

## Accountability and Transparency Model of Zakah Institution in Indonesia

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Paper to be presented at the 5<sup>th</sup> International Conference of Zakat (ICONZ)  
22-23 November 2021, Jakarta, Indonesia

### ABSTRACT

*The purpose of this study was to determine how to assess accountability and transparency in improving organization performance and public trust. This research was conducted at Zakah Institution, which is one of the best LAZISMUs (Zakah institution) in Indonesia. The number of samples 42 which produces panel data is 71. By testing using the regression model, it is found that the accountability variable is not significant when it comes to financial performance, on the other hand, the transparent variable has a significant effect on performance, while both have significant results when tested on public trust. After entering the performance variables in the model of the obtained results that accountability and performance have a significant influence will but transparency becomes insignificant. Including the performance intervening variable is a new model that has not been previously researched. This shows that the financial performance variable influences public trust. However, all models will have a significant effect when tested together.*

*Keywords: Model, accountability, transparency, organization performance, public trust.*

### BACKGROUND

Accountability and transparency are crucial nowadays because accountability is essential to gain public trust, especially for Non-Profit Organizations (NPO). NPO organizations consist of NGOs (Non-Governmental Organizations) and government organizations. Muhammadiyah (Ones of Islamic Organisation in Indonesia) is part of the Indonesian NPO organization. This Non-Governmental Organization has several social fields, one of which is called Amal Usaha Muhammadiyah (AUM, Alliance organization under Muhammadiyah, Part of Muhammadiyah institution). Currently, Muhammadiyah has an AUM of 22,561. The total amount of the assets of the charity business if capitalized becomes a very large asset. But until now the AUM does not have uniform reporting so it is very difficult to capitalize assets by Muhammadiyah.

Transparency and accountability are always connected. Accountability and transparency play an important role in increasing public trust. Accountability and transparency are also a necessity to be accountable for funds, services, and policies in doing public charity. And because one of Muhammadiyah's activities is also to raise funds and does social charity, made accountability and transparency are also a necessity. In a study conducted by Ebrahim (2003), the role of accountability in running the NFP organization is important, and accountability will increase public trust. Kilby (2005) examines that the accountability of women's NGOs in India makes the performance of NGOs more effective.

There is an accounting standard issued by the IAI (Indonesian Institute of Accountants) related to Standard number 109 which contains the Accounting Standards at the Amil Zakat Institution

issued in 2017. This is a guideline for zakat management organizations in recording, recognizing, and measuring in carrying out Amil transactions. Zakah institution of Central Java (Zakah Institution) one of Amil Zakat Institution, subsidiary to Muhammadiyah, is also obliged to comply with the new standards issued by the IAI.

This study aims to determine the accountability and transparency assessment Zakah institution Jawa Tengah on public trust with financial performance as an intervening variable. This research also wants to test the accountability and transparency models that exist in the Amil Zakat Institution.

## STATE OF THE ART

### *Accountability Concept*

The definition of accountability according to the GASB (Governmental Accounting Standards Board) (Patton, 1992) is to make obligations as an act to justify what has been done. The concept of accountability can be seen in accounting (bookkeeping), public administration, education, the scientific environment (science), health and political science literature.

The concept of accountability in Potton (1992) is:

- 1) Only reporting and Explanation. Accountability can be implied simply as financial reporting then how to explain the report.
- 2) Implications of rewards and punishments, rewards and punishments do not have direct implications but using the information will provide rewards and punishments to financial report presenters related to accountability.
- 3) Presenter (accountor) and user (accountee) relationship. Because the presenter's jobs (accountoor) include affairs that are accountable because it uses calculations, and which can increase the accountability itself.

- 4) Who uses the accountability? What requires accountability are individuals, offices & organizations, especially government departments.

In his research, Ebrahim (2003) noted several things to assess the accountability of non-profit organizations. Large non-profit organizations will pay dearly for accountability in increasing the trust of donors, to assess organization image or pressure from regulators regarding public services that have been done and related to tax issues. Accountability needs include for whom and how accountability can be created. Accountability is necessary for parties that include members of the organization, organizational services, policy advocacy networks. And for what accountability according to him accountability for finance, government, performance, and mission (Behn 2001 in Ebrahim, 2003).

