



Research paper

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Risk Management Assessment In Cash Waqf Management Practices: A Case Study At Daarut Tauhiid Peduli Jakarta

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ABSTRACT

The management of cash waqf holds significant potential but also faces various risks that may hinder its optimal utilization. This study aims to identify and classify risk levels as well as formulate mitigation efforts in the management of cash waqf at Daarut Tauhiid Peduli Jakarta. A qualitative approach utilizing the COSO Enterprise Risk Management (ERM) framework was employed to analyze both primary and secondary data. A total of 48 risks were identified and categorized into eight main groups. The risk assessment results indicate that 6 risks are negligible, 25 are acceptable, 14 are undesirable, and 3 are unacceptable. Mitigation efforts were focused on addressing undesirable and unacceptable risks through avoidance and elimination strategies. In conclusion, the implementation of risk management at DT Peduli has been reasonably effective; however, further improvements are needed, particularly in the areas of human resource development and public education. A comprehensive application of the ERM framework is recommended to strengthen the professionalism of cash waqf management.

ABSTRAK

Pengelolaan wakaf tunai memiliki potensi besar, namun juga menghadapi berbagai risiko yang dapat menghambat pemanfaatannya. Penelitian ini bertujuan mengidentifikasi dan mengklasifikasikan tingkat risiko serta merumuskan upaya mitigasi dalam pengelolaan wakaf tunai di Daarut Tauhiid Peduli Jakarta. Pendekatan kualitatif dengan kerangka Enterprise Risk Management (ERM) COSO digunakan untuk menganalisis data primer dan sekunder. Sebanyak 48 risiko ditemukan dan dikelompokkan ke dalam delapan kategori utama. Hasil penilaian menunjukkan 6 risiko dapat diabaikan, 25 dapat diterima, 14 tidak diinginkan, dan 3 tidak dapat diterima. Mitigasi difokuskan pada risiko tidak diinginkan dan tidak dapat diterima, melalui strategi penghindaran dan penghilangan.

Kesimpulannya, penerapan manajemen risiko di DT Peduli telah berjalan cukup baik, namun masih perlu ditingkatkan terutama pada aspek pengembangan SDM dan edukasi publik. Penerapan ERM secara menyeluruh direkomendasikan untuk memperkuat profesionalisme pengelolaan wakaf.

1. Introduction

Waqf is an Islamic financial instrument that plays a dual role: it is both an act of worship and a means of advancing social and economic welfare. When managed properly, waqf particularly in the form of cash can significantly contribute to improving the economic well-being of society (Hadyantari, 2018). According to Kahf (2007), as cited in Furqan (2012), waqf refers to the act of withholding assets, either permanently or temporarily so that the benefits generated from them can be continuously used for good causes, whether general or specific.

Data from the Indonesian Waqf Board (BWI) shows that the potential value of waqf assets reaches approximately IDR 2,000 trillion annually, with around 420,000 hectares of land registered as waqf. Meanwhile, the potential for cash waqf alone is estimated at IDR 188 trillion per year. However, its current utilization is largely dominated by the construction of mosques (44.35%), followed by prayer rooms (28.42%), schools (10.68%), cemeteries (4.45%), Islamic boarding schools (3.49%), and other social purposes (8.61%) (<http://siwak.kemenag.go.id>). In terms of collection, the potential for cash waqf is around IDR 377 trillion, while the amount collected has only reached approximately IDR 199 billion (knks.go.id). This gap suggests that if waqf management were handled by professional nazhir (waqf managers), the disparity between potential and realization could be significantly reduced.

As a form of entrusted asset, waqf must be managed in a way that ensures its benefits are preserved and optimized. Therefore, it is essential to anticipate and manage risks that could jeopardize the sustainability and effectiveness of waqf assets, particularly cash waqf (Rozalinda, 2012). Risk management becomes a crucial aspect in ensuring that these assets remain

beneficial in the long term.

This importance is also emphasized in the Waqf Core Principles (WCP), jointly developed by the Indonesian Waqf Board, Bank Indonesia, and the Islamic Research and Training Institute of the Islamic Development Bank (IRTI-IsDB). Launched at the International Working Group on Waqf Core Principles (IWGWCP), WCP outlines five core areas: legal foundations, waqf supervision, good nazhir governance, risk management, and sharia governance.

In conclusion, beyond the issue of unrealized waqf potential, the management of waqf, especially in the form of cash, is highly vulnerable to various risks. These risks can only be effectively addressed if nazhir implement professional waqf management practices, with a strong focus on risk management. Given these concerns, this study seeks to answer the following research questions:

1. What are the risks and impacts associated with cash waqf management at DT Peduli Jakarta?
2. How are these risks classified based on their level of severity?
3. What mitigation strategies are being implemented to address these risks?

