

MEASUREMENT OF THE WAQF CORE PRINCIPLES IMPLEMENTATION INDEX FOR NAZIR WAQF IN WEST SUMATARA PROVINCE, INDONESIA

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Abstract

This research aims to measure the implementation of the Waqf Core principles among several Nazirs in West Sumatra Province, Indonesia. With these measurements, it can be seen what aspects need to be improved and developed in waqf management. The dimensions, indicators and variables used in this measurement refer to the WCP index measurement document developed by Tanjung et al in 2023. The method used is a survey using purposive sampling. The nazirs sampled were 5 nazirs who had been registered as cash waqf nazirs at the Indonesian Waqf Board. This research was carried out from July to October 2023. The result was that all nazir respondents had a total index value in the range of 0.230 to 0.309. This means all nazir were in the poor category. The order of greatest index contribution is the governance dimension (0.102), followed by the core activities dimension (0.097), and the risk management dimension (0.067). As a recommendation, the aspect that is necessary and a priority to be improved in the management of waqf assets is the risk management aspect.

Keywords: Index, Implementation, Waqf Core Principles,

Introduction

The Waqf Core Principles (WCP) are world waqf management standards initiated by Bank Indonesia (BI), to strengthen waqf management in Indonesia in particular and the world in general (Tanjung, 2020). WCP is a joint initiative between Badan Wakaf Indonesia (BWI), Bank Indonesia (BI) and the International Research of Training Institute-Islamic Development Bank (IRTI-IsDB). The WCP was launched on October 14, 2018 at the annual meeting of the International Monetary Fund (IMF) and World Bank in Bali (BI, BWI, & IRTI IsDB, 2018). The WCP was formulated with two objectives, namely: first, to provide a brief overview of the position and role of the waqf management and supervision system in economic development programs. Second, providing a methodology that contains the core principles of the waqf management and supervision system.

In the WCP, there are five core areas that can serve as guidelines for good waqf management, namely legal basis, waqf supervision, nazir governance, risk management, and sharia governance. Meanwhile, there are 29 waqf management principles which are divided into two categories: firstly, authority, responsibility and supervisory function, and secondly, regulations and prudential requirements. For the first category, there are 12 points in waqf management, namely: responsibility, goals, strength, independence, accountability and collaboration as the first point. The second to 12th points respectively are asset class, permitted activities, licensing criteria, transfer of waqf management, takeover of waqf institutions and assets, waqf supervision approach, waqf supervision techniques and tools, waqf supervision reporting, corrective authority and supervisory sanctions waqf, consolidated supervision, and the relationship between the supervised state and the supervisory state.

The Islamic Financial Services Board (IFSB) says that standards remain standards, the most important thing is how to implement these standards. Therefore, BWI as an independent body appointed through a Presidential Decree, assisted by provincial BWI and district/city BWI, has an important role in implementing the WCP. This implementation is very necessary, because one of the obstacles in cash waqf management is the issue of transparency and accountability of waqf institutions (Tanjung et al, 2020).

Therefore, the Waqf Core Principles Implementation Index (IIWCP) is needed, which is a quantitative measuring tool to evaluate the extent to which WCP principles are implemented in waqf or nazir management organizations. IIWCP was developed by Tanjung et al (2023) through 3 dimensions, 17 indicators and 38 variables. The dimensions, indicators and variables for compiling the WCP Implementation Index can be seen in Appendix 1.

West Sumatra is one of the provinces that is very enthusiastic about advancing waqf in its region. This was marked by the governor's movement to build waqf throughout the West Sumatra region. The impact or results of a waqf movement depend on the waqf management carried out by the nazir. Therefore, the management of waqf carried out by Nazir in West Sumatra Province is very important to know. The better the management, the greater the benefits of the waqf. Therefore, this research was carried out.

Methods

The method used to measure the index that evaluates Nazir's performance is a multi-stage weighted index. This is because the assessment is carried out procedurally and in stages through three dimensions (governance, core activities and risk management), 17 indicators and 38 constituent variables with different weights. Each variable is then assessed using a Likert Scale of 1 to 5 where 5 indicates the ideal condition of a nazir.

