

Zakat Disbursement Efficiency for Accountability and Prevention of Zakat Misappropriation

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Abstract: *This study aims to measure and analyze the efficiency of zakat distribution in Indonesia to achieve accountability and prevent zakat misappropriation. This study uses a desk study to collect data on zakat collection and distribution through the National Zakat Amil Agency (BAZNAS) and twenty-four Zakat Charity Institutions (LAZ) in Indonesia, with two indicators of ratio analysis: disbursement efficiency and cost efficiency. Disbursement efficiency is to see the zakat distribution efficiency level, and cost efficiency is to see the efficiency level of zakat management operational costs. The results show that almost all LAZs have been effective in distributing zakat, except Rumah Yatim Ar Rohman Indonesia (RYARI), with a ratio of 67% (fairly effective). The results of the operational cost efficiency ratio show that only four LAZs fall into the "within the limits of sharia provisions" category: RYARI, LAZIS Nahdlatul Ulama (LAZISNU), Nurul Hayat (NH), and Pesantren Islam Al Azhar (PIAA). This research is important to get a comprehensive picture of the efficiency of distributing zakat funds to BAZNAS and LAZ in Indonesia. This study contributes to policymakers, zakat management practitioners, and academics by increasing literacy in zakat management in an accountable manner and in the context of preventing zakat misappropriation.*

Keywords: *Zakat Disbursement Efficiency; Accountability; Fraud; Prevention of Zakat Misappropriation*

Abstrak: *Studi ini bertujuan untuk mengukur dan menganalisis efisiensi penyaluran zakat di Indonesia untuk mencapai akuntabilitas dan mencegah penyelewengan zakat. Studi ini menggunakan metode desk study berupa data penghimpunan dan penyaluran zakat melalui BAZNAS dan dua puluh empat Lembaga Amal Zakat (LAZ) di Indonesia, dengan dua indikator analisis rasio yaitu efisiensi penyaluran dan efisiensi biaya. Hasilnya menunjukkan hampir seluruh LAZ sudah efektif dalam menyalurkan zakat, kecuali RYARI dengan rasio sebesar 67% (cukup efektif). Hasil rasio efisiensi biaya operasional menunjukkan hanya empat LAZ yang masuk dalam kategori "dalam batas ketentuan syariah" yaitu RYARI, LAZISNU, NH, dan PIAA. Penelitian ini penting untuk mendapatkan gambaran menyeluruh mengenai efisiensi penyaluran zakat pada BAZNAS dan LAZ di Indonesia. Studi ini memberikan kontribusi kepada pengambil kebijakan, praktisi pengelolaan zakat, dan akademisi dengan meningkatkan literasi pengelolaan zakat secara akuntabel dan dalam rangka mencegah penyelewengan zakat.*

Kata Kunci: *Efisiensi Penyaluran Zakat; Akuntabilitas; Penipuan; Penyelewengan Zakat*

Introduction

Zakat is an obligation in the Islamic religion that requires Muslims to give a small portion of their wealth to people in need (Irsyamuddin et al., 2021; Saad et al., 2023). Zakat involves spiritual aspects as a form of obedience to Allah and a sense of concern for others (Beik et al., 2016). Zakat has social and economic goals, where funds collected from zakat are used to help the poor, orphans, people in debt, and other zakat recipients as regulated in Islam. Zakat helps reduce social inequality by caring for the needs of others so that a just, prosperous, and prosperous society can be created (Wahyuni-TD et al., 2021). The obligation of zakat in Islam is as stated in the Hadith of the Prophet *shallallaahu 'alaihi wa sallam*:

From Abu Hurairah, Rasulullah shallallaahu 'alaihi wa sallam said, "Islam was founded on five things, testifying that there is no god worthy of worship except Allah and Muhammad is the Messenger of Allah, establishing prayers, paying zakat, pilgrimage to Baitullah, and fasting during Ramadan (HR. Bukhari Muslim).

The obligation to pay zakat is a responsibility emphasized in Islamic teachings, representing the social and humanitarian commitment of Muslims. Within the framework of Islamic law, every Muslim who meets certain requirements is required to give away some of his wealth as a form of contribution to the welfare of society (Irsyamuddin et al., 2021). In Indonesia, zakat collection is carried out through BAZNAS and LAZ, which have obtained official permission from the Indonesian government (BAZNAS, 2019). BAZNAS and LAZ in Indonesia have a central role in collecting and distributing zakat funds to people in need. BAZNAS, as a national institution, functions as the coordinator and manager of zakat, with a reach involving all regions of Indonesia. His duties include collecting zakat funds from *muzakki*, managing them, and distributing them fairly to *mustahiq*. LAZ has a similar function, although the focus can be more local or based on specific policies. Both play a role in ensuring that zakat funds are managed transparently and efficiently, in accordance with the principles of Islamic law (BAZNAS, 2019).