According to Ebrahim and Weisband (2007), there are four components of accountability: 1). Transparency, namely collecting information and making it easily accessible, available and with in-depth research 2). Answers and justifications, preparing the reasons for the actions and policies taken as the best answers, 3). Compliance, through monitoring and evaluation related to procedures and outcomes, by combining the transparency found, 4). Enforcement and sanctions regarding lack of compliance, justification, or transparency. Ebrahim and Weisband (2007) define transparency as part of accountability. Moreover, research by Hariadi and Pamungkas (2016) could not define transparency, accountability, and responsibility separately. Koppel in Boven (2016) defines the difference between accountability, transparency, obligation, supervision, and accountability in different concepts. Dan Boven (2016) leaning on accountability as public spending by public institutions and classify accountability from an accounting reporting perspective. According to Bovens, transparency and

accountability are two words that are often considered the same. Transparency and public openness are important when we want an accountable organization. Transparency must have published reports and even need to be given access to a public debate on this matter.

#### *Definition of Transparency*

Mardiasmo (2002) provides an understanding of public transparency as the maximum possible effort so that all policies are always communicated to the people. Organizations must strive to always provide the information needed by the public, with the hope that the public can participate in development. Transparency and openness mean that decisions made and implemented are carried out in ways that follow the rules or regulations applied by the institution. The principle of transparency means that all government administrators must be open to the general public, both in decision making and policy formulation as well as in their implementation and supervision, especially everyone related to a decision needs to have access to the information needed (Pieris and Nizam, 2008 in). So, transparency, in this case, means communicating policies to the public openly, people can freely access information. According to research conducted by Rahayu (2005), transparency has the construct of openness, there is sufficient information that is easy to understand and easy to evaluate.

#### *Zakah Institution (LAZISMU)*

The mission of Zakah institution is the creation of quality socio-economic life of the people as a bulwark against the problems of poverty, underdevelopment, and ignorance in society through various programs developed by Muhammadiyah. This institution is in synergy with various corporate CSR and synergy with institutions outside Muhammadiyah, zakah institution (LAZISMU) has collaborated with various institutions and the public in

channeling and utilizing Ziswaf funds such as the IWAPI institution, the WIRAMUDA Community, various hobby and professional Communities, and so on.

Zakah institution's (LAZISMU) operating offices are spread across Indonesia, while Regional Offices include: Regional Offices of Central Java, East Java, West Java, East Kalimantan, Lampung, South Sulawesi, Central Kalimantan, Gorontalo, and Bengkulu as well as Nusa Tenggara. And from that region, it has hundreds of Branches and Subdistrict offices throughout Indonesia.

Zakat institution's major program includes three pillars, namely education and health, economics, and humanity, preaching, and social affairs. The education sector emphasizes assistance to educate children throughout Indonesia, for example providing educational scholarships for unfortunate children. The health sector includes assistance in providing health facilities and infrastructure for the poor. In the economic sector, for example, it is used for economic empowerment assistance for the poor and needy, so that economic empowerment is carried out to change from being dhuafa (Mustahik) to Muzzaki (people who give zakat). As for humanitarian, da'wah, and social activities, the project will focus on disaster relief, assistance for worship facilities as well as compensation for orphans, and assistance for people with disabilities.

The thing that must be considered by zakat managers is how to continuously report the acquisition and use of the funds that have been obtained so that the public can trust the Amil institution as a trustworthy organization and target it according to the mandate given by the public. For this reason, Zakat institution has a team of financial auditors from the headquarter. So that financial accountability can be maintained properly.

*Definition of NGO (Not Government Organization) or NGO (Non-Governmental Organization)*

NGOs according to Leat (1988) are voluntary organizations, namely organizations that are independent and flexible, and what is very important is related to accountability, to make them achievers without disturbing independence and flexibility. According to Martens (2002), NGOs are independent and formal social organizations whose main goal is to achieve current goals both at the national and international levels. Muhammadiyah is a public organization that can be categorized as a non-governmental organization or what is often called a non-governmental organization. Whereas in Indonesia, NGO legal entities can be foundations as regulated in Law No. 28 of 2014.