The method for calculating the Multi-Stage Weighted Index was developed by the Centre for Strategic Studies of the National Zakat Amil Agency (Puskas BAZNAS) in 2017 (Puskas

BAZNAS and Bank Indonesia, 2020). This quantitative method performs index calculations procedurally and in stages starting from calculating each dimension or element 'i' to the variable stage and then obtaining the index value. This method also uses the tiered Likert method which was first discovered by Rensis Likert in 1932 in assessing each behaviour on each variable or element observed. Mathematically, the Multi-Stage Weighted Index calculation method can be formulated as follows:

$$Index_{total} = \sum_n^i ((WD^i \times WV_n^i \times s_n^i) \div k)$$

Dimana :

$Index_{total}$

WD^i : Weighting value on dimension i

WV_n^i : The weighting value of indicator n in dimension i

s_n^i : Average Likert scale value for variables in indicator n and dimension i

k : Number of Likert scales used

The final index value is in the range of 0 to 1, with 5 categories, namely very good (0.81-1.00), good (0.61-0.80), quite good (0.41-0.60), poor good (0.21-0.40), and not good (0.00-0.20).

The sampling method used was purposive sampling, with the consideration that the nazir selected were nazir who had registered with the Indonesian Waqf Board.

Result and discussion

Overall IIWCP Score of Nazir Respondents in West Sumatra Province

A total of five Nazirs in West Sumatra Province were surveyed and evaluated on the extent to which WCP had been implemented.

Based on the overall IIWCP score for nazir in West Sumatra province which is presented in Table 1, all nazir respondents have a total index value in the range of 0.230 to 0.309. This means all nazirs are in one category, namely poor. The total average IIWCP index value for all Nazirs is 0.266 or in the poor category with the largest contribution being the governance dimension (0.102), followed by the core activity dimension (0.097) and the risk management dimension (0.067). This means that on average, Nazir is still in the process of implementing the IIWCP Indicators.

Table 1. Overall IIWCP Score in Nazir, West Sumatra Province

Code Nazir	Core Activities	Governance	Risk Management	Total	Category
A1	0,115	0,134	0,060	0,309	POOR
A2	0,072	0,092	0,066	0,230	POOR
A3	0,123	0,089	0,072	0,284	POOR
A4	0,083	0,096	0,060	0,239	POOR
A5	0,091	0,100	0,077	0,268	POOR
Average	0,097	0,102	0,067	0,266	POOR

Based on Table 1, Nazir A1 has the highest score, namely 0.309 or is included in the poor category. The highest contribution was obtained from the governance dimension value (0.134), followed by the core activity dimension (0.115), and finally the risk management dimension (0.060). Meanwhile, Nazir A2 and A4 have the lowest values, namely 0.230 and 0.239, but these two Nazir are still in the poor category. In line with Nazhir A1, the largest contribution of IIWCP value to the Nazhir A2 is the governance dimension (0.092), followed by the core activity dimension (0.072), and finally the risk management dimension (0.066).

IIWCP Value Per Dimension in Nazir, West Sumatra Province

Table 2 shows the IIWCP values per dimension for all Nazirs in West Sumatra province. Based on Table 2, the average value for the dimensions of core activities (0.267), governance (0.304) and risk management (0.222) is in the poor category. This means that in general all dimension categories are still in the process of being implemented by Nazir. Based on these values, the governance dimension has a slightly higher average value than the other two dimensions. The risk management dimension on average has the smallest score.

Table 2. IIWCP Values per Dimension in Nazir, West Sumatra Province

Code Nazir	Core Activities	Category	Governance	Category	Risk Management	Category
A1	0,317	POOR	0,398	POOR	0,200	NOT GOOD
A2	0,200	NOT GOOD	0,274	POOR	0,219	POOR
A3	0,340	POOR	0,266	POOR	0,237	POOR
A4	0,228	POOR	0,285	POOR	0,200	NOT GOOD
A5	0,251	POOR	0,298	POOR	0,255	POOR
Average	0,267	POOR	0,304	POOR	0,222	POOR

Based on Table 2, the core activity dimension values are in the range of 0.200 to 0.340, so that this dimension has two categories, namely not good and poor good. Based on these figures, the majority of nazir (80 percent) of nazir respondents are in the poor category (value between 0.21 – 0.40). Furthermore, there are 20 percent who fall into the not good category (value between 0.00 – 0.20).

