation to the Indonesian context, there are at least two main reasons that gave birth to this opportunity. First, the position of zakat as one of the five pillars of Islam, where zakat is equivalent to prayer, fasting and pilgrimage in terms of mandatory worship status (Widiastuti et al., 2020). Second, the large population of Indonesia's Muslim population, which is equal to 87% of the total population (or around 229 million) (Pew Research Center, 2020). By implementing it as a source of state revenue, especially through fiscal mechanisms, zakat can overcome various poverty problems that have been experienced by Indonesia (Firdaus et al., 2012).

## 2. Zakat Institution

From an institutional perspective, zakat management in Indonesia may only be carried out by government-owned zakat management organizations (OPZ), in this case the National Zakat Amil Agency (BAZNAS), and private zakat management organizations that have received permission from the government, in this case, the Amil Zakat Institution (LAZ). The legal umbrella for the management of zakat is regulated in law No. 23 of 2011 concerning the management of zakat. The law regulates the management of zakat in Indonesia by the National Amil Zakat Agency (BAZNAS). BAZNAS manages the collection and distribution of zakat, infaq and alms at the national, provincial and district/city levels. Furthermore, the community can also establish an Amil Zakat Institution (LAZ) to assist BAZNAS in collecting and distributing ZIS. LAZ's obligation is only to report to BAZNAS regarding the funds they manage. In Law No. 23 of 2011, zakat management organizations have three main roles, namely collection, management (financial) and utilization. Two activities, namely collection and utilization, are the spearheads of the twin zakat organizations to get involved in the community. Meanwhile, management (financial) is an activity that is supported in nature (Widiastuti et al., 2020).

## 3. Good Amil Governance

According to Widiastuti et al. (2020), the success of an institution including a zakat management organization is largely determined by the governance it carries out. Governance refers to processes and structures in directing and managing the affairs of an institution (Zakaria et al., 2019). Public institutions that apply the principle of good governance in the implementation of its business activities will add value to the organization and increase stakeholder trust. In the context of zakat management, Abdullah et al. (2019) stated that amil governance or what is commonly referred as Good Amil Governance (GAG) to be one of the most important principles. This is because amil is the driving force for zakat management which includes collection, administration, and distribution.

Good Amil Governance, which was first introduced in the World Zakat Forum meeting in 2017 is the development of the concept of good corporate governance (GCG). In general, the concept of GCG consists of the principles of transparency, accountability, responsibility, independence and fairness. This concept has also become a global standard in achieving operational efficiency and effectiveness of institutions (Widiastuti et al., 2020). For this reason, the application of GCG in various public institutions aims to encourage effective and efficient managerial performance in protecting the interests of directors, management, stakeholders, shareholders and customers (E Amalia et al., 2018; Triwibowo, 2020).

As a public institution, the performance of zakat management organizations (OPZ) is a measure of the growth of public trust. It makes good governance become an important issue to be implemented in order to strengthen the performance of OPZ because it can contribute to the effectiveness and efficiency of the management of zakat funds (Saad et al., 2017). Good amil governance built by adding aspects of sharia compliance to the GCG principles mentioned above (Widiastuti et al., 2020). However, based on the results of previous research, there are several versions of sharia governance. Amalia (2017) states that the basis of sharia governance in zakat management organizations consists of sharia principles in general, the coordination and supervision functions of zakat management, sharia supervision in zakat institutions, reporting of zakat institutions, and sharia audits of zakat management. All of these principles are reviewed from Law Number 23 of 2011 concerning the management of zakat.

Hakim *et al.* (2019) states that there are six sharia governance standards for zakat management organizations, namely a general approach, competency standards, independence standards, confidentiality standards, sharia compliance standards, and sharia compliance culture. Furthermore, the components that oversee and monitor the implementation of sharia governance are the zakat core principle prepared by BAZNAS and Bank Indonesia consisting of a sharia supervisory board, sharia compliance and regulation, and sharia review. In addition, according to the Ministry of Religion of the Republic of Indonesia, there are five aspects of performance that can be measured to review OPZ governance, namely general institutional performance, amil performance, collection performance, distribution performance, and utilization performance (PUSKAS Baznas & Kementerian Agama RI, 2020).

