
AL-AWQAF

Jurnal Wakaf dan Ekonomi Islam

vol. 15, no. 2, tahun 2022

Analysis of the Application of Waqf Core Principle in Risk Management the Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor

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Abstract: This research was conducted to find out the factors that inhibit performance or work performance in the application of Waqf Core Principles in risk management at the Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor. This research uses qualitative research methods and descriptive approaches. The data collection technique used is triangulation which combines information from various data collection techniques and existing data sources. The results of this study showed that the risk factors that is identified to be possible risk are consisted of internal and external factors of the foundation. The application of Waqf Core Principles in risk management, consists of risk management, collection management, counterparty risk, disbursement management, problem waqf assets, provisions, and reserves, transactions with related parties, country and transfer risks, market risk, reputation and waqf asset loss risk, revenue or profit-loss sharing risk, disbursement risk, operational risk and shari'ah-compliant. Two of these regulatios, are counterparty risk, and country and transfer risks are not applicable to the foundation. The counterparty risk has not been applied because cash waqf has never occurred at the Waqf Maintenance and Development Foundation of Pondok Modern, The country and transfer risks due to the absence of assets involving two countries.

Keywords: Risk Management, Waqf Core Principles, Waqf.

Abstrak: Penelitian ini dilakukan untuk mengetahui faktor-faktor yang menghambat kinerja atau prestasi kerja dalam penerapan Waqf Core Principles dalam manajemen risiko pada Yayasan Pemeliharaan dan perluasan wakaf Pondok Modern. Penelitian ini menggunakan metode penelitian kualitatif dengan pendekatan deskriptif. Teknik pengumpulan data yang digunakan yaitu Triangulasi yang merupakan salah satu teknik pengumpulan data bersifat menggabungkan informasi dari berbagai teknik pengumpulan data dan sumber data yang telah ada. Hasil dari penelitian ini menunjukkan bahwa faktor- faktor risiko dalam pencapaian prestasi kerja pada Yayasan Pemeliharaan dan Perluasan Wakaf Pondok Modern terdapat faktor internal dan faktor eksternal. Adapun penerapan Waqf Core Principles dalam manajemen risiko yaitu manajemen risiko,

manajemen pengumpulan risiko gagal bayar oleh peminjam, manajemen pembayaran harta benda bermasalah, penyisihan, dan cadangan, transaksi dengan pihak terkait, risiko negara dan transfer, risiko pasar risiko reputasi dan hilangnya harta benda wakaf, risiko bagi hasil, risiko pembayaran, dan risiko operasional dan kepatuhan syariah. Dua diantara regulasi tersebut yaitu risiko gagal bayar oleh peminjam dan risiko negara dan transfer untuk saat ini tidak relevan dengan yayasan. Risiko gagal bayar oleh peminjam tidak relevan dikarenakan wakaf tunai belum pernah terjadi di Yayasan Pemeliharaan dan Perluasan Wakaf Pondok Modern. Adapun risiko negara dan transfer dikarenakan belum adanya aset yang melibatkan dua negara.

Kata Kunci: Manajemen Risiko, Waqf Core Principles, wakaf.

ملخص: تم إجراء هذا البحث لتحديد العوامل التي تعيق الأداء أو أداء العمل في تطبيق مبادئ الوقف الأساسية في إدارة المخاطر في مؤسسة صيانة وتوسيع بوندوك الوقف الحديث. استخدمت هذه الدراسة منهج بحث نوعي بمنهج وصفي. تقنية جمع البيانات المستخدمة هي التثليث ، وهي تقنية لجمع البيانات تجمع المعلومات من تقنيات جمع البيانات المختلفة ومصادر البيانات الحالية. تشير نتائج هذه الدراسة إلى أن عوامل الخطر في تحقيق أداء العمل في مؤسسة صيانة وتوسيع بوندوك الوقف الحديث هي عوامل داخلية وعوامل خارجية. فيما يتعلق بتنفيذ مبادئ الوقف الأساسية في إدارة المخاطر ، وهي إدارة المخاطر ، وإدارة التدفقات المتعثرة ، ومخاطر التخلف عن السداد من قبل المقترضين ، وإدارة المدفوعات للأصول المتعثرة ، والبدلات والاحتياطيات ، والمعاملات مع الأطراف ذات الصلة ، ومخاطر الدولة والتحويل ، ومخاطر سمعة السوق والمخاطر. خسارة أصول الوقف ومخاطر المشاركة في الأرباح ومخاطر السداد والمخاطر التشغيلية والامتثال لأحكام الشريعة الإسلامية. اثنان من هذه اللوائح ، وهما خطر التخلف عن السداد من قبل المقترض ومخاطر الدولة والتحويلات ، لا علاقة لهما بالمؤسسات في الوقت الحالي. إن مخاطر التخلف عن السداد من قبل المقترض ليست ذات صلة لأن الوقف النقدي لم يحدث أبدًا في مؤسسة بوندوك الوقف الحديث للصيانة والتوسع. تعود مخاطر البلد والتحويل إلى عدم وجود أصول تشمل بلدين.