Based on Table 2, Nazir A2 has the lowest core activity dimension score, namely 0.200 or in the not good range. This means that Nazir has not implemented indicators or variables in the core activity dimensions properly. Indicators included in the core activity dimensions are collection management (WCP 15), distribution management (WCP 17), expenditure of waqf assets, provisions and reserves (WCP 18), as well as transactions with related parties (WCP 19). Meanwhile, Nazir A3 has the highest core activity dimension value, namely 0.340, which means that Nazir A3 is still in the process of implementing various indicators and various variables in the core activity dimension.

The next dimension is governance. Based on Table 2, the score for this dimension is in the range of 0.266 to 0.398. However, this is not in line with the core activity dimensions, the governance

dimension only has one category, namely poor. The lowest value was owned by Nazir A3, namely 0.266. Meanwhile, Nazir A1 has the highest value of 0.398, meaning that the two Nazirs are still in the process of implementing indicators and variables in the governance dimension. There are five indicators in the governance dimension, namely Good Nazir Governance (WCP 13), sharia compliance and internal audit (WCP 26), financial reports and external audit (WCP 27), openness and transparency (WCP 28), and misuse of waqf services (WCP 29).

Furthermore, based on Table 2, Nazir A5 has the highest score while Nazir A1 and A4 have the lowest scores on the risk management dimension. This means that Nazir A5 is still in the process of implementing various indicators and variables in this dimension, while Nazir A1 and A4 have not implemented various indicators and variables well. Indicators of risk management dimensions are general risk management (WCP 14), asset or waqf fund management partnership risk (WCP 16), transfer and country risk (WCP 20), market risk (WCP 21), risk of loss of reputation and waqf assets (WCP 22), income and profit sharing risks (WCP 23), distribution risks (WCP 24), and operational risks and sharia compliance (WCP 25).

Among these three dimensions, it can be concluded that the risk management dimension is the dimension that has the lowest average performance when compared to the other two dimensions. Apart from that, there are nazirs who are in the not good category, meaning that nazirs have not practiced various indicators in the risk management dimension well.

Overall IIWCP Score for Nazir Respondents in West Sumatra Province

Values Per Indicator on the Core Activity Dimensions of West Sumatra Province

The values of all indicators in the core activity dimensions are presented in Table 3 and Table 4. Based on Table 3, the average value of the collection management indicators in the nazir of West Sumatra province is 0.290, so it is in the poor category. This means that on average Nazirs are still in the process of implementing variables in collection management indicators.

According to the range of collection management indicator values, there are two categories based on the indicator values, namely poor (60 percent) and not good (40 percent). In this indicator, it can be seen that Nazir in the poor category (value between 0.21 – 0.40) has the highest percentage where Nazir A3 has the highest value of 0.400. However, the percentage of Nazirs in the Not good category (value between 0.00 – 0.20) is in second place. In this case, Nazir A2 and A4 have the lowest values, namely 0.200.

Furthermore, based on Table 3, the average value of distribution management indicators is in the poor category, namely 0.253. This means that on average Nazir respondents are still in the process of applying variables to distribution management indicators. The value range for this indicator is 0.200 to 0.400, so there are two categories for this indicator, namely not poor and poor good. In

this indicator, there are two nazirs that have values above 0.200, namely Nazir A1 and A3. However, quite a lot of nazir also have low values, namely 0.200 (Nazhir A2, A4 and A5).

Table 3. IIWCP Values of Collection Management and Distribution Management Indicators in Core Activity Dimensions in Nazir, West Sumatra Province.

Code Nazir	1.1. Collection Management	Category	1.2. Distribution Management	Category
A1	0,350	POOR	0,267	POOR
A2	0,200	NOT GOOD	0,200	NOT GOOD
A3	0,400	POOR	0,400	POOR
A4	0,200	NOT GOOD	0,200	NOT GOOD
A5	0,300	POOR	0,200	NOT GOOD
Average	0,290	POOR	0,253	POOR

The next indicators in the core activity dimension are waqf property affairs, allowances and reserves as well as transactions with related parties which can be seen in Table 4. Based on table 4, the average value of this indicator is 0.280 or is in the poor category. This means that on average nazir respondents are still in the process of applying variables to the indicators of waqf assets, provisions and reserves. With a value range of 0.200 to 0.400, the nazir category based on this indicator only consists of two categories, namely not good and poor good. The highest value of 0.400 was achieved by Nazir A1 and A4, while the lowest value of 0.200 was achieved by Nazir A2, A3 and A5.