### C. METHOD

The method used in this study is a qualitative method with a literature study approach (library research). Qualitative methods are used to explain and describe the characteristics of something in a situation using written words (Sekaran & Bougie, 2016). As for Library research is a series of activities related to methods of collecting library data, reading and recording and processing research materials.

The data used in this study is secondary data, namely data that has been provided by certain institutions and does not need to be collected by the authors (Sekaran & Bougie, 2016). The secondary data used in this research is the OPZ annual report, related good amil governance, reference books, and official websites of several OPZ in Indonesia including the central Baznas, provincial Baznas, LAZ Rumah Zakat, Dompot Dhuafa, and the Indonesian Zakat Initiative.

## D. RESULT AND DISCUSSION

### 1. Implementation of Good Amil Governance in Zakat Organization

Based on Law Number 23 of 2011, the management of zakat in Indonesia must be managed professionally by government zakat institutions or private zakat institutions by applying the values and principles good governance (E Amalia et al., 2018). Chotib et al. (2018) revealed that good amil governance emphasizes the importance of OPZ in controlling all zakat management problems. Professional zakat management is expected to improve the performance of zakat management organizations in Indonesia by maximizing their potential. For that, the principles of good amil governance which will be discussed in this study is the principle proposed by Widiastuti et al. (2020) which consists of sharia compliance, transparency, accountability, responsibility, independence (independency), and justice (fairness). The following is a presentation of the results of library research towards the implementation of the principles of good amil governance in zakat management organizations in Indonesia.

#### a. Sharia Compliance Principles (Sharia Compliance)

The implementation of zakat management must be based on sharia where this principle contains an assessment in providing information on the compliance of zakat management organizations with sharia principles (Fitrah et al., 2017). The main variable used in implementing sharia compliance is whether or not there is a sharia supervisory board (DPS). This indicator also refers to the sharia compliance index launched by PUSKAS BAZNAS on September 15 2020, where in the management/administration dimension of zakat institutions there is a sharia supervisory variable which is represented by the existence of a supervisory board or sharia considerations in zakat institutions (PUSKAS Baznas & Kementerian Agama RI, 2020).

Based on the 2019 national zakat statistics, the number of OPZ in Indonesia is 572 consisting of 1 central Baznas, 34 provincial Baznas, 456 district/city Baznas, 26 national LAZ, 18 provincial LAZ, and 37 district/city LAZ (BAZNAS, 2020). The results of the literature show that all of these OPZs already have a sharia supervisory board. This is because having DPS as an independent party supervising OPZ activities is an obligation to establish OPZ. The number of DPS owned by each OPZ is different. However, it cannot be said that all OPZs in Indonesia have implemented sharia compliance principles, because further research must be carried out to confirm other indicators for each OPZ. Such as whether the OPZ sharia supervisory board is certified or not, whether the OPZ has an SOP for consideration of sharia supervision or not, and whether the OPZ has a sharia supervisory report or not.

Other variables that can be used to measure the application of sharia compliance principles are general sharia regulations owned by zakat institutions and aspects related to amil zakat institutions, especially the professionalism of amil and amilat. In sharia regulations, OPZ must have sharia policies and a roadmap strategic plan that leads to achieving hearing sharia. Furthermore, in the amil variable, OPZ must have an amil code of ethics and an institutional body that is responsible for enforcing the amil zakat code of ethics (PUSKAS Baznas & Kementerian Agama RI, 2020).

Most of the OPZ in Indonesia have implemented the sharia compliance indicators above which can be seen from the website of each OPZ and the results of previous research, both government and private zakat institutions. Chotib et al. (2018) found that four OPZ in Jember have implemented sharia compliance principles in managing their zakat. Similar results also state that the sharia supervisory boards at OPZ Yogyakarta (Abdullah et al., 2019), Jabodetabek (E Amalia et al., 2018), and so on are placed as filters for making programs for collecting and distributing zakat in accordance with sharia provisions.