The process of collecting and distributing zakat in Indonesia is carried out with accuracy and responsibility, paying attention to aspects of financial accountability as the main basis. BAZNAS and LAZ carry out their functions transparently, ensuring that every zakat fund collected and distributed can be clearly accounted for. *Muzakki*, as zakat contributors, can monitor and verify how their contributions are used. Accountability in the management of Zakat funds forms a solid basis for maintaining the trust and integrity of Zakat Amil institutions (Djaghballou et al., 2018). By prioritizing good accounting principles, the institution is able to clearly detail the source and use of each zakat fund through transparent financial reports. Accountability not only creates openness in the process of managing zakat funds but also provides confidence to the community that the donations distributed are truly received by the rightful community and in accordance with the principles of Islamic law. Accountability of zakat funds is also an effective anti-fraud program (Ahmad & Yahaya, 2023; Setiawan & Alim, 2022). By implementing a strict accounting system, zakat institutions ensure that every transaction, from collecting to distributing zakat funds, is recorded accurately and transparently. Detailed and accountable financial reports are an important instrument for monitoring and evaluating the flow of funds. Strong accountability creates effective internal control, minimizing the risk of fraud or misuse of zakat funds (Safin & Dananjaya, 2021; Setiawan & Alim, 2022).

The study of fraud prevention in zakat funds is very important considering that the risk of fraud can occur at anytime and anywhere when there is an opportunity to control weaknesses in the management of zakat funds. One case of fraud in zakat funds was the case of misappropriation of zakat funds at BAZNAS South Bengkulu Regency, with a total loss of IDR 1.1 billion (Firmansyah & Purba, 2022). The perpetrator is the BAZNAS treasurer, whose period of misappropriation of funds was in 2019–2020. Cases of misappropriation of zakat funds also occurred at BAZNAS East Tanjung Jabung Regency, with a total loss of IDR 1.2 billion (Sanjaya, 2023). The perpetrator is the

former Chairman of BAZNAS, who misappropriated funds from 2016 to 2021 while he was still in office. Another case of misappropriation of zakat funds occurred at BAZNAS Dumai Regency, with a total loss of IDR 1.4 billion (Yunas, 2023). The perpetrator is the Chairman of BAZNAS, Deputy Chairman II, and former Treasurer, whose period of misappropriation of funds was in 2019–2021.

There have been many previous studies on the efficiency of zakat distribution, including Djaghballou et al. (2018) which examines the efficiency and productivity performance of zakat funds in Algeria; Muhtadi & Susilowati (2018) analyzed and identified governance factors that influence the efficiency of zakat disbursement at the National Zakat Amil Agency (BAZNAS) in four districts in Central Java Province, namely Banyumas, Purbalingga, Banjarnegara, and Kebumen; Bahri & Khumaini (2020) measured the effectiveness of BAZNAS ZIS and DSKL distribution; Fadilah & Mirahayu (2020) studied the distribution and disbursement of zakat, *infaq* and *shadaqah* at the Kediri Regency Zakat House; Farkhah (2020) analyzed the strategy for collecting zakat, *infaq* and alms at BAZNAS Semarang Regency; Nafi' (2020) analyzed the effectiveness of zakat distribution at BAZNAS Kudus Regency; Yusup et al. (2021) analyzed the effectiveness of zakat management at the National BAZNAS; Bahri et al. (2022) measured the effectiveness of the allocation of zakat, *infaq* and other religious social funds in the LAZ of the Da'wah Council. The previous research on preventing fraud against zakat funds is by Wahyuni-TD et al. (2021) which examines the direct and indirect influence of good governance and fraud prevention on the performance of zakat institutions.

There is still rare research on the efficiency of distributing zakat funds to Amil Zakat Institutions in Indonesia, along with anti-fraud strategies for zakat funds. This research aims to measure and analyze the efficiency of zakat distribution at Amil Zakat Institutions in Indonesia to achieve accountability and prevent misappropriation of zakat funds. This research uses data from BAZNAS and twenty-four LAZs in Indonesia obtained from financial reports published on their websites. This research is important to get a comprehensive picture of the

efficiency of distributing zakat funds to BAZNAS and LAZ so that the zakat funds that have been collected can be distributed properly and avoid misappropriation of funds. This research contributes to a deeper understanding of how zakat management institutions can improve their operational efficiency, strengthen the accountability of financial reports, and prevent potential misappropriation of zakat funds. This research is expected to have a positive impact on improving the quality and transparency of zakat management in Indonesia.