Table 4. IIWCP Values of Indicators for Waqf Assets, Provisions and Reserves and Transactions with Related Parties in the Core Activity Dimensions in Nazir, West Sumatra Province

Code Nazhir	1.3. Waqf Assets, Provisions and Reserves	Category	1.4. Transactions with Related Parties	Category
A1	0,400	POOR	0,200	NOT GOOD
A2	0,200	NOT GOOD	0,200	NOT GOOD
A3	0,200	NOT GOOD	0,200	NOT GOOD
A4	0,400	POOR	0,200	NOT GOOD
A5	0,200	NOT GOOD	0,200	NOT GOOD
Average	0,280	POOR	0,200	NOT GOOD

Lastly, the indicator in the core activity dimension is transactions with other parties which can be seen in Table 4. Based on table 4, the average score of all respondents is Not Good. This means that the average Nazir in this category has not applied any variables to the transaction indicators with related parties at all. If we look more closely, the average value of the indicator for transactions with related parties is the lowest value among other indicators in the core activity dimension, there is no variation in value, namely only 0.200. Based on this value, it can be concluded that the indicator of transactions with related parties has the lowest performance among

other indicators in the core activity dimensions and needs to be improved by the nazir and needs to be given more in-depth guidance by the regulator so that it is hoped that the nazir's performance on this indicator will be better.

Values per Indicator on the Governance Dimensions of West Sumatra Province

The values of all indicators in the governance dimension are presented in Table 5 and Table 6. The first indicator is Good Nazir Governance. Based on Table 5, the average value of Good Nazir Governance is 0.429, which means that the majority of Nazir respondents have implemented the crucial variables in this indicator. The highest value of 0.571 was owned by Nazir A1 and the lowest value was 0.314 achieved by Nazir A4.

The second indicator is Sharia Compliance and Internal Audit. Based on Table 5, the average value of this indicator is 0.200, which is included in the not good category, and it can be seen that all Nazirs have the lowest value on this indicator, namely 0.200. This means that all Nazir respondents have not implemented the variables in this indicator at all. So, more in-depth guidance is needed by regulators. The hope is that Nazir's performance on this indicator will continue to improve.

Table 5. IIWCP Values of Good Nazhir Governance Indicators, Sharia Compliance and Internal Audit, as well as Financial Reports and External Audits on the Governance Dimension in Nazhir, West Sumatra Province.

Code Nazhir	2.1. <i>Good Nazhir Governance</i>	Category	2.2. Sharia Compliance and Internal Audit	Category	2.3. Financial Reports and External Audits	Category
A1	0,571	QUITE GOOD	0,200	NOT GOOD	0,400	POOR
A2	0,457	QUITE GOOD	0,200	NOT GOOD	0,200	NOT GOOD
A3	0,371	POOR	0,200	NOT GOOD	0,200	NOT GOOD
A4	0,314	POOR	0,200	NOT GOOD	0,400	POOR
A5	0,429	QUITE GOOD	0,200	NOT GOOD	0,400	POOR
Average	0,429	QUITE GOOD	0,200	NOT GOOD	0,320	POOR

The third indicator is Financial Reports and External Audits. Based on Table 5, the highest average value for this indicator is 0.400 or in the poor category. In other words, on average Nazir is still in the process of applying the variables to this indicator. The value range for this indicator only has two variations, namely 0.200 to 0.400. Consequently, based on the Financial Report and External Audit indicators, there are two categories, namely not good and poor good. Based on Table 5, the majority of Nazirs are in the poor category with a value of 0.400. The last position is occupied by Nazir in the not good category, namely Nazir A2 and A3.