#### b. Principle of Transparency/Openness

In the context of zakat management, transparency means openness in managing zakat funds including their collection, management and distribution. Transparency can also be interpreted as openness in providing financial information regarding zakat management organizations regarding financial sources, amounts, details of use, and accountability. The principle of transparency must be applied so that all OPZ activities can be known and accounted for before muzakki, authorities and the public. Transparency is also the key to increasing stakeholder trust (Puskas BAZNAS, 2019).

The level of transparency of OPZ is not only proven by the amount of information and publications provided by OPZ, but also by the quality of the information and publications presented, which must describe the performance of OPZ in real terms. For this reason, the indicators used to measure the OPZ transparency index include the availability of financial reports in website, mass media publications, timeliness of reporting, standard operating procedures (SOP) and ISO standards, availability of data collection and distribution, and so on are summarized in the OPZ transparency index (Puskas BAZNAS, 2019).

Several OPZ in Indonesia have implemented the principle of transparency in the management of their zakat. This study found that the management of zakat at the central BAZNAS, West Java BAZNAS, Central Java BAZNAS, East Java BAZNAS, LAZ Rumah Zakat, LAZ Dompot Dhuafa, and LAZ Zakat Initiative

Indonesia has been carried out transparently. These OPZ always publish financial reports, reports on their collection and distribution on a regular basis through websites and mass media. Even in website Central BAZNAS, financial reports are presented in monthly and annual formats that make it easier for the public to read them.

The results of Sudirman (2019) also found that the management of BAZNAS in the city of Gorontalo was transparent. This is because every management of zakat funds is always accompanied by a letter of accountability by attaching all evidence of receipts and expenditures of the institution. Periodic audits are also always carried out to increase institutional transparency. However, not all zakat management at district/city and provincial BAZNAS is transparent, even though financial reporting already uses a digital system, namely the BAZNAS information and management system (SIMBA). Likewise with the management of zakat in amil zakat institutions (LAZ), where many LAZ do not publish their financial reports through website but only send via email to muzakki and related parties.

#### c. Principle of Accountability

Accountability is the key to ensuring that zakat governance is carried out properly and in line with the public interest. Therefore, accountability requires clarity about who is responsible, to whom, and what is accountable (Chotib et al., 2018). Accountability is interpreted as the need for reliable reporting, both financial and non-financial. In the management of zakat, accountability means that there is accountability for the management of zakat funds, especially regarding the use of these funds (Fitrah et al., 2017). The form of OPZ accountability is set forth in the form of reports, especially financial reports, both monthly, quarterly and annually.

Most of the OPZ in Indonesia have implemented the principle of accountability and are accountable for the zakat funds they manage by providing financial reports and reports on the utilization of zakat funds. The application of accountability to OPZ also includes clarity of OPZ functions, structures and systems which are reflected in the strategic plans prepared by each OPZ. Central, provincial and district/city BAZNAS have used a digital system, namely the BAZNAS management information system (SIMBA). The system makes it easy for every information user to access the various reports that have been presented. Then the OPZ financial records have referred to the statement of financial accounting standards (PSAK) 109 regarding the accounting of zakat and infaq/alms.



Accountability reports in the form of financial reports for all activities carried out by OPZ include balance sheets, reports on incoming and outgoing cash flows. Each activity report is accompanied by supporting document evidence. Furthermore, the financial statements that have been prepared are published through the institution's website. However, some LAZ do not publish their financial reports to the general public. In addition, reports on the utilization and distribution of zakat funds are also usually sent via email to muzakki. OPZ also has standard operating procedures (SOP) in every activity and program it carries out.

d. Principle of Responsibility

In the context of zakat management, OPZ has a responsibility to stakeholders, namely muzakki, authorities and society (public) in the form of avoiding abuse of power, upholding ethics and morals, and maintaining a healthy institutional environment in managing zakat (Yulianti, 2016). The measurement indicators are the availability of data and information on compliance with laws and regulations (no violation of the service code of ethics), the implementation of regular internal and external audits (financial, managerial, and Sharia), and the availability of analysis and research to evaluate the performance of institutions in the context of improvement (E Amalia et al., 2018).