2. Literature Review

2.1 Theoretical Framework

Definition of Waqf

The term waqf (plural: awqaf) originates from the Arabic root word (وقف), which means to withhold, stop, remain in place, or stand still. The verb waqafa–yaqifu–waqfan is synonymous with habasa–yahbisu–tahbisana, which implies the act of preventing use or transfer. In Arabic, waqf refers to withholding an asset from ownership transfer and dedicating it for charitable purposes (Munir, 2014). According to Qahaf (2004), as cited in Hadyantari (2018), waqf is a legal act of donating a portion of one's property to be utilized permanently or for a specific period, in accordance with sharia objectives. Similarly, Ibn Qudamah defines waqf as the act of withholding the principal asset while allowing its benefits to flow and be used (Rahmawati, 2013).

Definition of Cash Waqf

Beik (2005), as cited in Haq (2012), defines cash waqf as the act of endowing wealth in the form of money or financial securities, which is managed by Islamic banking institutions or sharia-compliant financial organizations. The profits generated from these assets are distributed as charitable donations, while the principal amount remains untouched. The accumulated waqf funds can then be reinvested into various halal and productive sectors, allowing the returns to be used for the advancement of the Muslim community and the nation as a whole. Regarding the permissibility of cash waqf, M. Syafi'i Antonio references a hadith narrated by Imam al-Bukhari, noting that Imam al-Zuhri (d. 124 AH), a prominent scholar and pioneer in the compilation of Hadith—issued a fatwa recommending the endowment of dinars and dirhams for the development of Islamic da'wah, social welfare, and educational infrastructure (Rahmawati, 2013).

Risk Management

Risk, according to Rosenberg and Schuermann (2006), can be defined in various ways. However, the essence of the concept lies in its dual nature: not only as the potential for undesirable negative consequences of events that may threaten success (downside), but also as an opportunity to gain benefits (upside) (Indrawati, 2012). This view emphasizes that risk is not solely about harm, but also about potential rewards that emerge from uncertainty. The definition of risk management as stated by COSO (2004) describes it as a process undertaken by an entity's board of directors, management, and other personnel. It is applied in strategic planning and across the organization, designed to identify potential events that may impact the entity, and to manage risks in line with the entity's risk appetite. The objective of this process is to provide reasonable assurance regarding the achievement of the organization's goals (Zhao, Xianbo, et al., 2014).

Waqf Core Principle

The Waqf Core Principles (WCP) serve as a primary reference document for the development of technical guidelines that address specific aspects of waqf regulation. This initiative was spearheaded by Bank Indonesia (Tanjung, 2018). WCP places the operational and supervisory standards of the waqf sector on the same level of prudence as other financial sectors. It was formulated with two main objectives: first, to provide a concise description of the position and role of Waqf management and supervisory systems within economic development programs; second, to offer a comprehensive methodology outlining the core principles of Waqf management and supervision systems. The WCP framework breaks down key regulatory and supervisory elements related to the operationalization of the Waqf system into a systematic regulatory structure. These elements include legal foundations, waqf supervision, good waqf governance, risk management, and sharia governance (Waqf Core Principles, 2018).

2.2 Previous Research

Beik et al. (2018), in a study titled "Risk Management at the National Amil Zakat Agency (BAZNAS)," collected data through surveys targeting BAZNAS's internal stakeholders and conducted analysis using the Enterprise Risk Management (ERM) framework. The study concludes that the implementation of risk management within zakat institutions significantly enhances the achievement of organizational goals and minimizes the likelihood of major risks. Moreover, applying risk management can increase public trust among both donors (muzakki) and beneficiaries (mustahik). In total, the study identified

60 risks, categorized into three main areas: 16 risks in fundraising, 26 risks in zakat fund management, and 18 risks in distribution.

Another relevant study was conducted by Anwar and Septyan (2019) at LAZ Al Azhar Jakarta, titled "Analysis of the Internal Control System in the Al Azhar Amil Zakat Institution." Using a phenomenological approach, the researchers reflected on whether the institution's practices align with the COSO-based internal control framework. The study found that LAZ Al Azhar implemented the COSO internal control model effectively, which includes five components: control environment, risk assessment, information and communication, control activities, and monitoring.

Additionally, Hayati et al. (2019) conducted a study titled "Risk Management in the Zakat Distribution: Case Study on the Productive Zakat Program in Dompot Dhuafa Yogyakarta." This research used a descriptive qualitative approach with data collected through triangulation methods including observation, semi-structured interviews, and documentation. The findings indicated that risk management in the distribution of zakat funds through the Warung Beres program was guided by a timeline-based approach, involving application, monitoring, and evaluation stages. While Dompot Dhuafa had well-structured Standard Operating Procedures (SOPs), actual implementation in the field was often adapted spontaneously to local issues and community conditions.

3. Methodology

3.1 Research Method

Place and Time of Research

This study was conducted at one of the waqf management institutions, Daarut Tauhiid Peduli, located in Jakarta. The institution was selected as the research object due to its strategic location in the Jakarta area and its official registration with the Indonesian Waqf Board (BWI) as a nazhir (waqf manager). These factors made it a representative and suitable object for analyzing the implementation of risk management in cash waqf management practices. The research was carried out over a period of approximately six months, from February to June.