Method

This research is qualitative, using the desk study method. Desk study research, also known as library research or desk field research, is a type of research conducted using existing sources of written information, such as books, journals, articles, and other documents (Hague, 2006). In the course of desk study research, scholars abstain from gathering fresh data or conducting firsthand observations. Instead, they depend on existing literature and documents to compile and analyze information. Numerous sources, including journals, books, laws, internet sources, and other relevant references, have been consulted for data acquisition. This study specifically utilizes financial reports from BAZNAS and twenty-four LAZ organizations in Indonesia. These reports offer comprehensive insights into fund collection and distribution, and they are publicly accessible through the organizations' official websites. The LAZ chosen as data in this study is the LAZ on a national scale, as listed in the List of National Zakat Amil Institutions in the National Zakat Statistics published by BAZNAS (BAZNAS, 2022).

The financial report data encompasses details on fund collection, fund distribution, and operational expenses, all of which can be accessed via the respective websites, as outlined in Table 1. Several financial reports use data for 2019, 2020, 2021, and 2022, according to the latest financial reports published on the website. There are also six LAZs whose annual reports do not display

financial reports and only report activities and programs, so that data cannot be displayed. The data analysis process involves scrutinizing the ratio of fund distribution to operational costs. The analysis of the fund distribution ratio entails comparing the funds collected to those distributed (allocation to collection ratio). This examination aims to assess the diligence of LAZ in allocating funds from the public and minimizing undistributed funds as a precautionary measure against potential fraudulent activities. Furthermore, the analysis of the operational cost ratio calculation involves a comparison with the total funds raised. This evaluation is conducted to gauge LAZ's commitment to maximizing the utilization of funds received from the community, allocating them to community needs, and minimizing the proportion allocated to internal amil allocations, including both *bisyaroh* allocations and institutional operational costs.

Table 1. Zakat Charity Institution in Indonesia

No	Institution	Source
1	Badan Amil Zakat Nasional	BAZNAS www.baznas.go.id
2	Rumah Zakat Indonesia	RZI www.rumahzakat.org
3	Daarut Tauhid	DT www.dtpeduli.org
4	Baitul Maal Hidayatullah	BMH www.bmh.or.id
5	Dompot Dhuafa Republika	DDR www.publikasi.dompetdhuafa.org
6	Nurul Hayat	NH www.nurulhayat.org
7	Inisiatif Zakat Indonesia	IZI www.izi.or.id
8	Yatim Mandiri	YM www.yatimmandiri.org
9	Lembaga Manajemen Infak Ukhuwah	LMIUI www.lmizakat.org
10	Dana Sosial Al Falah Surabaya	YDSF www.ydsfpeduli.org
11	Pesantren Islam Al Azhar	PIAA www.alazharpeduli.or.id
12	Baitul Maal Muamalat	BMM www.bmm.or.id
13	LAZIS Nahdatul Ulama	LAZISNU www.nucare.id
14	Global Zakat	GZ www.zakatsukses.org
15	LAZ Muhammadiyah	LAZISMU www.lazismu.org
16	Dewan Dakwah Islamiyah Indonesia	DDII www.laznasdewandakwah.or.id

17	Perkumpulan Persatuan Islam	PPI	www.lazpersis.or.id
18	Rumah Yatim Ar Rohman Indonesia	RYARI	www.rumah-yatim.org
19	Yayasan Kesejahteraan Madani	YKM	www.yakesma.org
20	Yayasan Griya Yatim & Dhuafa	YGYD	www.griyayatim.com
21	Yayasan Daarul Qur'an (PPPA)	PPPA	www.pppa.id
22	Yayasan Baitul Ummah Banten	YBUB	www.bmbu.or.id
23	Yayasan Pusat Peradaban Islam	YPPI	www.laznasaql.org
24	Yayasan Mizan Amanah	YMA	www.mizanamanah.or.id
25	Panti Yatim Indonesia Al-Fajr	PYIA	www.pantiyatim.or.id