Most of the OPZs in Indonesia have met indicators of compliance with legislation, namely all activities and programs carried out by OPZ are guided by Law no. 23 of 2011 concerning the management of zakat. Each amil will be responsible in their respective fields, because they have systematic references to authority or job description clear. Amil also complies with the applicable amil zakat code of ethics and as much as possible does not violate it. With a sense of responsibility, it will encourage amil zakat to work better. According to Sudirman (2019), the spirit of amil is driven by trained and skilled resources.

Internal and external audits are also carried out periodically by OPZ, especially the central BAZNAS, provincial BAZNAS, and most of the LAZ. Usually, internal audits are conducted once every four months and external audits are conducted once a year. Furthermore, most of the OPZ also always evaluate their collection, utilization, distribution and service programs. Evaluation is done by looking at what has been done, achieved, and what has not been achieved. This is done in order to improve the performance of the institution.

e. Principle of Independency

The application of the principle of independence in zakat management is to guarantee objectivity in decision making because each institutional unit is not

affected by certain interests and pressures, and is free from various conflicts of interest so that zakat management is carried out professionally (Yulianti, 2016). To ensure the application of the principle of independence, direct research must be carried out, namely in the form of interviews with amil at OPZ.

However, based on the results of the literature and previous research, it is stated that several OPZ have applied the principle of independence in managing their zakat. In making decisions and actions, OPZ is not under pressure and influence from certain parties. Decisions taken in each OPZ activity are determined independently by both the OPZ chairperson and the division head without any elements of intervention and coercion from any party. The principle of independence applied by most OPZ in Indonesia is also in the form of legality so that they have the right to issue Zakat Compulsory Identification Numbers (NPWZ) for muzakki which can also be used as a calculation to reduce zakat obligatory assets.

f. Principle of Justice/fairness

In the context of zakat management, the principle of justice in question is that OPZ must provide equal treatment and services for all stakeholders such as muzakki, mustahik, human resources, and other parties involved in zakat management activities. The principles of justice and equality must be applied without exception. In addition, OPZ must also pay attention to interests and provide opportunities for all stakeholders to provide input and suggestions for the progress of zakat institutions. The application of this principle can also be interpreted as justice in distributing zakat funds, which must be distributed only to 8 asnaf.

Most OPZ in Indonesia have implemented this principle of justice, where OPZ do not discriminate between mustahik and muzakki. All parties who have an interest in zakat management activities are given the same treatment. Amil provides the best service to both muzakki and mustahik. OPZ is also very open to receiving suggestions, input and criticism from various parties to improve its performance. In this case, the central BAZNAS as the official national zakat management body has provided a complaint service on its website. Furthermore, regarding fairness in distribution, zakat funds are distributed only to 8 asnaf zakat recipients which is seen from the benefits, not from an equal distribution of each asnaf. If in area A there are more poor people than converts, then the largest distribution of zakat will be given to these poor people, and vice versa.

Although most of the OPZ have implemented the principle of good amil governance, but based on previous research conducted by Latifah et al. (2019)

found that good amil governance implemented well by BAZNAS compared to LAZ. According to the researcher's opinion, this is because BAZNAS has greater responsibility as the official zakat management body at the national level, so it must have good amil governance. Thus, public trust will increase and potential zakat can be collected quickly and accurately.

## 2. Efficiency of Zakat Distribution in Zakat Organization

Good Amil Governance (GAG) and Efficiency of zakat management in OPZ have a close relationship. When OPZ already has good governance, the efficiency will also be good, and vice versa. However, there are still several obstacles that can hamper the governance and efficiency of OPZ, such as the lack of integration of mustahik data owned by OPZ, both on a small scale and on a national scale. In addition, there are incomplete reports on the distribution of ZIS funds from all institutions, especially from small OPZs, so that the benefits that mustahik have felt from the distribution of zakat funds cannot be optimally mapped (Puskas BAZNAS, 2020). Furthermore, in Indonesia BAZNAS and LAZ play a dual role, namely as collectors and distributors and each OPZ will distribute social funds that they manage in accordance with their respective programs. Of course this will result in overlapping zakat distribution where there will be mustahik who receive zakat funds twice from different OPZs.