Next, the fourth indicator is Disclosure and Transparency which can be seen in Table 6. In line with the previous indicators, this indicator has an average value of 0.300 or is in the poor category. This means that on average Nazir is still in the process of applying variables to the openness and transparency indicators. With a value range of 0.200 to 0.600, the Nazir category based on this indicator consists of three, namely quite good, poor good and not good. Based on Table 6, there is one nazir which has the highest value of 0.600, namely Nazir A1. However, on the other hand, Nazir A2, A3 and A5 have a low score of 0.200 so they are included in the not good category.

The final indicator in the Governance dimension is the Distribution of Waqf Assets which can be seen in Table 6. This indicator has a poor average value. Based on this indicator there are two categories, namely poor and not good. Based on Table 4, it can be seen that the majority of Nazirs are in the not good category. This means that four Nazir respondents still have not implemented these indicators at all. The other Nazir is in the poor category, namely Nazir A3 who has a score of 0.300. This shows that only one nazir is already in the process of implementing the waqf asset distribution indicators.

Table 6. IIWCP Values of Disclosure and Transparency Indicators and Distribution of Waqf Assets in the Governance Dimension in Nazhir, West Sumatra Province.

Code Nazhir	2.4. Disclosure and Transparency	Category	2.5. Distribution of Waqf Assets	Category
A1	0,600	QUITE GOOD	0,200	NOT GOOD
A2	0,200	NOT GOOD	0,200	NOT GOOD
A3	0,200	NOT GOOD	0,300	POOR
A4	0,300	POOR	0,200	NOT GOOD
A5	0,200	NOT GOOD	0,200	NOT GOOD
Average	0,300	POOR	0,220	POOR

Values per Indicator in the Risk Management Dimensions of West Sumatra Province

In this section, the risk management dimension indicators are described which can be seen in Table 7, Table 8, and Table 9. Table 7 shows the values obtained for general risk management indicators, partnership risk, and transfer and country risk. Table 8 shows the indicator values for market risk, risk of loss of reputation, and risk for profit and income sharing. Table 9 presents data on distribution risk indicator values as well as operational risk and sharia compliance.

The first indicator is risk management in general. Based on Table 7, the average value of the first indicator is 0.280 or in the poor category. It is understood that on average Nazir is still in the process of applying the variables to this indicator. The range of values obtained for this indicator varies between 0.200 to 0.400 so that there are two categories based on the value of this indicator, namely poor and not good. From this data, there is one Nazir who got the highest score of 0.300,

namely Nazir A3. Meanwhile, Nazir A1 and A4 have the lowest values, namely 0.200. This means that the two Nazirs have not been able to implement risk management indicators in general well.

Next, the second indicator is partnership risk. The average score of the partnership risk indicator (0.240) shows that Nazir is still in the process of implementing the variables in the partnership risk indicator. There is one Nazir who has the highest value on this indicator, namely Nazir A5 with a detailed value of 0.400. Meanwhile, most Nazirs have a minimum score of 0.200. This shows that the majority of Nazirs have not implemented the variables in the partnership risk indicators properly.

Table 7. IIWCP Values of General Risk Management Indicators, Partnership Risk, and Transfer and Country Risks in the Risk Management Dimensions in Nazir, West Sumatra Province

Code Nazhir	3.1. General Risk Management	Category	3.2. Partnership risk	Category	3.3. Transfer and Country Risks	Category
A1	0,200	NOOT GOOD	0,200	NOOT GOOD	0,200	NOOT GOOD
A2	0,300	POOR	0,200	NOOT GOOD	0,200	NOOT GOOD
A3	0,400	POOR	0,200	NOOT GOOD	0,200	NOOT GOOD
A4	0,200	NOOT GOOD	0,200	NOOT GOOD	0,200	NOOT GOOD
A5	0,300	POOR	0,400	POOR	0,200	NOOT GOOD
Average	0,280	POOR	0,240	POOR	0,200	NOT GOOD

Then, the third indicator in the risk management dimension is transfer and country risk. Table 7 shows that all Nazirs are in the lowest position in the not good category. So, it can be concluded that the average value of the transfer and country risk indicators is the lowest value among other indicators in the risk management dimension, there is no variation in value, namely only 0.200. Based on this value, it can be said that this indicator needs to be improved by nazir and it is important to be given more in-depth guidance by the regulator so that it is hoped that nazir's performance on this indicator can be better.