Source: Processed data, 2024

Result and Discussion

Overview of Zakat Distribution in Indonesia

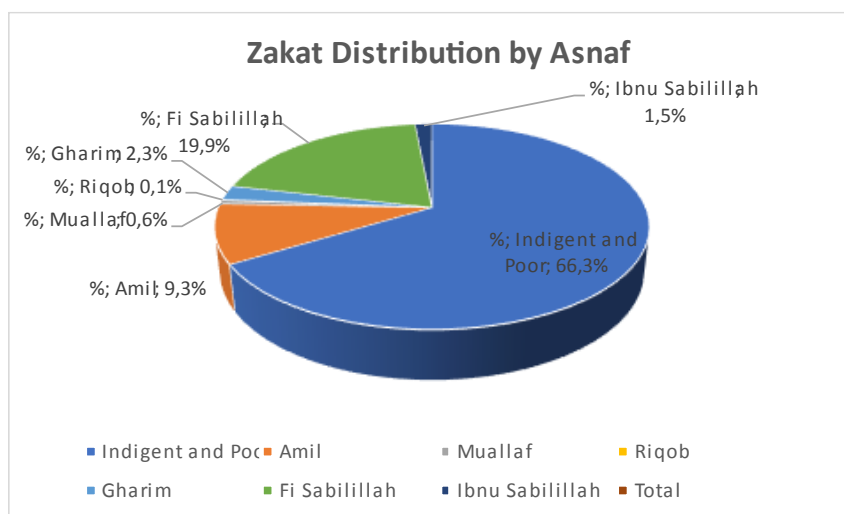
BAZNAS and LAZ play crucial roles in managing and distributing zakat funds in Indonesia, aligning their commitments with the principles of Islamic Sharia and the regulations of the country. BAZNAS, as the national zakat institution, is committed to ensuring transparent, accountable, and efficient zakat management. With a nationwide presence, it establishes a robust framework for collecting, managing, and distributing zakat funds. BAZNAS places a strong emphasis on adhering to Islamic principles, ensuring that the zakat is allocated appropriately to fulfill the diverse needs of the recipients as outlined in Sharia. Similarly, LAZ, as a private zakat institution, is also committed to managing and distributing zakat properly in accordance with Islamic principles and regulations in Indonesia. These private zakat institutions operate at district, provincial, and national levels, interacting directly with communities to identify and address specific needs. LAZ organizations work diligently to maintain transparency and accountability in their zakat distribution processes, ensuring that the funds reach those who are eligible and genuinely in need.

Both BAZNAS and LAZ realize the importance of zakat in promoting social justice, economic empowerment, and community welfare. Their commitment goes beyond just financial transactions; they are actively involved in educational

programs, awareness campaigns, and community development initiatives to increase the impact of zakat, both in terms of consumptive and productive benefits. By adhering to Sharia principles and Indonesian laws and regulations, BAZNAS and LAZ make significant contributions to reducing poverty, improving education, providing health services, and overall improving the welfare of society in Indonesia. Their commitment to ethical and effective zakat management emphasizes the critical role of these institutions in realizing the socio-economic potential embedded in Islamic principles.

Based on national LAZ zakat distribution data in Indonesia in 2019 (BAZNAS, 2019), zakat distribution is dominated by significant allocations to the poor and needy groups, with a percentage of 66.3% of the total zakat funds. The nominal amount allocated to this group reaches IDR 4.5 trillion, demonstrating a commitment to providing assistance to those in economic need. Meanwhile, other groups such as *Amil*, *Fi Sabilillah*, and *Ibnu Sabil* also received quite large allocations, with percentages of 9.3%, 19.9%, and 1.5%, respectively. Even though they are proportionally smaller, the *Muallaf*, *Gharim*, and *Riqob* groups still receive attention, reflecting efforts to cover various needs in society. Total zakat funds in 2019 reached IDR 6.8 trillion, and the distribution reflects concern for the principles of social justice and prosperity in Islam. The distribution map of the zakat distribution based on *asnaf* can be seen in Figure 1.