This study employed a qualitative research design, utilizing both primary and secondary data sources. According to Sekaran and Bougie (2016), primary data refers to data collected firsthand by the researcher for the purpose of solving the specific problem under investigation. In contrast, secondary data refers to information that has already been collected and made available, either internally or externally. Common sources of secondary data include statistical bulletins, government publications, published or unpublished organizational records, company websites, and publicly available information from the internet. The validity and relevance of secondary data must be critically assessed prior to use.

COSO ERM Framework

The study adopts the Enterprise Risk Management (ERM) framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to COSO (2004) in Ascarya (2016), the ERM framework is visually represented as a three-dimensional model. This model includes four vertical columns representing the organization's objectives, eight horizontal components representing key elements of risk management, and a third dimension illustrating the organizational levels (from entity-wide to business unit). ERM is defined as a structured process carried out by an organization's board of directors, management, and staff. It is designed to identify potential events that may impact the entity, assess and manage risks according to the organization's risk appetite, and provide reasonable assurance regarding the achievement of strategic and operational objectives (Demidenko, Elena, et al, 2010).

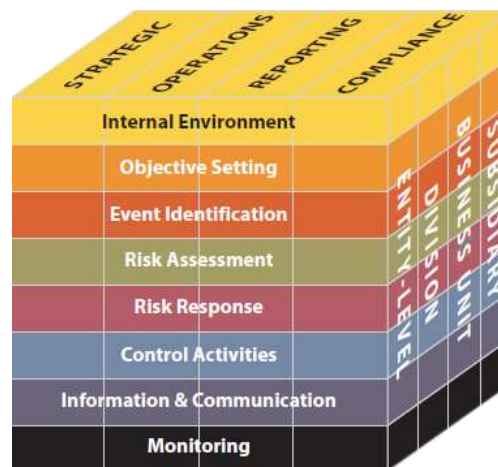


Figure 1. ERM-COSO Framework

The first dimension of the COSO ERM framework outlines the objectives of the entity within the risk management process. The second dimension presents the eight key components of Enterprise Risk Management (ERM), namely: internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication, and monitoring. The third dimension reflects the organizational levels, encompassing both the entity level and the component unit level that form integral parts of the overall risk management structure.

In this study, the researcher applies the second dimension of the COSO framework as a reference for analysis, using each of the eight components as stages to assess the implementation of risk management in Daarut Tauhiid (DT) Peduli Jakarta, as described below:

1. ERM Point 1: Internal environment, identified through observations and interviews with senior waqf managers at DT Peduli Jakarta.
2. ERM Point 2: Objective setting, derived from the organization's stated vision, mission, and strategic goals.
3. ERM Point 3: Event identification, carried out by listing all possible risk events in cash waqf management, gathered from interviews, direct observation, and previous research.
4. ERM Point 4: Risk assessment, where risks are evaluated based on probability (likelihood of occurrence) and impact (severity if the risk occurs), following the framework proposed by Godfrey (1996) in Khonsa (2018).

Table 1. Risk probability

Value scale	Frequency	Intensity of Probability	Information
1	<5 times per year	Very low	Almost impossible to happen
2	5-10 times per year	Low	Sometimes it happens
3	11-20 times per year	Medium	May happen
4	20-50 times per year	High	It is very likely to happen
5	>50 times per year	Very High	It must have happened

Table 2. Risk Impact

Value scale	Impact	Information
1	Very Low (Negligible)	No problems
2	Low (<i>Marginal</i>)	Causes minor but manageable problems
3	Medium (<i>Serious</i>)	Preventing companies from achieving certain goals
4	High (<i>Critical</i>)	Resulting in the company not being able to achieve Some long-term goals
5	Very High (<i>Cathastropic</i>)	Resulting in the company not being able to achieve all long-term goals, resulting in Bankruptcy

Furthermore, according to Godfrey (1996) in Khonsa (2018), the risk value is calculated by multiplying the probability and the impact of a risk. To measure risk, the following formula is used:

$$R = P \times I$$

Information:

R	Risk level
P	Possible risks
I	Impact when risk actually occurs

Furthermore, the results of the risk assessment above can be categorized into risk mapping. This mapping illustrates the value of each risk according to its risk level. The risk level mapping can be explained through the following table:

Table 3. Risk Mapping

			Impact				
			Catastrophic	Critical	Serious	Marginal	Negligible
			5	4	3	2	1
Probability	Frequent	5	25	20	15	10	5
	Probable	4	20	16	12	8	4
	Occasional	3	15	12	9	6	3
	Remote	2	10	8	6	4	2
	Improbable	1	5	4	3	2	1

Table 3 shows that risk mapping can be determined by multiplying the probability of risk occurrence and the impact if the risk occurs. Following that, Godfrey (1996) in Khonsa (2018) classified four levels of risk acceptance based on the likelihood of occurrence and the severity of the impact, as presented in Table 4. These levels of risk acceptance can serve as a consideration in determining appropriate risk mitigation responses.