CA Tilt (2007) states that LSM or NGOs are institutions that need better accountability so that there are no problems with monitoring and the position of NGOs in the public. And defines accountability based on Grey's opinion, namely providing financial/accounting information.

#### SUPPORTING RESEARCH

In his research, Ebrahim (2003) noted that accountability can increase the trust of donors. Lawrence and Nezhad (2009) examined transparency, accountability, and cooption of government towards NGOs. They analyzed four international NGOs in implementing accountability and transparency. They show different methods of demonstrating accountability and transparency and in this case, an attack of methods is needed to show accountability and transparency.

Kilby (2005) examined that the accountability of women's NGOs in India has the advantage of accountability is the more effective NGOs are in empowering the marginalized and the poor. And when

accountability decreases, NGOs have a very big influence on the empowerment capacity that is carried out. Or in other words, a decrease in accountability affects the decline in NGO performance.

Safrizal (2015) examines the relationship between accountability and transparency on muzakki trust and the results show that accountability and transparency affect muzakki trust. Accountability, transparency, and trust in muzakki positively influence the desire to pay zakat, the level of trust of muzakki mediates the effect of accountability on the desire to pay zakat partially, the level of muzakki confidence mediates the effect of transparency on the desire to pay taxes partially. Meanwhile, according to research conducted by Rahmawati (2013), it was found that the accountability and transparency of local government influenced public satisfaction and trust. Hanafi (2015) transparency and accountability in the Surakarta Mosque raise a sense of public trust.

Much of the research related to accountability and transparency is linked to financial performance, however, the average is associated with local government finances. Riswanto (2016) examines the accountability and transparency of regional financial management which has a positive effect on the performance of the Jember Regency Regional Government. In line with this research has also been conducted by Muljo et al. (2014), Anugriani (2013). Setyawan (2015) examines the relationship between accountability and transparency on school productivity in the Magelang area and the result is that there is a positive influence between accountability and transparency on productivity. Putra (2014), results in a study of the existence of a positive influence between accountability, transparency, and public participation on service performance in West Pasaman Regency.

Wahyuni-TD, I. S., Haron, H., & Fernando, Y. (2021) in the research result

find that good governance whose elements consist of accountability and transparency can improve the performance of zakat institutions in Indonesia. A good governance organisation is an institution that is accountable, transparent and fair. These principles are important to ensure the achievement of goals and objectives of in organisations (Wahab, N. A., & Rahman, A. R. A., 2011). According to Greg Rooney, the implementation of accountability and transparency in public organizations (in Hamid, 2004) has not been given good attention. Research on accountability and transparency in NGOs was also carried out by Pamungkas and Hariadi (2016), that NGOs have good transparency and accountability. Likewise, this was stated in the results of Putri's (2013) or Auditya's (2013) research. However, according to research by Hafidh (2008), the accountability of NGOs is inadequate. And the cause of these differences is the absence of adequate standards in the performance and operational research of non-governmental organizations (Pamungkas and Hariadi, 2016). Gray et.al. (2005), argued that there is an implication that the more accountable and transparent NGOs are very important because this will make NGOs better, although the introduction of accountability in the sense of properly accounting is very difficult to do.

The research was conducted by Yang, Y., Brennan, I., & Wilkinson, M. (2014), who took a sample of charity institutions in the UK which resulted in the finding that the importance of increasing public trust through improved financial performance, on the other hand, is related to the effect of performance on financial performance. trust was carried out by Salim, M., Peng, X., Almakary, S., & Karmoshi, S. (2017). This research was conducted in Yemen by examining the performance of the Yemeni government towards the trust of the Yemeni people, the result is that the government's performance has a positive influence on public trust.