The fourth indicator is market risk. The average value of the market risk indicator is not much different from the previous indicator, namely 0.200. This means that the majority of respondents have not applied various variables to market risk indicators. Based on this value, it is important for nazirs to be given comprehensive training by the regulator so that in the future nazirs can improve their performance on these indicators.

Next, the fifth indicator is the risk of loss of reputation. Based on Table 8, the average value of this indicator is 0.200. In line with the previous indicator, the majority of nazir values for this indicator are 0.200 or fall into the not good category. This means that the average Nazir respondent has not been able to apply variables to the risk indicators for loss of reputation.

The sixth indicator is the income and profit-sharing risk indicator which can be seen in Table 8. Based on this table, the average value of this indicator for all nazir respondents is 0.200 or is in the not good category. This means that the five nazir in this category have not yet practiced various variables on income and profit-sharing risk indicators.

Table 8. IIWCP Values of Market Risk Indicators, Risk of Loss of Reputation, and Risk of Revenue and Profit Sharing in the Risk Management Dimension in Nazir, West Sumatra Province.

Code Nazhir	3.4. Market Risk	Category	3.5. Risk of Loss of Reputation	Category	3.6. Risk of Revenue and Profit Sharing	Category
A1	0,200	NOT GOOD	0,200	NOT GOOD	0,200	NOT GOOD
A2	0,200	NOT GOOD	0,200	NOT GOOD	0,200	NOT GOOD
A3	0,200	NOT GOOD	0,200	NOT GOOD	0,200	NOT GOOD
A4	0,200	NOT GOOD	0,200	NOT GOOD	0,200	NOT GOOD
A5	0,200	NOT GOOD	0,200	NOT GOOD	0,200	NOT GOOD
Average	0,200	NOT GOOD	0,200	NOT GOOD	0,200	NOT GOOD

Table 9 presents data from the last two other indicators in the risk management dimension, namely the value of the Distribution Risk, and Operational and Sharia Compliance Risk indicators. On average, the indicator value for distribution risk management and the indicator value for operational management and sharia compliance risk show the same performance, namely 0.200 or in the poor category. This states that all Nazirs have not applied all the variables to these two indicators.

After presenting the average value of all indicators in the risk management dimension, it can be concluded that there are six indicators that have the lowest average value among various other indicators in this dimension so they are included in the not good category. Based on these values, it can be said that the six indicators (transfer and country risk indicators, market risk, reputation loss risk, profit and income sharing risk, distribution risk and operational risk as well as sharia compliance) need to be improved by nazir. It is important for nazir to be given guidance and training routinely in more depth by the regulator so that in the future nazirs can improve and maximize performance on this indicator.

Table 9. IIWCP Values of Distribution Risk Indicators and Operational Risk and Sharia Compliance in the Risk Management Dimensions in Nazhir, West Sumatra Province.

Code Nazir	3.7. Distribution Risk	Category	3.8. Operational and Sharia Compliance Risk	Category
A1	0,200	NOT GOOD	0,200	NOT GOOD
A2	0,200	NOT GOOD	0,200	NOT GOOD
A3	0,200	NOT GOOD	0,200	NOT GOOD
A4	0,200	NOT GOOD	0,200	NOT GOOD

Code Nazir	3.7. Distributio n Risk	Category	3.8. Operational and Sharia Compliance Risk	Category
A5	0,200	NOT GOOD	0,200	NOT GOOD
Average	0,200	NOT GOOD	0,200	NOT GOOD

Conclusion

Based on the results of the IIWCP survey of five nazir in West Sumatra Province, all nazir respondents had a total index value in the range of 0.230 to 0.309 so that all nazir were in the poor category. The total average IIWCP index value for all Nazirs is 0.266 or in the poor category with the largest contribution being the governance dimension (0.102), followed by the core activity dimension (0.097) and the risk management dimension (0.067). This means that the average nazir in West Sumatra Province is still in the process of implementing the IIWCP variable which is crucial in managing nazir to manage their waqf assets. As a recommendation, the aspect that is necessary and a priority to be improved in the management of nazir waqf assets in West Sumatra province is the risk management aspect.