To overcome the obstacles mentioned above and as an effort to make zakat management more efficient so that it can have good governance, OPZ is making efforts to digitize the distribution of zakat funds, so that the distribution of zakat funds can be carried out effectively and efficiently. One of the concrete steps that has been taken by the zakat regulator is the issuance of Decree of the Head of BAZNAS Number 33 of 2019 concerning Mustahik Identification Number (NIM). NIM is an attempt by BAZNAS to accurately identify the identity of a mustahik. This program is the result of collaboration between BAZNAS and the Ministry of Social Affairs of the Republic of Indonesia in utilizing the Integrated Database (BDT) in channeling zakat funds. The UDB contains complete information on the number of poor people. By using the UDB, BAZNAS and other zakat institutions can effectively identify mustahik recipients of zakat funds without worrying about the possibility of overlapping with similar program assistance by the Ministry of Social Affairs and other non-profit institutions. In line with this concrete step, on November 10 2020 OPZ throughout Indonesia participated in the NIM-based National Mustahik Integration training, this training was attended by approximately 400 participants consisting of BAZNAS RI, National LAZ, and Provincial and District/City LAZ and BAZNAS (Pusat Kajian Strategis BAZNAS, 2020). National Mustahik Integration is one way to make this accurate mustahik database in supporting poverty mapping in Indonesia. With the

issuance of SK BAZNAS Number 33 of 2019, BAZNAS is committed to distributing zakat in an accountable, transparent and targeted manner based on NIM.

In addition, BAZNAS has also collaborated with the Ministry of Home Affairs of the Republic of Indonesia in utilizing population data for zakat management. This will make it easier for BAZNAS to validate muzaki and mustahik data based on KTP numbers. So, in the future both muzaki and mustahik only need to bring their E-KTP when paying zakat or receiving zakat funds. On the other hand, with the use of this technology, BAZNAS can also identify mustahik data to avoid misuse and validate whether the mustahik has received similar assistance from other social institutions. Thus zakat funds can be distributed on target. This has implications for better management of zakat funds which can increase the efficiency of their management.

## E. CONCLUSION

Application of values and principles of good governance become an effort to carry out zakat management professionally either by government zakat institutions or private zakat institutions. Professional zakat management is expected to improve the performance of zakat management organizations in Indonesia by maximizing their potential. In the institutional context of zakat, it is known as the concept of good *amil* governance which consists of sharia compliance, transparency, accountability, responsibility, independence, and fairness. The results of the review of this study found that most of the OPZ had implemented GAG principles thoroughly. In addition to implementing GAG, zakat funds must also be managed efficiently one of which is reflected in its distribution. For this reason, the problem of inefficiency in the distribution of zakat in Indonesia has been resolved by the National *Amil Zakat* Agency (BAZNAS) through the issuance of BAZNAS chairperson's decision No. 33 of 2019 through the identification of the Mustahik Identification Number (NIM).

Although most of the OPZ have implemented the GAG principles and BAZNAS has made NIM as an effort to increase the efficiency of the distribution of zakat funds, researchers have several recommendations that can be given to BAZNAS as follows. First, seeing that there are still very few LAZ who publish their financial reports through institutions' websites, the authors suggest that BAZNAS as a zakat regulator in Indonesia make regulations that require all OPZ to publish their financial reports. This is done as an effort to increase the transparency of OPZ. Second, increase collaboration and synergy with LAZ in terms of collection, management and utilization by creating joint innovative programs to increase the efficiency of zakat management in Indonesia. Third, increasing use of digital technology in its collection, management and utilization as an effort to implement good *amil* governance so that people will have more trust in zakat management organizations.

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