## RESEARCH METHODOLOGY

This study is a study to test the causal type of hypothesis. With the multiple regression method through SPSS, it will help to answer the hypothetical questions posed. Before testing the hypothesis, the researcher tested the reliability and validity as well as the classical assumptions, as a prerequisite for the regression test. The population of this study is AUM of Financial Institutions in Indonesia. Given the large population, researchers took part of it as a sample. A sample is defined as a subset of the population or selected members of the population. Thus, not all of the population elements come from the sample (Sekaran & Bougie, 2011). Researchers will take 35 Zakah institution in Central Java Province with the sampling system is a purposive sampling method,

### *Regression Equations*

In this study, there are several equations, which are used to analyze the model. Among them are the following:

$$Y_{ko} = a + b_1.X_a + e \dots \dots \dots (1)$$

$$Y_{ko} = a + b_2.X_t + e \dots \dots \dots (2)$$

$$Y_{ko} = a + b_1.X_a + b_2.X_t + e \dots \dots (3)$$

$$Y_{km} = a + b_3.X_a + e \dots \dots \dots (4)$$

$$Y_{km} = a + b_4.X_t + e \dots \dots \dots (5)$$

$$Y_{km} = a + b_3.X_a + b_4.X_t + e \dots (6)$$

$$Y_{km1} = a + b_3.X_{a1} + e \dots \dots \dots (7)$$

$$Y_{km1} = a + b_3.X_{t1} + e \dots \dots \dots (8)$$

$$Y_{km} = a + b_3.(X_a.X_t) + e \dots \dots (9)$$

$$Y_{km} = a + b_3.X_a + b_4.X_t + b_5.(X_a.X_t) + e \dots \dots \dots (10)$$

Where:

$Y_{ko}$  = Organizational Performance

$Y_{km}$  = Public Trust

$a$  = constant,  $Y_{ko}$  /  $Y_{km}$  intercept, the value of  $Y_{ko}$  /  $Y_{km}$  when  $X_a$  and  $X_t$ , is 0 (zero).

- b1 = Yko's net change for each change in Xa assuming Xa is constant.
- b2 = Yko's net change for each change in Xt assuming Xt is constant.
- b3 = the net change Ykm for each change in Xa assuming Xa is constant.
- b4 = net change Ykm for each change in Xt assuming Xt is constant.
- b5 = net change Ykm for each change (Xa, Xt) assuming Xa and Xt constant.
- Xa = Accountability
- Xt = Transparency

- Ha4 : There is a positive and significant influence between accountability on public trust partially
- Ha5 : Partially there is a positive and significant influence between transparency on public trust.
- Ha6 : There is a positive and significant influence between accountability and transparency on public mutual trust
- Ha7 : there is a positive and significant influence between accountability on public trust partially by including the performance variable as an intervening variable.
- Ha8 : there is a positive and significant influence between transparency on public trust partially by including the performance variable as an intervening variable.
- Ha9 : There is a positive and significant influence between performance on public trust partially.
- Ha10 : there is a positive and significant influence between accountability, transparency, and performance together on society's trust

Based on the above theory, the following hypothesis can be made:

- Ha1 : Partially there is a positive and significant influence between transparency on society's performance
- Ha2 : There is a partially positive and significant influence between accountability on performance
- Ha3 : There is a positive and significant influence between accountability and transparency on performance together

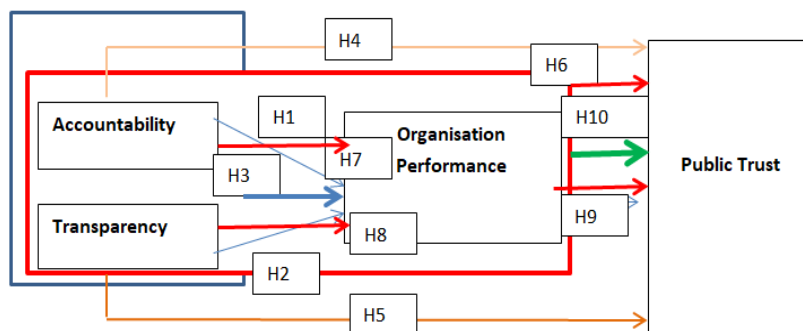


Figure 2. Research Model

RESULT

The questionnaire was distributed by Zakah Institution to all members who at that time conducted the Financial Report Recording

and AUDIT Training on 23-24 October 2019, in this case, the administrators who filled out the questionnaire were those who attended the training event, and the results were as follows:

Table 1. Recapitulation of Questionnaire Collection Results

Zakat Institution Jateng members	Questioner Distribution	The number of Years	Compiled Questioner	Filled part of Questioner	Not Reponses	Data ready for processed
42	42	3	39	7	3	71

Zakah Institution (LAZISMU) Members Questionnaires distributed Number of years of questions Questionnaires returned Questionnaires filled in part of years Questionnaires that are not responded to Data that can be processed.