كلمات رئيسية: إدارة المخاطر ، مبادئ الوقف الأساسية ، الوقف.

Introduction

Indonesia has the largest Muslim population in the world (knks.go.id). Based on data from the Royal Studies Centre (RISC) the total population of Muslim Indonesia amounted to 231.06 million people (Katada.co.id). This amount is equivalent to 86.7% of the total population of Indonesia, Indonesia has a large waqf potential. This potential can reduce the gap between the rich and the poor.

This is because waqf is one form of instrument to improve the welfare and prosperity of the community. This is supported by Undang-Undang Pasal 5 UU No. 41 Tahun 2004 on waqf. Waqf is intended to do good things, namely to achieve common interests that benefit the waqf community and include infaq fii sabilillah (BWI.go.id). This is also what motivates the Indonesian Waqf Board and the Government to carry out the waqf movement (BWI.go.id). The Indonesian Waqf Board also matured principles aimed at placing operational standards, and supervision of the waqf sector at the same level of prudence as other financial sectors. As

for the core principles of waqf, among others; legal foundation, waqf supervisor, waqf governance, risk management, and shari'ah governance (Badan Wakaf Indonesia 2018).

Waqf Core Principles is one of the principles, and standardizations made by the Indonesian Waqf Board (BWI). Waqf Core Principle has two main objectives, namely; first, briefly explain the position and role of the waqf management and supervision system in economic development programs; second, provide methods for establishing core principles in the system and management and supervision of waqf. From one of the core principles of the Waqf Core Principle, there is risk management in waqf.

Of the five Waqf Core Principles, the principle of waqf risk management is one of the interesting discussions and unfortunate to miss. The problem of risk and risk management is one form of opportunity for humans to innovate in the form of muamalah in public life. So risk management is one of the efforts to achieve the goals of an organization that includes all management activities such as planning, organizing, directing, and controlling to achieve effectiveness and efficiency under the organization's objectives (Mulyawan 2015).

The Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor is the one of Waqf Board established by Trimurti, aimed at improving the welfare and prosperity of the community. Trimurti is three brothers, they are K.H Ahmad Sahal, KH. Zainudin Fananie, and KH. Imam Zarkasyi. They were the founders of Darussalam Gontor Modern Islamic Institution which was officially established on September 20, 1926. As one of the pesantren-based educational institutions that can elevating the dignity of Muslims (Arroisi and Syamsuri 2020). Darussalam Gontor Modern Islamic Institution is not only an educational institution but also educational institution is also represented (waqf) to the ummah.

Anticipating the losses faced by Darussalam Gontor Modern Islamic Institution, it is necessary to risk management and policy provisions contained in the Waqf Core Principles to conduct planning, organizing, directing, and controlling of the Waqf Maintenance and Development of Pondok Modern Darussalam Gontor. Productive waqf risk management contained in the Waqf core Principles consists of: risk management, collection management, counterparty risk, disbursement management, problem waqf assets, provisions, and reserves, transactions with related parties, country and transfer risks, market risk, reputation and waqf asset loss risk, revenue/profit-loss sharing risk, disbursement risk, operational risk and shari'ah-compliant (Badan Wakaf Indonesia 2018).

Benefits of building the Waqf Maintenance and Development of Pondok Modern Darussalam Gontor. Thus all accountability regarding religious social activities that include; maintenance and development of waqf property, handed over completely to the management of the Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor. The Foundation is also responsible for making various efforts and ways to meet all facilities and infrastructure and various other needs for the ongoing education and teaching process at Darussalam Gontor Modern Islamic Institution.