Table 4. Risk Acceptance Rate

			Impact				
			Catastrophic	Critical	Serious	Marginal	Negligible
			5	4	3	2	1
Probability	Frequent	5	25 <i>unacceptable</i>	20 <i>unacceptable</i>	15 <i>unacceptable</i>	10 <i>Undesirable</i>	5 <i>undesirable</i>
	Probable	4	20 <i>unacceptable</i>	16 <i>unacceptable</i>	12 <i>Undesirable</i>	8 <i>Undesirable</i>	4 <i>acceptable</i>
	Occasional	3	15 <i>unacceptable</i>	12 <i>Undesirable</i>	9 <i>Undesirable</i>	6 <i>Undesirable</i>	3 <i>acceptable</i>
	Remote	2	10 <i>undesirable</i>	8 <i>Undesirable</i>	6 <i>Undesirable</i>	4 <i>Acceptable</i>	2 <i>Negligible</i>
	Improbable	1	5 <i>undesirable</i>	4 <i>Acceptable</i>	3 <i>Acceptable</i>	2 <i>Negligible</i>	1 <i>Negligible</i>

Table 4 shows four levels of risk acceptance: unacceptable, undesirable, acceptable, and negligible. The first level is unacceptable. Unacceptable risks are high-level risks that have a significant adverse impact on the organization and may cause long-term domino effects, making them a top priority. The primary response to control these risks is to avoid or transfer them. The second level is undesirable. Undesirable risks are those that exceed the company's tolerance threshold and significantly affect the organization. The recommended response for these risks is to avoid and reduce them.

The third level is acceptable. Acceptable risks are tolerable risks. Although they have some impact on the organization, they remain within manageable limits. The response to these risks may be no action (accepting) or, if possible, reducing the likelihood of occurrence. The fourth and lowest level is negligible. Negligible risks are rare and, if they occur, have only a minimal impact. The effect of these risks can be reduced, but the cost of mitigation might exceed the actual impact. In such cases, it may be better to accept the effect of the risk.

5. ERM Point 5: Risk Response: Responses to risk events are analyzed based on risk mapping results, literature review, and discussions with DT Peduli Jakarta. Risk responses are analyzed descriptively and categorized into accept, reduce, transfer, avoid, and eliminate. Risk mitigation measures already implemented by DT Peduli Jakarta will also be identified and analyzed descriptively.

6. ERM Point 6: Control Activities: The sixth point is the control stage. Control measures for risks will be explained through a descriptive analysis based on the researcher's observations at the research site. Descriptions of control activities will also complement the explanation of previous risk mitigation actions (risk responses).

7. ERM Point 7: Information and Communication: Risk mitigation actions related to the flow of information and communication will be analyzed using a descriptive approach and categorized based on the parties involved in the overall cash waqf management process. This stage is carried out by the parties under study.

8. ERM Point 8: Monitoring: Control actions, as one component of risk mitigation, will be analyzed descriptively, with information obtained from internal data of DT Peduli Jakarta, discussions with its staff, and direct observation. This stage is also conducted by the research subject.

3.2 Data Analysis Techniques

The author uses an analytical technique with the ERM COSO approach, which is commonly applied in risk management research within both profit and non-profit institutions. According to Ascarya et al. (2016), in the ERM COSO method, there is no minimum requirement for the number of respondents; what matters is that the selected respondents are competent in their respective fields, considering that the purpose of the survey is to gain insights from practitioners. According to Ascarya (2016), the ERM COSO framework is a three-dimensional box, consisting of four vertical columns representing the entity’s objectives, eight horizontal rows illustrating the components of the entity’s risk management, and the institutional level that reflects both the entity and the unit level components that are part of the risk management framework

4. Discussion

4.1. Institution Identification

Internal Environment

Daarut Tauhiid Peduli, a nationally recognized zakat management institution (LAZNAS), is a non-profit organization engaged in the management of zakat, infaq, sadaqah, and waqf funds. Founded by KH. Abdullah Gymnastiar on June 16, 1999, as part of the Daarut Tauhiid Foundation, DT Peduli is committed to becoming a trustworthy, professional, accountable, and leading zakat institution with a wide operational reach.

DT Peduli was officially designated as a National Amil Zakat Institution (LAZNAS) through the Decree of the Minister of Religious Affairs No. 257 of 2016, issued on June 11, 2016. In addition to managing zakat, infaq, and sadaqah, DT Peduli — particularly its Jakarta branch — is also responsible for managing waqf funds from the public. The type of waqf studied in this research is cash waqf, whereby individuals can donate money as waqf, which is then allocated to pre-designated projects such as mosque construction, boarding schools, educational facilities, and other productive waqf programs.

4.2 Event Identification

Risk identification in the management of cash waqf at DT Peduli Jakarta was carried out through direct interviews with internal stakeholders, specifically the Head of DT Peduli Jakarta and the Waqf Management Division. Broadly speaking, the risks identified are focused solely on cash waqf management and are categorized into nine major groups: waqf fund risk, administrative risk, government policy risk, program development risk, IT technology risk, human resource and nazir risk, trust and reputation risk, volunteer risk, and literacy risk. A summary of the risk identification process related to cash waqf management at DT Peduli Jakarta is outlined based on the likelihood of each risk occurring and the potential impact, as presented in Table 5 below.