Of all the questionnaires that have been collected and sorted out the feasibility, 39 data were obtained from the respondents from 2016 to 2018, but from these data, there are 3 zakah institutions who did not return it. And the total data that can be used is 71 data.

After the classical assumption test is carried out, the data is entirely fulfilling the classical assumption test so that regression testing can be done to answer the hypothesis that has been presented.

In the test, three major equation models will be displayed, namely equation models 3, 6, and 10. The test results using SPSS 25.0 are as follows:

Equation 3

$$Y_{ko} = a + b_1.X_a + b_2.X_t + e \dots (3)$$

By using  $\alpha = 5\%$ , the results of the regression analysis of the SPSS program after the classical assumption test can be presented in the following table.

Table 2. Summary of Regression Analysis Results

Variabel	Koefisien Regresi (Beta)	t	significanc y	Explain
Konstanta	0,978	3,908	0,000	significant
Accountabilit y	0,082	0,709	0,480	Not significant
Transparency	0,424	3,701	0,000	significant

Dependent of performance,  $\alpha = 5\%$   $F = 12,771$  ( $.0,000$ )  $R = 52,3\%$   $R^2 = 27,3\%$

It can be seen that of the three independent variables included in the

regression test, all are significant. This can be seen from the significance of the accountability and transparency variables valued at 0.480 and 0.000, the accountability variable has a value higher than 0.05 (PV) while transparency has a lower value than PV. So it can be concluded that financial performance is influenced by the independent variable of transparency, while the accountability variable does not have a significant effect.

The regression equation for this research can be stated by:

$$Y = 0.978 + 0.82.X_1 + 0.424.X_2 + e$$

This equation can be interpreted as follows.

- 1) The constant of 0.978 means that in the state of the predictor variable = 0, the level of performance is constant at 0.978.
- 2) Multiple linear regression coefficients for the variable accountability by 0,82 showed that every additional accountability will raise the performance of 0.82 assuming other independent variables fixed (ceteris paribus).
- 3) The multiple linear regression coefficients for the transparency variable is 0.424, indicating that any transparency that is done will increase the performance by 0.424 with the assumption that the other independent variables are fixed (ceteris paribus).

The criteria for rejecting or not rejecting  $H_0$  are: seeing the significance if it is less than 0.05, then  $H_0$  is rejected. And vice versa, if the significance is greater than 0.05, then  $H_0$  cannot be rejected. From the results of the table above, it can be seen at  $\alpha = 5\%$ ,  $F = 12,771$  with a significance value of 0,000. Because the significance of  $F$  is less than 0.05, it can be concluded that

at  $\alpha = 5\%$   $H_0$  is rejected. The assumption is that together the two independent variables above affect the performance of the taxpayer.

Table 4.11 Based on the above-obtained value correlation coefficient (R) of 52,3 %. This shows that there is a strong relationship between performance on the independent variable (the limit used is 0,5, or 50%) (Santoso, 2002: 167) or the independent variable affects the dependent variable with a positive correlation direction. Because more than two variables are then used Adjusted R Square with a

value of 27,3 %. And it can be concluded that the independent variable is only able to explain the effect on the performance variable by 27,3 %. Thus, it can be concluded that this research model is more influenced by factors beyond the research that is equal to 72,7 %.

Equation 6

$$Y_{km} = a + b_3.X_a + b_4.X_t + e \dots (6)$$

By using  $\alpha = 5\%$ , the results of the regression analysis of the SPSS program after the classical assumption test can be presented in the following table.