In a pre-interview conducted by researchers, the interviewer said that "the scope of productive waqf in Waqf Maintenance and Development of Pondok Modern Darussalam Gontor includes land, agriculture, livestock, catfish cultivation, automobiles. One of the productive waqf Waqf Maintenance and Development of Pondok Modern Darussalam Gontor agricultural sector. This agricultural sector includes rice fields that are rented to outside communities who want to work and manage the rice fields. Over time the tenants of rice fields often in arrears to pay rent at the Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor".

So this is quite a detrimental negative impact to the Waqf Maintenance and Development of Pondok Modern Darussalam Gontor. Looking at the problems that occurred between the two parties and some of the problems that occurred and the need to identify risks to the problem, the authors discussed this study with the title "Analysis of the Application of Waqf Core Principles in Risk Management Case Study: The Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor".

Based on the exposure that has been explained in the research background above, the research question for this research is : 1. What are the anticipated risk factors for performance of the Waqf Maintenance and Development Foundation of Pondok Modern in maintaining and managing waqf at the Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor?; and 2. How is the application of Waqf Core Principles in risk management at the Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor?

Based on the research background and research question of the problem, the purpose of this research is: 1. To identify anticipated risk factors at the Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor; and 2. To analyze the application of Waqf Core Principles in risk management at the Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor.

Literature Review

Definition of Waqf

According to the Great Dictionary of Indonesian Waqf means moving or immovable property provided for the public good as a sincere gift. In Arabic terms, waqf means an object that we can call hold (al-habs) (Sarwat 2018). Like the police who detain the criminals then imprison them in the detention house. This has been stated in the Qur'an surah Ash-Shaffat verse 24 which mentions the meaning of withholding. "Hold them (at rest because) surely they will be asked" (Al-Qur'anul Karim).

While according to the term fiqh, the word waqf is defined by scholars with several definitions. 1. Asy-Syafi'iyah, define waqf as: "Withholding the treasures that can be taken advantage of with his immortality, to be spent on the things that are bad and existing". 2. Al-Hanabilah, define waqf as: "Hold". 3. Al-Hanafiyah, imam Abu Hanifah has a unique definition of waqf: "Withholding a property with a permanent law as the owner of a waqf, by granting its benefits even if only part of it" (Sarwat 2018). So it can be concluded from the definitions above that waqf is an activity carried out to separate or surrender the assets it

owns to be used temporarily (in a certain period) or permanently (forever) under the interests and applicable sharia law (Indonesia n.d.).

Basic Law of Waqf

In the Qur'an, the word waqf itself is not explicitly mentioned, but its existence is inspired by the verses of the Qur'an and examples of the Prophet (peace be upon him) and the traditions of the companions. The basis of the waqf law is as follows as a means to draw closer to Allah SWT : 1. QS. Ali-Imron : 3: 92, "You will not be blessed until you have a portion of the wealth you love. Whatever you do, God knows it" (Al-Qur'anul Karim). 2. QS. Al-Baqarah: 2: 261, "The parable of those who give up their wealth in the way of Allah is like a seed that grows seven grains, in every hundred seeds. God is rewarded for whom he wants. And Allah is all-knowing again" (Al-Qur'anul Karim). 3. QS Al-Baqarah: 2: 267, "O you who believe, make a living (in the way of Allah) part of the good results of your efforts and part of what you bring out of the earth for you. And do not choose the bad and you give it away, but you do not want to take it but by squinting at it and know that Allah is rich again" (Al-Qur'anul Karim). 4. Al-Hadits, Hadits that is the basic reference of waqf is: "From Abu Hurayrah r.a. said, That the Prophet (peace be upon him) said: When a man dies, break his deeds except for three (things): Shadaqah jariyah or knowledge that is benefited or a child who prays for his parents". (HR. Muslim)

The Pillar of Waqf

According to Islamic waqf law will be said to be valid if it meets the following conditions (Rohman et al. 2017): First, Al-Waqif. Al-Waqif is a person, a group of people and a legal entity who represents his property. Waqif must have the ability to do tabarru' which is to give up his property rights without expecting material rewards. As for other provisions that must be owned by Waqif, namely being sensible, having matured (puberty), not under the ability and not because it is forced. Because waqf is a legal act, the waqf must be in a state of being able and not hindered from doing legal acts.

Second, Al-Mauquf. Property that are considered legitimate if they are valuable property, durable to use and pure waqif property rights. Waqf treasures can be either fixed objects or moving objects. In the case of waqf goods is land, it must have the status of property rights that are free from all charges, bonds, seizures and things. Third, Al-Mauquf 'Alaih. Waqf recipients can be people and public facilities. The purpose of waqf should not conflict with the values of worship, this is in accordance with the nature of waqf practice as one part of worship. The property that is represented, must be clearly intended whether it is in the public interest such as establishing mosques, cemeteries, orphanages, schools or other social interests.