Table 5. Identify Probability and Impact Risk

Risk Group	Risk Number	Risk Description	Risk Occurrence in Year	Risk Impact
Funds/ Cash Waqf Risks	R1	Cash is damaged (torn, shattered, mesh)	20-50 times	Affects the number of Existing waqf funds
	R2	Occurrence of natural disasters (floods, landslides, earthquakes)	<5 times	Disrupting activities Waqf Operations
	R3	Assets that are waqf derived from money laundering	<5 times	Violation Shari'a
	R4	Waqf cash comes from Conventional Stock Dividends	<5 times	Violation Shari'a
	R5	Waqf cash comes from Conventional Bank Interest	<5 times	Violation Shari'a
	R6	Assets that are waqf Mixed with Non-Halal Assets	<5 times	Violation Shari'a
	R7	Waqf funds are lost when deposited	<5 times	Affecting the amount of existing waqf funds, potentially hindering the implementation of the program waqf

	R8	Waqf funds are not safe Because the bank where the waqf funds are stored liquidated	<5 times	Affects the amount of existing waqf funds
Administrative Risks	R9	Waqf Accounting is not in Accordance with PSAK Waqf Accounting Standards 112	11-20 times	Affects the institution's credibility; records are disorganized
	R10	Risk of incorrect input of nominal waqf cash on the computer	<5 times	Affects the nominal amount of waqf cash that exist
	R11	Misprint of brochures/vouchers	<5 times	Affects credibility of the institution
	R12	Brochures/vouchers that are overprinted in Quantity	<5 times	Brochures will be redundant and wasted, affecting credibility of the institution
Government Policy Risks	R13	Regulatory policy (BWI) Feeling Slow	<5 times	Affects performance on Waqf Institution
	R14	Indonesia's political and economic instability	<5 times	Affects the intensity of public participation in waqf contributions
	R15	The government is not ready with the waqf database	20-50 times	Affecting the performance of waqf institutions, and affecting public literacy about waqf
Program Development Risks	R16	The presence of LKSPWU is precisely becoming a Competitor in Waqf Funding	<5 times	Affects the number of Waqf funds collected
	R17	Lack of ideas for developing programs waqf	<5 times	Inhibition of program implementation
	R18	Small operational costs program	11-20 times	Affects performance Waqf Manager
	R19	There is no flagship waqf program	<5 times	People who want to waqf in institutions have been reduced
	R20	Lack of communication between program coordinators with waqf managers	11-20 times	Affecting the performance of waqf management
IT Technology Risks	R21	Lack of consistency in waqf asset supervision managed	5-10 times	Waqf becomes less manageable
	R22	PC crash (lag)	11-20 times	Hinders the administrative process of waqf management.
	R23	Device not installed anti-virus	<5 times	Hindering management administration waqf
	R24	Slow internet network quality	11-20 times	Inhibit Waqf Management Administration
	R25	An error occurred on the website	<5 times	The information conveyed to the public is not maximum
	R26	Website-based waqf media is still complicated	<5 times	The information conveyed to the public is not maximum
Human Resources and Nazir (Waqf Manager) Risks	R27	Software and applications are not original	5-10 times	Affects the credibility of the institution waqf
	R28	Overlapping organizational structure	5-10 times	Management performance Waqf becomes unfocused and maximum
	R29	A perfunctory restructuring	<5 times	Management performance waqf becomes unfocused and maximum

	R30	Position placement not suitable for membership	5-10 times	Manager's performance not being optimal
	R31	No HR development training/ Upgrading SDM	<5 times	Waqf operations are not optimal
	R32	Human resource welfare does not Sufficient	<5 times	Manager's performance Not being optimal
	R33	Difficult to find human resources Competent Waqf Manager	>50 times	Development performance Waqf is not optimal
Trust and Reputation Risks	R34	There are few qualified human resources in the field of waqf	11-20 times	Waqf management less developed and developing
	R35	Absence of reporting waqf funds that are managed periodically	<5 times	Affects reputation waqf institutions in the eyes of the public
	R36	The untrustworthy Nazir (cheating)	<5 times	Affects the reputation of the waqf institution in the eyes of the public
	R37	Unclear SOPs in managing waqf	11-20 times	Affects Waqf Management Operations
	R38	Slow response nazir to public complaints	<5 times	Affects reputation waqf institutions in the eyes of the public
	R39	Nazhir is unresponsive to suggestions/input from the public	<5 times	Affects the reputation of the waqf institution in the eyes of the public
Volunteer Risks	R40	Waqf institutions are still Using a conventional bank account	>50 times	Affects reputation of Waqf institutions in the eyes of the public
	R41	There is no standardization of good volunteer governance (Good Volunteer Governance)	<5 times	Affect waqf management operations
	R42	Limited quality volunteers	<5 times	Affect management operations waqf
Literacy Risks	R43	Misscommunication between volunteers and DT Peduli management	<5 times	Affect on Waqf Management Operations
	R44	The public does not understand about Waqf	>50 times	Affect the program waqf implemented
	R45	The Waqf campaign is not yet active	11-20 times	Affecting the equitable distribution of literacy waqf
	R46	Waqf media content is not attracting interest in waqf	<5 times	Affect the program waqf implemented
	R47	Waqf media content design monotonous	<5 times	Affect the program waqf implemented
	R48	There is no waqf socialization program to public	<5 times	Influencing the waqf literacy of the public