Table 3. Summary of Regression Analysis Results

<i>Variabel</i>	<i>Koefisien Regresi (Beta)</i>	<i>t</i>	<i>Significancy</i>	<i>Explain</i>
<i>Konstanta</i>	<i>1,153</i>	<i>4,974</i>	<i>0,000</i>	<i>Significant</i>
<i>Accountability</i>	<i>0,320</i>	<i>2,970</i>	<i>0,004</i>	<i>Significant</i>
<i>Transparency</i>	<i>0,317</i>	<i>2,988</i>	<i>0,004</i>	<i>Significant</i>

Dependent on trust,  $\alpha = 5\%$   $F = 20,708$  ( $.0,000$ )  $R = 61,5\%$   $R^2 = 37,9\%$

It can be seen that of the three independent variables included in the regression test, all are significant. This can be seen from the significance that exists in the accountability and transparency variables, respectively, with a value of 0.004 and 0.004, the accountability variable and the transparency variable have a value smaller than 0.05 (PV). So it can be concluded that trust is influenced by the independent variable accountability and the transparency variable.

The regression equation for this research can be stated by:

$$Y = 1.153 + 0.320.X_a + 0.317.X_t + e$$

This equation can be interpreted as follows.

1. A constant of 1.153 means that in the state of the predictor variable = 0, the level of performance is constant at 1.153.
2. The multiple linear regression coefficients for the accountability variable is 0.320 indicating that each additional accountability will increase the performance by 0.320 with the assumption that the other

independent variables are fixed (ceteris paribus).

3. The multiple linear regression coefficients for the transparency variable is 0.317 indicating that any transparency that is done will increase the performance by 0.317 with the assumption that the other independent variables are fixed (ceteris paribus).

From the results of the table above, it can be seen at  $\alpha = 5\%$ ,  $F = 20,708$  with a significance value of 0,000. Because the significance of F is less than 0.05, it can be concluded that at  $\alpha = 5\%$   $H_0$  is rejected. The assumption is that together the two independent variables above affect financial performance.

Based on the table above, the correlation coefficient (R) value is 61.5%. This shows that there is a strong relationship between public trust in the independent variable (the limit used is 0,5 or 50%) (Santoso, 2002: 167) or the independent variable affects the dependent variable with a positive correlation direction. Because more than two variables



are then used Adjusted R Square with a value of 37,9 %. And it can be concluded that the independent variable is only able to explain the effect on the trust variable by 37,9 %. Thus, it can be concluded that this research model is more influenced by factors beyond the research that is equal to 62,1 %.

Equation 7

$$Y_{km} = a + b_3.X_a + b_4.X_t + b_5.(X_a.X_t) + e.....(7)$$

By using  $\alpha = 5\%$ , the results of the regression analysis of the SPSS program after the classical assumption test can be presented in the following table.

Table 5. Summary of Regression Analysis Results

<i>Variabel</i>	<i>Koefisien Regresi (Beta)</i>	<i>t</i>	<i>Significancy</i>	<i>Explain</i>
Konstanta	0,870	3,545	0,001	Significant
Accountability	0,296	2,861	0,006	Significant
Transparency	0,194	1,748	0,085	Not Significant
Performance	0,289	2,688	0,009	Significant

Dependent on trust,  $\alpha = 5\%$  F = 17,477 (.0,000) R = 66,3% R2 = 43,9%

It can be seen that of the three independent variables included in the regression test, all are significant. This can be seen from the significance of the accountability and transparency variables as well as the performance of 0.006, 0.085, and 0.009, the accountability and performance variables have a lower value than 0.05 (PV) while transparency has a higher value than PV. So it can be concluded that trust is influenced by the independent variable accountability and performance significantly, while the transparency variable does not have a significant effect.

The regression equation for this research can be stated by:

$$Y = 0.870 + 0.296.X_a + 0.424.X_t + 0.298.(X_a - X_t) + e$$

This equation can be interpreted as follows.

- 1) A constant of 0.870 means that in the state of the predictor variable = 0, the level of performance is constant at 0.870.
- 2) The multiple linear regression coefficients for the accountability variable is 0.296 indicating that each additional accountability will increase confidence by 0.296 assuming the other independent variables remain (ceteris paribus).

- 3) The multiple linear regression coefficients for the transparency variable is 0.424, indicating that every transparency that is done will increase the confidence by 0.424, assuming the other independent variables are fixed (ceteris paribus).
- 4) The multiple linear regression coefficients for the performance variable is 0.424, indicating that each performance will increase the confidence by 0.424, assuming the other independent variables remain (ceteris paribus).