Fourth, Shigah. Shigah is a waqf requirement that can be expressed by writing, oral or with a signal that can be understood. The waqf statement is stated in a deed, namely the Waqf Pledge Deed. The deed made by the waqf pledge deed making official after waqif pledged the handover of his waqf land, in addition to the oral pledge. The deed is valid according to Islam and is the material for the registration of waqf land at the local Land Office. As the transfer of land rights in general whose deed is made by the provisions of the waqf pledge deed.

Waqf Core Principle

The Waqf Core Principles, as part of Islamic finance, adhere to the principle of altruism, which promotes or maximizes benefits for others, inclusive for all human beings and living things. This standardization of waqf regulation emphasizes the importance of maintaining high public trust because the system is completely dependent on the public's tendency to donate (Badan Wakaf Indonesia 2018).

Waqf Core Principles risk management consists of (Badan Wakaf Indonesia 2018): 1) Risk Management; 2) Collection Management; 3) Counterparty Risk; 4) Disbursement Management; 5) Problem Waqf Assets, Provisions, and Reserves; 6) Transaction With Related Parties Other Than The Beneficiaries; 7) Country and Transfer Risks; 8) Market Risk; 9) Reputation and Waqf Asset Loss Risks; 10) Revenue or Profit-Loss Sharing Risk; 11) Disbursement Risk; and 12) Operational Risk and Shari'ah-Compliant

Waqf Core Principles (WCP) place the operational standards and supervision of the waqf sector at the same level of prudence as other financial sectors. Operational standards are prepared to take into account risk-adjusted measures based on asset class under management and optimization of benefits to society. The Waqf Core Principles (WCP) dissect the elements of supervision related to the operationalization of the waqf system into a systematic regulatory structure as follows: 1) Legal Foundation; 2) Waqf Supervision; 3) Good Waqf Governance; 4) Risk Management; and 5) Shariah Governance.

The Waqf Core Principles (WCP) are formulated to address the specific objectives as follows: 1) To provide a brief description and rules of the waqf management and supervisory system in the economic development program; and 2) To provide the methodology for setting the core principles in the waqf management and supervisory system (Badan Wakaf Indonesia 2018).

Definition of Risk

The definition of risk can be found in many sources. One of them is in the ISO 73 international guidelines of 2002 on risk, which defines risk as the effect of uncertainty on goals. The previous guidance also noted that the effects may be positive, negative, or deviations from expected. These three types of events can be attributed to risk as opportunity, danger or uncertainty (Hopkin 2017).

Risk is often defined as uncertainty, but the meaning between risk and uncertainty refers to two different things. Risk refers to expected risks (foreseeable risks), while uncertainty refers to unexpected risks (risks that cannot be estimated). So that risk can be interpreted as uncertainty that can be estimated (Supriyo 2017). The important terms in risk that need to be known are as follows: 1) Risk is an event or an event that causes losses; 2) Hazard is a condition or a condition where a large magnification causes losses; 3) Exposure can be interpreted as an object or a state that contains the possibility of being affected by the loss. So that exposure itself becomes the object of risk management efforts, especially in the field of coverage and security; and 4) Probability is a condition that refers to the future (Subagyo, et.al., 2020).

Risk Management

Set up a business is important to note, how the business governance. Therefore, the management of a business is very important to note. Risk management is changing rapidly, both in terms of the tools and techniques implemented and the governance structures introduced to ensure successful risk management (Hopkin 2017). The definition of risk management in the ISO 73 BS 31100 guide is a coordinated activity to direct and control organizations with regard to risk. The Institute for Risk Management (IRM) defines risk management as a process that aims to help organizations understand, evaluate, and take action on all their risks with the aim of increasing the likelihood of success and reducing the likelihood of failure.

Providing an appropriate definition of risk management is as difficult as providing an appropriate and universally accepted definition of risk. Since it is generally accepted that risk management should pay attention to hazards, uncertainties and opportunities, descriptions and definitions are required that reflect the broad scope of risk management activities (Hopkin 2017). According to Umam, management is a combination of art, and collectivity of someone who performs management activities (Khaerul Umam, and Herry Sutanto 2017). While according to Muhammad Rifa'i, management is a process of obtaining an action from others to achieve the desired goal (Wijaya and Rifa'I, 2016).