Source: Primary data (processed)

4.3 Risk Measurement and Mapping Risk Assessment

Risk assessment at Wakaf DT Jakarta was conducted through interviews with the Head of the DT Peduli Jakarta branch and the Waqf Division directly responsible for managing cash waqf. The previously identified risks were assessed using two parameters: the likelihood of occurrence within a year and the potential impact. Each risk was then assigned a score based on predefined risk measurement indicators. The probability score and impact score were multiplied to obtain a total risk score. These total scores were subsequently categorized into four levels of risk severity as follows:

- a) Negligible – risks with a score of 1–2
- b) Acceptable – risks with a score of 3–4
- c) Undesirable – risks with a score of 5–12
- d) Unacceptable – risks with a score above 12

The results of the multiplication between the probability of risk occurrence and its impact, along with the corresponding risk levels at Wakaf DT Jakarta, are presented in Table 6 below.

Table 6. Risk Classification

Risk Group	Risk Number	Risk Description	Score P	Score I	Total Score (P×I)	Level Risk
Funds/ Cash Waqf Risks	R1	Cash is damaged (torn, shattered, mesh)	4	2	8	<i>undesirable</i>
	R2	Occurrence of natural disasters (floods, landslides, earthquakes)	1	4	4	<i>acceptable</i>
	R3	Assets that are waqf derived from money laundering	1	5	5	<i>undesirable</i>
	R4	Waqf cash comes from Conventional Stock Dividends	1	5	5	<i>undesirable</i>
	R5	Waqf cash comes from Conventional Bank Interest	1	5	5	<i>undesirable</i>
	R6	Assets that are waqf Mixed with Non-Halal Assets	1	5	5	<i>undesirable</i>
	R7	Waqf funds are lost when deposited	1	4	4	<i>acceptable</i>
	R8	Waqf funds are not safe Because the bank where the waqf funds are stored liquidated	1	5	5	<i>undesirable</i>
Administra tive Risks	R9	Waqf Accounting Is Not in Accordance with PSAK Waqf Accounting Standards 112	3	4	12	<i>undesirable</i>
	R10	Risk of incorrect input of nominal waqf cash on the computer	1	4	4	<i>acceptable</i>
	R11	Misprint of brochures/vouchers	1	2	2	<i>negligible</i>
	R12	Brochures/vouchers that are overprinted in Quantity	1	2	2	<i>negligible</i>
Governme nt Policy Risks	R13	Regulatory policy (BWI) feeling Slow	1	4	4	<i>acceptable</i>
	R14	Indonesia's political and economic instability	1	4	4	<i>acceptable</i>
	R15	The government is not ready with the waqf database	4	1	4	<i>acceptable</i>
Program Developm ent Risks	R16	The presence of LKSPWU is precisely becoming a Competitor in Waqf Funding	1	1	1	<i>negligible</i>
	R17	Lack of ideas for developing programs waqf	1	3	3	<i>acceptable</i>
	R18	Small operational costs program	3	4	12	<i>undesirable</i>
	R19	There is no flagship waqf program	1	4	4	<i>acceptable</i>
	R20	Lack of communication between program coordinators with waqf managers	3	3	9	<i>undesirable</i>
IT Technolog y Risks	R21	Lack of consistency in waqf asset supervision managed	1	4	4	<i>acceptable</i>
	R22	PC crash (lag)	3	2	6	<i>undesirable</i>
	R23	Device not installed anti-virus	1	3	3	<i>acceptable</i>
	R24	Slow internet network quality	3	1	3	<i>acceptable</i>
	R25	An error occurred on the website	1	1	1	<i>negligible</i>
	R26	Website-based waqf media is still complicated	1	1	1	<i>negligible</i>

Human Resources and Nazir (Waqf Manager) Risks	R27	Software and applications are not original	2	1	2	<i>negligible</i>
	R28	Overlapping organizational structure	2	2	4	<i>acceptable</i>
	R29	A perfunctory restructuring	1	3	3	<i>acceptable</i>
	R30	Position placement Not suitable for membership	2	1	2	<i>negligible</i>
	R31	No HR development training/ Upgrading SDM	1	3	3	<i>acceptable</i>
	R32	Human resource welfare does not Sufficient	1	3	3	<i>acceptable</i>
	R33	Difficult to find human resources Competent Waqf Manager	5	4	20	<i>unacceptable</i>
Trust and Reputation Risks	R34	There are few qualified human resources in the field of waqf	3	3	9	<i>undesirable</i>
	R35	Absence of reporting Waqf funds that are managed periodically	1	5	5	<i>undesirable</i>
	R36	The untrustworthy Nazir (cheating)	1	4	4	<i>acceptable</i>
	R37	Unclear SOPs in managing waqf	2	3	6	<i>undesirable</i>
	R38	Slow response nazir to public complaints	1	3	3	<i>acceptable</i>
	R39	Nazhir is unresponsive to suggestions/input from the public	1	3	3	<i>acceptable</i>
Volunteer Risks	R40	Waqf institutions are still Using a conventional bank account	5	5	25	<i>unacceptable</i>
	R41	There is no standardization of good volunteer governance (Good Volunteer Governance)	1	3	3	<i>acceptable</i>
	R42	Limited quality volunteers	1	3	3	<i>acceptable</i>
Literacy Risks	R43	Misscommunication between volunteers and DT Peduli management	1	3	3	<i>acceptable</i>
	R44	The public does not understand about Waqf	5	5	25	<i>unacceptable</i>
	R45	Waqf campaign is not yet active	3	4	12	<i>undesirable</i>
	R46	Waqf media content is not attracting interest in waqf	1	3	3	<i>acceptable</i>
	R47	Waqf media content design monotonous	1	3	3	<i>acceptable</i>
	R48	There is no waqf socialization program to public	1	4	4	<i>acceptable</i>