Figure 1. Zakat distribution by Asnaf



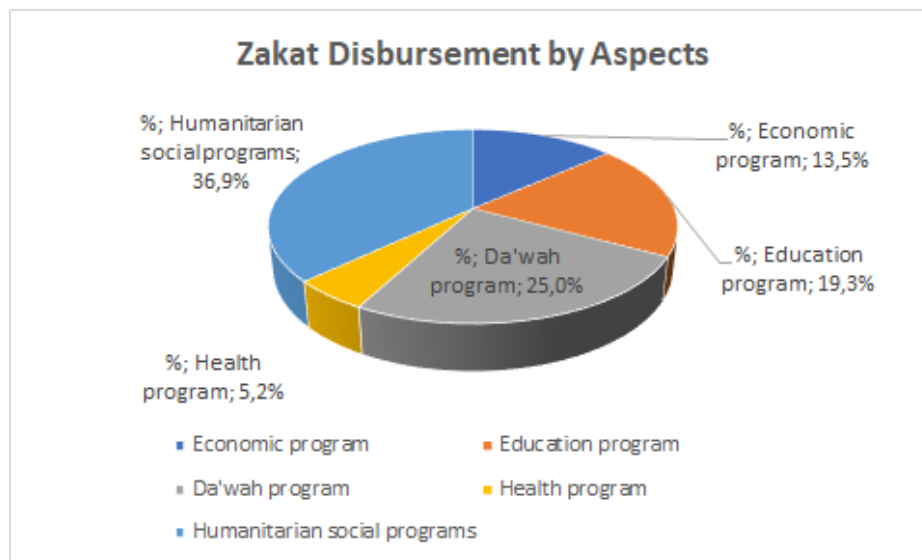
Source: Processed data, 2024

Details of zakat distribution at national zakat amil institutions in Indonesia in 2019 for each *asnaf* are as follows (BAZNAS, 2019): 1) Indigent and Poor (66.3%, total amount: IDR 4,5 trillion). This category, representing the indigent and poor, receives the highest percentage of zakat funds at 66.3%. The substantial allocation of IDR 4,547,689,441,953 reflects a dedicated effort to provide financial assistance to those in need, emphasizing the central Islamic principle of supporting the less fortunate. 2) *Amil* (9.3%, total amount: IDR 637,9 billion). The *Amil* category, responsible for the collection, management, and distribution of zakat, receives a proportionate allocation of 9.3%, amounting to IDR 637,911,188,690. This allocation supports their pivotal role in the zakat distribution process. 3) *Muallaf* (0.6%, total amount: IDR 41,1 billion). The *Muallaf* category, comprising new Muslims or those in need of support to strengthen their faith, receives a modest percentage of 0.6%. The allocation of IDR 41,155,560,561 underscores a commitment to nurturing and assisting new converts.

4) *Riqob* (0.1%, total amount: IDR 6,8 billion). The *Riqob* category, referring to individuals facing economic difficulties, receives a small but meaningful percentage of 0.1%. The allocated amount of IDR 6,859,260,093 demonstrates concern for those experiencing economic challenges. 5) *Gharim* (2.3%, total amount: IDR 157,7 billion). The *Gharim* category, encompassing individuals burdened by debt, receives an allocation of 2.3%. This allocation of IDR 157,762,982,149 aims to alleviate the financial burdens of those in debt. 6) *Fi Sabilillah* (19.9%, total amount: IDR 1,3 trillion). The *Fi Sabilillah* category, involving activities related to jihad and general welfare, receives a significant allocation of 19.9%. The allocated amount of IDR 1,364,992,758,595 indicates support for activities promoting general welfare and values of jihad within the context of societal well-being. 7) *Ibnu Sabil* (1.5%, total amount: IDR 102 billion). The *Ibnu Sabil* category, including travelers or those in need of assistance, receives an allocation of 1.5%. The amount of IDR 102,888,901,402 is allocated to provide support to individuals with specific needs.

Based on national LAZ zakat distribution data in Indonesia in 2019 (BAZNAS, 2019), the distribution of zakat funds shows that the social humanitarian program group (36.9%) received the largest allocation of funds, followed by da'wah programs (25.0%) and education programs (19.3%). Economic programs (13.5%) and health programs (5.2%) also received significant attention. The largest allocations to social humanitarian programs reflect a focus on addressing social challenges, providing assistance to vulnerable groups, and supporting initiatives that contribute to the overall well-being of society. Meanwhile, the significant allocation to the da'wah program shows a commitment to spreading Islamic teachings and supporting activities that promote religious awareness. Educational programs receive great attention, reflecting efforts to improve educational opportunities, literacy, and educational infrastructure in general. This distribution reflects a holistic approach to economic, educational, health, and social issues in an effort to achieve community welfare goals through zakat funds. The distribution map of the zakat disbursement based on aspects can be seen in Figure 2.

Figure 2. Zakat disbursement by Aspects



Source: Processed data, 2024

Details of zakat disbursement at national zakat amil institutions in Indonesia in 2019 for each aspect are as follows (BAZNAS, 2019): 1) Economic

Program (13.5%, total amount: IDR 839,4 billion). The economic program receives 13.5% of zakat funds, amounting to IDR 839,494,607,146. This allocation emphasizes the commitment to supporting economic initiatives, potentially including job creation, income-generating projects, and financial empowerment. 2) Education Program (19.3%, total amount: IDR 1,2 trillion). The education program receives a significant allocation of 19.3%, totaling IDR 1,200,166,364,291. This substantial investment underscores a commitment to enhancing educational opportunities, promoting literacy, and improving the overall educational infrastructure.

3) Da'wah Program (25.0%, total amount: IDR 1,5 trillion). The da'wah program, focused on outreach and propagating Islamic teachings, receives the largest share at 25%, totaling IDR 1,554,619,642,864. This substantial allocation reflects a dedication to spreading the message of Islam and supporting activities that foster religious awareness. 4) Health Program (5.2%, total amount: IDR 323,3 billion). The health program is allocated 5.2% of zakat funds, totaling IDR 323,360,885,716. This allocation indicates a commitment to addressing health-related issues, potentially including healthcare services, medical assistance, and public health initiatives. 5) Humanitarian Social Programs (36.9%, total amount: IDR 2,2 trillion). Humanitarian social programs receive the largest share at 36.9%, totaling IDR 2,294,618,592,867. This significant allocation highlights a strong commitment to addressing social challenges, providing assistance to vulnerable groups, and supporting initiatives that contribute to the overall welfare of the community

Zakat Disbursement Efficiency at Zakat Institutions in Indonesia

Researchers have downloaded financial report data on Zakat institutions in Indonesia via their respective websites by accessing financial report data for the last published year. The financial reports used in the analysis are fund collection data, fund distribution data, and operational cost data. Researchers carried out an analysis of the distribution of funds ratio by calculating the value of the distribution of funds divided by the value of the funds collected. The fund

distribution ratio is carried out to see how much the fund distribution absorbs the funds that have been received. This is important so that zakat funds can be distributed optimally for the benefit of people in need, especially zakat recipients. Researchers also analyzed the operational cost ratio by calculating the value of operational costs divided by the value of funds raised. The operational cost ratio is carried out to see how much cost efficiency is used for operational needs and zakat fund management. This is important so that zakat funds can be channeled optimally for the benefit of people in need and with operational costs as efficient as possible.