Although the main elements of risk management include identifying, measuring, and managing various risk depositors, they cannot be applied as effectively unless there are broader processes and systems in place. The overall risk management process must be comprehensive, and represent all departments and parts of the institution so as to create a management culture. The risk management system should include the following three components (Khan and Ahmed, 2001): 1) Establish the Right Risk Management Environment and Good Policies and Procedures; 2) Maintain a Proper Risk Measurement, Mitigation, and Monitoring Process; 3) Adequate Internal Control.

Research Framework

Providing the application of Waqf Core Principles in risk management pay attention and the most necessary thing is supervision and in-depth analysis of the problems that exist in the representation that occurred at Waqf Maintenance and Development of Pondok Modern. The analysis conducted by the foundation is useful to prevent future problems or can be said to be a waqf risk.

Prevention that can be done or ways to reduce the occurrence of risk is needed there is a management that can overcome and implement the application of risk management to problems stemming from waqf risk. The existence of management that implements this prevention, then the foundation can reduce and even prevent the occurrence of waqf risks that can harm the foundation. From the description, the frame of mind in this research can be seen in figure 1 below.

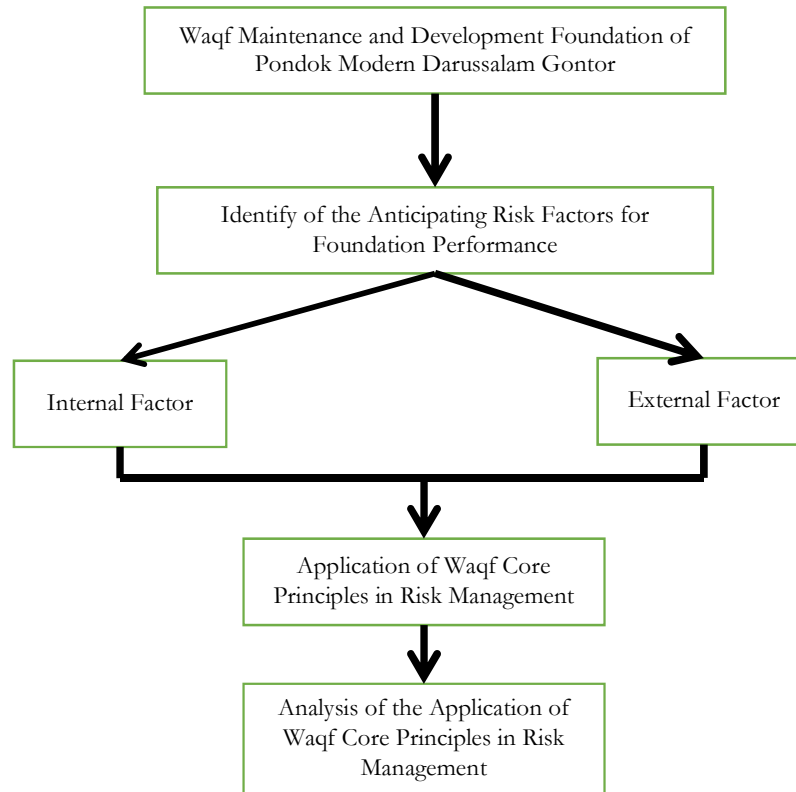


Figure 1. Research Framework

Research Methodology

Type and Data Source

The type of data used in this study is qualitative data in the form of a series of words described into the success rate of research in the form of application analysis. Based on the data sources used in this study collected from primary data and secondary data. Primary Data, Primary data is data obtained directly either from research observations or from sources or key informants with in-person interview techniques to obtain data. The required data, among others; data on the history of representation, data on the concept of waqf, data on the concept of waqf management, data of any type of waqf Waqf Maintenance, and Development of Pondok Modern. The purpose of using this primary data is so that the required data source can be provided directly to the researcher. The primary data source obtain form the chairman of the Waqf Maintenance and Development of Pondok Modern and members of the Waqf Board.

Secondary Data, Secondary data is data obtained not directly or through search and research studies documents contained in existing research places, and related to problems studied by researchers. The data collected include historical documents of representation, documents on the development of waqf to date, documentation of data values, philosophy, orientation, vision, mission, and objectives of Waqf Maintenance and Development of Pondok Modern. The purpose of using this secondary data is the required data source can be provided to

researchers either through documents, orientation, or other forms of media. The secondary data sources of this study are documents that are by the formulation of the problems in this study.