From the results of the table above, it can be seen at  $\alpha = 5\%$ , F = 17.477 with a significance value of 0.000. Because the significance of F is less than 0.05, it can be concluded that at  $\alpha = 5\%$  H0 is rejected. The assumption is that together the three independent variables above affect public trust.

Based on the above table was obtained the correlation coefficient (R) of 66,3 %. This shows that there is a strong relationship between trust in the independent variable (the limit used is 0,5 or 50%) (Santoso, 2002: 167) or the independent variable affects the dependent variable with a positive correlation direction. Because more than two variables are then used Adjusted R Square with a

value of 43,9 %. And it can be concluded that the independent variables are only able to explain the influence of the trust variable by 43,9 %. Thus, it can be concluded that this research model is more influenced by factors beyond the research that is equal to 56,1 %.

## CONCLUSION

In this study, it can be concluded that:

- a) There is no violation of classical assumptions in the previous model.
- b) Hypothesis 1 has been answered, namely with a confidence level of 95%, then accountability has not been implemented properly so it does not have a significant effect on performance, especially in Zakah Institution. This does not match the research conducted by Riswanto (2016), Muljo et al. (2014), Anugriani (2013), Setyawan (2015), Putra (2014), but the research is more directed towards research in the government sector. Several studies link accountability and transparency to the financial performance of Greg Rooney (in Hamid, 2004), Pamungkas and Hariadi (2016), Putri (2013), Auditya (2013). This study match with the results of research by Hafidh (2008) and Gray et.al. (2005), who argued that there is an implication that more accountable and transparent NGOs are very important because this will make NGOs better, although the introduction of accountability in the sense of properly accounting is very difficult to do.
- c) Hypothesis 2, has been answered. With a confidence level of 95%, that transparency has a significant and positive effect. So the more transparent the performance will be improved. This match research conducted by Riswanto (2016), Muljo et al. (2014), Anugriani (2013), Setyawan (2015), Putra (2014), Greg Rooney (in Hamid, 2004), Pamungkas and Hariadi (2016), Putri (2013), Auditya (2013). So, it can be concluded that in the sector of the Amil Zakat Institution, transparency has a positive and significant effect on the performance of Zakah Institution.
- d) Hypothesis 3, has been answered, that accountability and transparency simultaneously have a positive effect on performance. This match with research conducted by Riswanto (2016), Muljo et al. (2014), Anugriani (2013), Setyawan (2015), Putra (2014), Greg Rooney (in Hamid, 2004), Pamungkas and Hariadi (2016), Putri (2013), Auditya (2013). In Equation 3 is the correlation coefficient (R) of 52,3 %. This shows that there is a strong relationship between performance on the independent variables. And the value of Adjusted R Square with a value of 27,3 %, so that it can be concluded that the independent variables can only explain the effect on the variable performance amounted to 27.3%. Thus, it can be concluded that this research model is more influenced by factors beyond the research that is equal to 72,7 %.
- e) Hypothesis 4, has been answered, with a confidence level of 95%, that accountability affects public trust. So, the more adequate accountability, the more public trust will be match research conducted by Kilby (2005), Lawrence and Nezhad (2009), Ebrahim (2003), Safrizal (2015), Rahmawati (2013), Hanafi (2015).
- f) Hypothesis 5 is answered, with a confidence level of 95%, that transparency has a significant and positive effect on public trust. So the more transparent the public trust will be higher, this is matches research conducted by Kilby (2005), Lawrence and Nezhad (2009),