The performance indicator for the zakat distribution ratio used in this research follows the opinion of Beik et al. (2016) which details the ratio into five categories, namely: ratio $\geq 90\%$ in the Highly Effective category, $\geq 70\% - 89\%$ in the Effective category, $\geq 50\% - 69\%$ in the Fairly Effective category, $\geq 20\% - 49\%$ in the Below Expectation category, and $< 20\%$ in the Ineffective category (see Table 2). The categorization of zakat distribution ratios is carried out to provide an evaluation basis that is easy to understand and apply to identify areas that require further attention or improvement in the management and distribution of zakat funds. This categorization can also be an effective tool for comparing the performance of zakat distribution between zakat amil institutions in Indonesia. By having clear criteria, research can help understand differences in effectiveness between zakat distribution institutions. This provides a strong basis for objective evaluation and contributes to efforts to improve the overall quality of zakat fund management.

Table 2. Performance Indicators on the Ratio of Zakat Distribution

No	Distribution Ratio	Ratio Category
1	$\geq 90\%$	Highly Effective
2	$\geq 70\% - 89\%$	Effective
3	$\geq 50\% - 69\%$	Fairly Effective
4	$\geq 20\% - 49\%$	Below Expectation
5	$< 20\%$	Ineffective

Source: Beik et al. (2016)

The performance indicator for the operational cost zakat ratio used in this research also follows the opinion of Beik et al. (2016), which details the ratio into two categories: within the limits of sharia provisions and exceeding the limits of sharia provisions. Zakat operational and management costs are only limited to the portion of amil funds that has been determined by Islamic law, namely 1/8 or 12.5%. The operational costs and management of zakat at zakat amil institutions are a maximum of 12.5%, so it is still within reasonable limits; the smaller the better, which means that zakat management is very efficient and zakat funds can be maximally distributed to the community, especially to groups entitled to zakat recipients (*mustahiq*). However, if the ratio of operational and management costs for zakat exceeds 12.5%, then it has exceeded the limits of sharia provisions, and this is an indication of misuse of funds because the personal interests of institutional administrators are more prioritized, while zakat funds should be allocated maximally to zakat recipients.

Table 3 shows complete data on the distribution ratio of zakat funds and the ratio of operational costs and zakat management at zakat institutions in Indonesia.

Table 3. Distribution and Cost Ratio at Zakat Institutions in Indonesia

No	Institution	Year	Collection	Distribution	Ops Cost	DRatio	CRatio
1	BAZNAS	2022	517.755.434.651	478.827.605.043	100.925.547.362	92%	19%
2	RZI	2022	334.181.375.631	279.579.290.032	47.167.638.292	84%	14%
3	DT	2019	n/a	n/a	n/a	n/a	n/a
4	BMH	2019	212.090.118.515	184.813.759.794	28.813.310.972	87%	14%
5	DDR	2022	377.574.181.087	366.596.164.949	53.015.840.124	97%	14%
6	NH	2021	105.639.441.154	101.621.322.560	12.154.690.769	96%	12%
7	IZI	2022	94.831.894.551	103.410.130.920	13.595.317.914	109%	14%
8	YM	2022	6.675.116.883	7.456.331.365	n/a	112%	n/a
9	LMIUI	2022	43.809.243.209	40.906.831.484	7.275.350.008	93%	17%
10	YDSF	2020	n/a	n/a	n/a	n/a	n/a
11	PIAA	2022	52.879.696.124	53.627.606.373	6.257.747.408	101%	12%
12	BMM	2022	n/a	n/a	n/a	n/a	n/a
13	LAZISNU	2022	935.541.436.359	1.007.577.319.240	12.276.178.649	108%	1%