Source: Primary data (processed)

Based on the risk classification results above, the cash waqf management activities revealed 13 risks categorized as negligible, 24 risks as acceptable, 8 risks as undesirable, and 3 risks as unacceptable. After classification, these risks were then mapped according to their respective risk levels. The risk mapping is grouped into four levels negligible, acceptable, undesirable, and unacceptable as proposed by Godfrey (1996). This risk mapping is presented to facilitate the identification of the most critical risks that require immediate attention. The mapping is constructed by plotting each risk's impact score and probability score, with the x-axis representing the level of risk impact, and the y-axis indicating the probability level of the risk.

Table 7. Risk Mapping

		Impact					
		Catastrophic	Critical	Serious	Marginal	Negligible	
		5	4	3	2	1	
Probability	Frequent	5	25 <i>Unacceptable</i> R40, R44	20 <i>Unacceptable</i>	15 <i>unacceptable</i>	10 <i>undesirable</i>	5 <i>Undesirable</i>

	Probable	4	20 <i>Unacceptable</i> R33	16 <i>unacceptable</i>	12 <i>Undesirable</i>	8 <i>Undesirable</i>	4 <i>Acceptable</i> (R2, R7, R10, R13, R14)
	Occasional	3	15 <i>unacceptable</i>	12 <i>Undesirable</i> R9, R18, R45	9 <i>Undesirable</i> R20, R34	6 <i>Undesirable</i> R22, R37	3 <i>Acceptable</i> R17, R23, R24, R29, R31, R32,
	Remote	2	10 <i>undesirable</i>	8 <i>Undesirable</i> R1	6 <i>undesirable</i>	4 <i>Acceptable</i> R15,R19,R21,R28, R36, R48	2 <i>Negligible</i> (R11,R12, R27,R30)
	Improbable	1	5 <i>Undesirable</i> R3, R4, R5, R6, R8, R35	4 <i>acceptable</i>	3 <i>Acceptable</i> R38, R39, R41, R42, R43, R46, R47	2 <i>Negligible</i>	1 <i>Negligible</i> (R16, R25, R26)

Source : Primary data (processed)

The table above presents a risk mapping with four different levels of risk. The explanation for each risk, according to its classification level, is as follows:

a. Negligible Level

Risks categorized under this level include misprinted brochures/vouchers, overproduction of brochures/vouchers, the presence of LKSPWU becoming a competitor in waqf fundraising, website errors, complexity in website-based waqf platforms, and the use of non-original software or applications. In total, six risks fall under the negligible category. These risks are considered negligible because they occur infrequently and, when they do occur, their impact is relatively minor and can be managed through regular maintenance and corrective measures.

b. Acceptable Level

Risks classified as acceptable include errors in inputting the nominal amount of cash waqf into the computer system, slow internet connectivity, monotonous media content design, and 22 other risks that fall within an acceptable range. When risks at this level materialize, operational activities can still continue, although minor disruptions may occur. These risks are still considered manageable and within the organization's tolerance threshold.

c. Undesirable Level

There are 14 risks classified as undesirable, including damaged cash (torn, destroyed, perforated), waqf assets originating from money laundering activities, cash waqf sourced from conventional stock dividends, cash waqf from interest from conventional banks, waqf assets mixed with non-halal funds, and waqf funds being at risk due to bank liquidation, among others. One of the most critical risks at this level is the limited availability of qualified human resources (SDM) in the field of waqf. This risk is considered to have a significant influence on the development of waqf management at DT Peduli Jakarta. Indeed, the advancement of waqf is highly dependent on the professionalism of the nazir (waqf managers). This aligns with the study on cash waqf by Haura (2015) in Kuncorowati (2018), which states that strategic factors in cash waqf management are strongly influenced by both internal and external factors—namely accountability, product offerings, and the quality of nazir (internal), as well as regulation, public awareness, and demographics (external).

d. Unacceptable Level

At the highest level, the risks classified as unacceptable include difficulties in finding competent waqf management personnel, the waqf institution's continued use of conventional bank accounts, and the lack of public understanding

about waqf. These three risks are considered to have the highest impact values, which places them in the unacceptable category.