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Appendix 1

Tabel L.1. 3 Dimensions, 17 Indicators, and 38 Variables that Make Up the IIWCP and Their Weights

Dimension*)	Indicator*)	Variable	Source
1. Core Activity (0,36)	1.1. Collecting Management (0,51)	1.1.1. Have an Standard Operating Procedure (SOP) for collecting waqf assets	WCP 15
		1.1.2. Have an SOP for managing waqf assets based on type	WCP 15
		1.1.3. Utilization of digital technology in collecting waqf assets	WCP 15
		1.1.4. Have a waqf asset collection partner	WCP 15
	1.2. Distribution Management (0,19)	1.2.1. Have an SOP for distribution of waqf proceeds	WCP 17
		1.2.2. Have criteria for waqf beneficiaries (<i>mauquf 'alaih</i>)	WCP 17
		1.2.3. Have a distribution partner for waqf results	WCP 17
	1.3. Problems with waqf assets, provisions and reserves (0,13)	1.3.1. Have a monitoring and evaluation system for the performance of waqf assets	WCP 18
		1.3.2. Have an SOP for handling problematic waqf assets	WCP 18
		1.3.3. Have an investment diversification strategy	WCP 18
	1.4. Transactions with related parties (0,17)	1.4.1. Have a code of ethics in empowering waqf assets	WCP 19
		1.4.2. Have SOPs related to waqf asset management partners	WCP 19
2. Governance (0,34)	2.1. <i>Good Nazhir Governance</i> (0,25)	2.1.1. Have a policy/SOP for funding sources for nazhir rights	WCP 13
		2.1.2. Have a complete organizational structure and job description	WCP 13
		2.1.3. Has a nazhir HR recruitment and development system	WCP 13
		2.1.4. Has certified nazhir competence	WCP 13
		2.1.5. Have a strategic plan or general policy of the nazhir organization	WCP 13
		2.1.6. Have an HR code of ethics	
		2.1.7. Has a remuneration system for Nazir	
	2.2. Sharia Compliance and Internal Audit (0,33)	2.2.1. DPS has a sharia supervision SOP	WCP 26
		2.2.2. Have an internal financial audit SOP	WCP 26
		2.2.3. Have an internal audit program SOP	WCP 26
	2.3. Financial Report and external Audit (0,13)	2.3.1. Have <i>database</i>	WCP 27
		2.3.2. Have a waqf management report	WCP 27
	2.4. <i>Disclosure</i> and transparency (0,16)	2.4.1. Have a financial report	WCP 28
	2.5. Misuse of Waqf Assets (0,12)	2.5.1. Have a system for detecting and controlling the source of waqf funds or assets	WCP 29
		2.5.2. Have an SOP to prevent misuse of waqf funds or assets	WCP 29
3. Risk Management (0,30)	3.1. General Risk management (0,19)	3.1.1. Have knowledge, SOP, and HR for Risk management	WCP 14
		3.1.2. Have audit report for risk management	WCP 14
	3.2. Risks of Asset Management Partnerships or Waqf Funds (0,18)	3.2.1. Have the ability to manage partnership risks	WCP 16
	3.3. Transfer and country risk (0,03)	3.3.1. Have the ability to manage the risk of inter-country transfers	WCP 20
		3.3.2. Have the ability to create a profile of the cooperation country	WCP 20
	3.4. Market Risk (0,06)	3.4.1. Have the Ability to Manage Market Risk	WCP 21

Dimension*)	Indicator*)	Variable	Source
	3.5. Risk of Loss of Reputation and Waqf Assets (0,21)	3.5.1. Have the Ability to Manage Reputation Risk and Loss of Waqf Assets	WCP 22
	3.6. Revenue and Profit-Sharing Risk (0,13)	3.6.1. Have the ability to manage revenue and profit sharing risk	WCP 23
	3.7. Distribution Risk (0,09)	3.7.1. Have ability to manage distribution risk	WCP 24
	3.8. Operational and sharia compliance risk (0,11)	3.8.1. Have ability to manage operational risk	WCP 25
		3.8.2. Have ability to manage sharia compliance risk	WCP 25

*) The numbers in brackets are the weights of each dimension and indicator

Source: Tanjung *et al* (2023).