14	GZ	2021	29.888.671.054	28.393.652.643	3.935.722.792	95%	13%
15	LAZISMU	2021	325.408.064.729	261.510.600.127	n/a	80%	n/a
16	DDII	2021	37.807.943.499	29.054.411.861	8.656.067.864	77%	23%
17	PPI	2022	61.292.732.737	61.136.172.095	n/a	100%	n/a
18	RYARI	2021	306.810.141.891	204.554.497.156	20.969.434.281	67%	7%
19	YKM	2022	75.399.458.267	80.313.259.578	11.417.650.149	107%	15%
20	YGYD	2022	37.871.776.687	37.204.579.036	8.278.465.158	98%	22%
21	PPPA	2022	45.678.078.861	50.509.739.662	8.911.231.923	111%	20%
22	YBUB	2022	n/a	n/a	n/a	n/a	n/a
23	YPPI	2022	n/a	n/a	n/a	n/a	n/a
24	YMA	2021	75.168.071.273	74.533.590.856	13.136.490.512	99%	17%
25	PYIA	2022	n/a	n/a	n/a	n/a	n/a

Source: Processed data, 2024

Disbursement Ratio Analysis

The data in Table 3 on the aspect of distribution ratio at Zakat institutions in Indonesia can be assessed for categorization using the performance indicators of Beik et al. (2016), by dividing them into four main categories based on the distribution ratio of Zakat funds: highly effective, effective, fairly effective, and below expectations. The most significant group is in the "highly effective" category ($\geq 90\%$). Based on the analysis of the distribution ratio of zakat distribution, the majority of institutions fall into this category, namely YM, PPPA, IZI, LAZISNU, YKM, PIAA, PPI, YMA, YGYD, DDR, NH, GZ, LMIUI, and BAZNAS. They succeeded in achieving a distribution ratio of 90% or more, indicating a high level of effectiveness in distributing zakat funds. In the next category, namely "effective" ($\geq 70\%$ – 89%), there are four institutions, namely: BMH, RZI, LAZISMU, and DDII. This category also makes a significant contribution to the distribution of zakat with an effective distribution ratio. Meanwhile, in the "fairly effective" category ($\geq 50\%$ – 69%), there is only one institution, namely: RYARI. No institutions fell into the "below expectation ($\leq 49\%$)" category, indicating that none in this data were considered significantly less effective. However, some institutions cannot be measured ("n/a") because the financial reports of these institutions do not include detailed financial reports.

These institutions are DT, YDSF, BMM, YBUB, YPPI, and PYIA. The complete data is shown in Table 4.

Analysis of this data illustrates that the "highly effective" group is the main focus in managing and distributing zakat funds, while the "effective" group also makes an important contribution. This reflects joint efforts to increase effectiveness in implementing the principles of zakat distribution in Indonesia.

Table 4. Distribution Ratio Summary

No	DRatio	Ratio Category	Institution
1	≥ 90%	Highly Effective	YM, PPPA, IZI, LAZISNU, YKM, PIAA, PPI, YMA, YGYD, DDR, NH, GZ, LMIUI, BAZNAS
2	≥70% - 89%	Effective	BMH, RZI, LAZISMU, DDII
3	≥50% - 69%	Fairly Effective	RYARI
4	≤49	Below Expectation	-
5	n/a	-	DT, YDSF, BMM, YBUB, YPPI, PYIA

Source: Processed data, 2024

Operational Cost Ratio Analysis

Analysis of the ratio of operational costs and zakat management, as shown in Table 3 above, shows that national zakat amil institutions can be grouped into two main categories, namely within the limits of sharia provisions and exceeding the limits of sharia provisions. The first group, which falls into the category "Within Sharia Requirements (≤12.5%)," are institutions that demonstrate compliance with Sharia principles by maintaining an expense ratio in accordance with Sharia provisions that does not exceed 12.5%. There are only four national zakat amil institutions that fall into this category, namely: RYARI, LAZISNU, NH, and PIAA. Meanwhile, the second group, which is included in the category "Exceeding Sharia Requirements (>12.5%)," are institutions that show the potential for lower compliance with Sharia principles in managing zakat funds. The national zakat amil institutions that fall into this category are: GZ, BMH, DDR, RZI, IZI, YKM, LMIUI, YMA, BAZNAS, PPPA, YGYD, and DDII. There are

also several institutions that cannot be measured (n/a) due to the absence of detailed publications in financial reports regarding data on operational costs and zakat management at these institutions. Some of these institutions are DT, YDSF, BMM, YBUB, YPPI, PYIA, YM, PPI, and LAZISMU. The complete data is shown in Table 5.

Table 5. Operational Cost Ratio Summary

No	CRatio	Ratio Category	Institution
1	≤12,5%	Within the limits of sharia provisions	RYARI, LAZISNU, NH, PIAA
2	>12,5%	Exceeds the limits of sharia provisions	GZ, BMH, DDR, RZI, IZI, YKM, LMIUI, YMA, BAZNAS, PPPA, YGYD, DDII
3	n/a	-	DT, YDSF, BMM, YBUB, YPPI, PYIA, YM, PPI, LAZISMU

Source: Processed data, 2024

Analysis of this data indicates that the group of institutions that comply with Sharia provisions (≤12.5%) can be considered significant because it shows conformity with Islamic principles in managing zakat funds. On the other hand, institutions with expense ratios above sharia limits may require special attention to ensure compliance with stricter zakat principles. Transparency and careful monitoring in cost management are key to maintaining the integrity and effectiveness of zakat management institutions.