- Ebrahim (2003), Safrizal (2015), Rahmawati (2013), Hanafi (2015).
- g) Hypothesis 6 is answered, assuming alpha 95%, then together the two independent variables of accountability and transparency affect public trust in Zakah Institution, this is matches research conducted by Kilby (2005), Lawrence and Nezhad (2009), Ebrahim (2003), Safrizal (2015), Rahmawati (2013), Hanafi (2015). Meanwhile, when viewed from the determination, the value of the correlation coefficient (R) by 61,5 %. This shows that there is a strong relationship between trust in the independent variable. Adjusted R Square value by 37,9 %. And it can be concluded that the independent variable is only able to explain the effect on the trust variable by 37,9 %. Thus, it can be concluded that this research model is more influenced by factors beyond the research that is equal to 62,1 %.
- h) Hypothesis 7, related that there is a positive and significant influence between accountability on zakah institution's trust partially by including the performance variable as an intervening variable. This is answered by the results with a confidence level of 95, it can be concluded that accountability has a significant and positive effect. So after including the performance variable as an intervening variable, the result is that the zakah institution is more accountable, the higher public trust will be, this is matches research conducted by Kilby (2005), Lawrence and Nezhad (2009), Ebrahim (2003), Safrizal (2015), Rahmawati (2013), Hanafi (2015).
- i) Hypothesis 8, there is a positive and significant influence between transparency on zakah institution's trust partially by including the performance variable as an intervening variable. With a confidence level of 95%, the result is that transparency has not had a significant effect. So the more transparent the public trust is not significantly high, this does not match the research conducted by Kilby (2005), Lawrence and Nezhad (2009), Ebrahim (2003), Safrizal (2015), Rahmawati (2013), and Hanafi (2015). In this study, the results anomaly occurred after entering the performance variable as an intervening variable. This is a novel value from previous research.
- j) Hypothesis 9 is that there is a positive and significant influence between performance on zakah institution's trust partially. With a confidence level of 95%, the results show that performance has a significant and positive effect on public trust. So the better the performance, the higher public trust, this is according to research conducted by Yang, Y., Brennan, I., & Wilkinson, M. (2014), Salim, M., Peng, X., Almakary, S., & Karmoshi, S. (2017)
- k) Hypothesis 10 is that there is a positive and significant influence between accountability, transparency, and zakah institution's performance together on zakah institution's trust. The result is that together the three independent variables of accountability and transparency and performance influence public trust in Zakah Institution. This is supported by research conducted by Yang, Y., Brennan, I., & Wilkinson, M. (2014), Salim, M., Peng, X., Almakary, S., & Karmoshi, S. (2017), Kilby (2005), Lawrence and Nezhad (2009), Ebrahim (2003), Safrizal (2015), Rahmawati (2013), and Hanafi (2015). And obtained the value of the correlation coefficient (R) of 66,3 %. This shows that there is a strong relationship between performance on

the independent variable (the limit used is 0,5 or 50%) (Santoso, 2002: 167) or the independent variable affects the dependent variable with a positive correlation direction. Because more than two variables are then used Adjusted R Square with a value of 43,9 %. And it can be concluded that the independent variables are only able to explain the effect on the public confidence variable by 43,9 %. Thus, it can be concluded that this research model is more influenced by factors beyond the research that is equal to 56,1 %.

## DISCUSSION

There are several limitations of this study that need further research, namely:

- a) With the research location only in Central Java, it may be necessary to conduct further research with a longer place and year
- b) several variables might add to the variables of the study if we look at the UNPD or UN versions of good governance.
- c) There are a few new things are discovered the anomaly of previous research namely accountability has insignificant value when associated with the performance, however when it comes to transparency and performance together, then accountability has significant value. The next anomaly is related to the value of transparency which is insignificant if it is related to public trust after the inclusion of performance variables in the model. This illustrates that the people of Central Java do not see transparency if it is partially tested. However, when tested together with the accountability and performance variable, the results together affect public trust.
- d) From the information above, there are several recommendations from the author that can be considered by institution, namely
  - 1) Related to accountability at Zakah Institution, it needs to be improved, especially in terms of professionalism and skills possessed by personnel who record finances, so that financial performance can be properly accounted for. Although Gray et.al. (2005), argued that there is an implication that the more accountable and transparent NGOs are very important because this will make NGOs better, even when the introduction of accountability in the sense of properly accounting is very difficult to do.
  - 2) related to transparency associated with public trust, perhaps in addition to providing transparency in the distribution of funds and activities, transparency should also be carried out in financial reporting in Zakah Institution, in the sense that there is a need for continuous reporting regarding financial performance reporting so that public trust can be improved.
  - 3) In general, Zakah Institution's accountability and transparency are good when seen from the public trust, even after being given a financial performance report. However, it needs to be increased again, so that the coefficient of determination is even higher.

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