4.4 Risk Response and Mitigation

Risk Response

According to Flagan and Norman (1993) in Kuncorowati (2018), to determine the response to risk can be divided into four levels, namely:

Table 8. Risk response

Category	Level risk	Response
Extreme	Unacceptable	Risk <i>removal</i>
High	Undesirable	Risk <i>avoidance</i>
Medium	Acceptable	Risk <i>reduction</i>
Low	Negligible	Risk <i>acceptable</i>

In this context, the response to risks classified as negligible is to accept the risk, with no further action required, as such risks do not pose significant problems. Next, risks in the acceptable category may also be accepted, but with proper risk management measures in place. Risks categorized as undesirable should be avoided, while risks in the unacceptable category are intolerable and must be eliminated. The responses and mitigation strategies for several risks classified as undesirable and unacceptable at DT Peduli Jakarta are presented in table 9 below.

Risk Number	Risk description	Risk Level	Response risk	Risk Mitigation
R1	Damaged cash (torn, crushed, hollow)	<i>undesirable</i>	<i>Avoid</i>	Visiting the bank to exchange the damaged money, provided that the damaged money is in a large amount.
R3	The assets that are waqf come from the proceeds Money laundering	<i>undesirable</i>	<i>Avoid</i>	Ask directly to the wakif regarding the clarity of the money waqf and Stay Mindful
R4	Waqf cash comes from conventional stock dividends	<i>undesirable</i>	<i>Avoid</i>	Ask directly to the wakif regarding the clarity of the money waqf and Stay Mindful
R5	Waqf cash comes from conventional bank interest	<i>undesirable</i>	<i>Avoid</i>	Ask directly to the wakif regarding the clarity of the money waqf and Stay Mindful
R6	Property That Is Sold With Non-Commercial Property	<i>undesirable</i>	<i>Avoid</i>	Ask directly to the wakif regarding the clarity of the money waqf and Stay Mindful

R8	Waqf funds are not safe because the bank where they store waqf funds Liquidated	<i>undesirable</i>	<i>Avoid</i>	Storing funds in state-owned banks guaranteed by LPS
R9	Recording Waqf does not conform to Waqf Accounting Standards PSAK 112	<i>undesirable</i>	<i>avoid</i>	Learning standardization waqf accounting and make it a guideline for Waqf Administration in institution
R18	Small cost Program Operations	<i>undesirable</i>	<i>Avoid</i>	Increasing waqf programs Productive
R20	Lack of communication between the program coordinator and the manager waqf	<i>undesirable</i>	<i>avoid</i>	Make good SOPs and implement them together consistently
R22	PC crash (lag)	<i>undesirable</i>	<i>Avoid</i>	Regular maintenance and or buy a new PC
R33	It is difficult to find human resources to manage waqf Competent	<i>unacceptable</i>	<i>remove</i>	Hiring professionals from other institutions
R34	Quality human resources in the field of waqf little	<i>undesirable</i>	<i>avoid</i>	Conduct training and Human resource development/ Upgrading human resources periodically
R35	Absence of reporting of waqf funds managed by periodik	<i>undesirable</i>	<i>Avoid</i>	Require institutions to always be transparent and accountable for the use of funds Ummah
R37	Unclear SOPs in managing waqf	<i>undesirable</i>	<i>Avoid</i>	Conducting SOP control in the field
R40	Waqf institutions still use conventional bank accounts	<i>unacceptable</i>	<i>Remove</i>	Moving to an Islamic bank account, a conventional bank is just passing through and does not become a deposited money account
R44	The community does not understand waqf	<i>unacceptable</i>	<i>Remove</i>	Massively the waqf socialization program, create an elegant way of socialization, and endorse public figures
R45	Waqf campaign is not yet active	<i>undesirable</i>	<i>Avoid</i>	Reactivating the waqf socialization program consistently

5. Conclusion

The cash waqf management activities at DT Peduli Jakarta are exposed to several waqf-related risks. The identification results discussed in the previous chapter reveal that there are 48 risks identified in the cash waqf management process. These risks are classified into eight risk categories: 8 risks related to waqf funds, 4 administrative risks, 4 government policy risks, 5 program development risks, 6 technology-related risks, 7 human resources and nazhir risks, 6 trust/reputation risks, 3 volunteer-related risks, and 5 literacy-related risks.

The risk assessment results generated a risk mapping with the following composition: 6 risks fall into the negligible category, 25 risks into acceptable, 14 risks into undesirable, and 3 risks into the unacceptable category. The risk mitigation efforts undertaken by DT Peduli Jakarta focus only on the undesirable and unacceptable risk categories, as these pose long-term impacts that could affect the organization's objectives if not properly addressed.

This study is not without limitations. It was conducted using data specific to DT Peduli Jakarta and may not fully represent the risk dynamics of cash waqf management in other institutions or regions. Additionally, the study focused primarily on risk identification and classification, and did not include a quantitative assessment of the effectiveness of each

mitigation strategy.

Future studies are encouraged to explore the effectiveness of specific mitigation strategies applied in cash waqf institutions and to expand the scope by comparing risk management practices across different waqf institutions or regions. Quantitative models such as risk impact analysis, financial loss estimation, or simulation-based methods may also be employed to provide deeper insights into risk dynamics and mitigation outcomes.

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