Accountability of Zakat Funds and Prevention of Zakat Misappropriation

Money is often the primary target in various criminal activities and fraud attempts. This is not only due to the liquidity factor, as money can easily be converted into various forms to meet the perpetrator's needs, but also because stealing cash is easier compared to theft of other types of assets (Christensen & Byington, 2003). Financial motives tend to be the dominant cause of fraud compared to non-financial motives, indicating that urgent financial needs constitute the greatest pressure that may drive someone to commit fraud

(Hollow, 2014). Zakat amil institutions, serving as both repositories and distributors of funds, are not immune to the potential for fraud (Ohalehi, 2019). This is particularly true given that the accumulated and managed funds within these institutions can be substantial, with a significant portion of contributions received from wealth owners in the form of cash and some through bank transfers. The receipt of funds through bank transfers also carries the potential for fraud, especially when the bank account is registered under an individual's name rather than the official name of the institution (Rongiyati, 2021).

Accountability is a crucial aspect that determines the success of a Zakat Amil institution. Misuse of zakat funds can also be prevented with financial accountability (Muhammad, 2006). Financial accountability includes several aspects: 1) Transparency in Reporting; 2) Internal Audit and Monitoring Mechanisms; 3) Compliance with Sharia Provisions; 4) Performance Reporting and Program Evaluation; and 5) Openness to Public Input and Complaints. The accountability of zakat funds can be measured by the extent to which zakat institutions can present information transparently to the public. Clear and open reporting regarding the receipt, management, and distribution of zakat funds is the main basis for accountability. Implementation of internal audit and monitoring mechanisms is a proactive step to ensure that every step in the zakat fund management can be verified and accounted for. Internal and external audits can increase public trust in Zakat Amil institutions.

The accountability of zakat funds is also closely related to the level of compliance of zakat institutions with Sharia principles. Mechanisms that ensure that the management of zakat funds is in accordance with Islamic provisions can improve the integrity of institutions and convince the public that zakat funds are used correctly. Involving the community in the decision-making process and supervision of Zakat Amil institutions is an important step to increasing accountability. Active community involvement can ensure that their real needs are met and zakat funds are used effectively. Accountability of Zakat funds can also be measured through performance reporting and program evaluation

implemented by Zakat Amil institutions. This data allows the public to assess the positive impact resulting from the distribution of zakat funds and the extent to which social and economic goals are achieved. Accountable zakat amil institutions are always open to input and complaints from the public. Mechanisms for receiving feedback can increase accountability and help institutions continue to make improvements.

Conclusions

This research is aimed at measuring and analyzing the efficiency of zakat distribution in Indonesia to achieve accountability and prevent misappropriation of zakat funds. This study uses the desk study method by utilizing data on the collection and distribution of zakat through BAZNAS and twenty-four LAZs in Indonesia. Two indicators are used in the analysis, namely the zakat distribution efficiency ratio and the operational cost efficiency ratio. The results of the zakat distribution efficiency ratio analysis show that almost all LAZs have been effective in distributing zakat, except RYARI with a ratio of 67% (fairly effective) and six LAZs, which could not be analyzed because there was no published financial report data (DT, YDSF, BMM, YBUB, YPPI, and PYIA). The results of the operational cost efficiency ratio analysis show that only four LAZs fall into the "within the limits of sharia provisions" category, namely RYARI, LAZISNU, NH, and PIAA. The twelve LAZs fall into the "exceeds the limits of sharia provisions" category, namely: GZ, BMH, DDR, RZI, IZI, YKM, LMIUI, YMA, BAZNAS, PPPA, YGYD, and DDII. Other LAZs cannot be analyzed because there is no published financial report data. This research is important to get a comprehensive picture of the efficiency of distributing zakat funds to BAZNAS and LAZ so that the zakat funds that have been collected can be distributed properly and avoid misappropriation of funds.

This research contributes to a deeper understanding of how zakat management institutions can improve their operational efficiency, strengthen the accountability of financial reports, and prevent potential misappropriation of

zakat funds. This research is expected to have a positive impact on improving the quality and transparency of zakat management in Indonesia. This research has limitations, including that the data source is limited to information obtained from the BAZNAS and LAZ websites, so the overall representation of the zakat distribution situation may be limited. For further research, it is recommended to conduct in-depth case studies on certain LAZs to understand the specific context and obtain more in-depth analysis results. In addition, future research can consider comparisons with zakat management practices in other countries to obtain cross-border perspectives and innovative ideas so that a more holistic and relevant view can be obtained to increase the efficiency of zakat distribution in Indonesia and in the context of preventing zakat misappropriation.

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