Data Collection Technique

Observation

Observation is a process of obtaining information that is objective, real, and accountable. Observations made by researchers related to the application of waqf core principles in risk management at Waqf Maintenance and Development of Pondok Modern. Passive participation observation is a process in obtaining information, where the researcher comes to the place of activity to be observed, but does not participate in the activity.

Interview

An interview is a form of oral communication that is conducted in a structured manner by two or more people, either directly or indirectly. Through interviews, researchers can find out important and in-depth things about the phenomena that occur during the interview, which can not be found when making observations (Raco 2018).

This interview is addressed to the Chairman of Waqf Maintenance and Development of Pondok Modern, the Manager and to the members of the Waqf Board, to ask how the implementation of the Waqf Core Principle, risk management management, and the factors inhibiting the implementation of the Waqf Core Principle in risk management. Therefore, this method is done to understand and know about the application of waqf core principles in risk management at Waqf Maintenance and Development of Pondok Modern.

The steps to interview to collect data in qualitative research include: 1) Determine who is the interviewer; 2) Prepare the subject points that will be the subject of conversation; 3) Start or open the interview flow; 4) Hold an interview; 5) Confirm the overview of the interview results and end it; 6) Write the results of the interview into the field defects; and 7) Identify follow-up interviews that have been obtained (Sugiyono 2017).

Documentation

Documentation is a collection of documents that can provide concrete information or evidence related to the process of collecting data, and the systematic management of documents and disseminating to users of the information. Research procedures with this documentation aim to collect data through written relics, especially in the form of archives and include books on opinions, theories, propositions or laws, and others related to research problems. The documentation process in this research is carried out by collecting written materials or documents from related agencies such as; YPPWPM location, program, and project map.

Triangulation

Triangulation is one of the data collection techniques used by researchers that combines information from various data collection techniques and existing data sources. The triangulation technique can also be likened to a technique examining the validity of data by comparing interview results against research objects.

Data source triangulation is one of the data collection techniques, where triangulation of data sources means, obtaining data sources from various sources with the same technique. Thus the researchers collected all the data sources obtained from the Pondok Modern Waqf Maintenance and Expansion Foundation then performed the data triangulation technique.

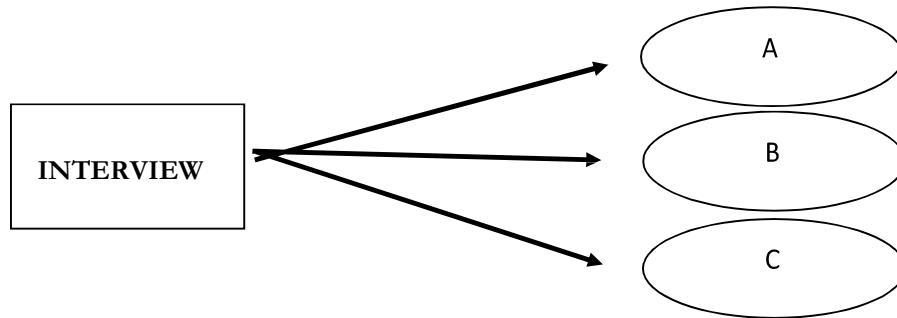


Figure 2. Triangulation of data collection "sources" (a data collection technique on various data sources A, B, C)

Source: Sugiyono (2017)

Data Analysis Technique

The analysis of the data in this research was conducted before the researcher entered the research site until it was completed. The analysis begins from formulating and explaining the problem, before jumping into the location, until the writing of the results of the study. Activities in the analysis include data reduction, presentation of data (data display), and conclusion drawing or verification.

Technical data analysis can also be interpreted as empirical data in the form of a collection of information containing open words containing numbers and cannot be arranged in categories or classification structures. Three techniques that are often used in qualitative research. First, Data Reduction. Data that has been obtained from observation activities, interviews, and documentation studies. Then the data is sorted based on the data that has been obtained, grouped and summarized, and selected the main data which will then be focused on more important things. Second, Presentation of Data. Once the data is obtained and categorized by group and interest. The next step that can be done is the presentation of data, this is done to facilitate researchers in analyzing existing problems. The presentation of data can be presented in the form of diagrams, matrices, narratives, and graphs. Third, Conclusion and Verification. This activity is a further step of data reduction and data presentation, namely temporary inference. Because the conclusions used in the early stages of data reduction and presentation of data are less clear, then the later stages are useful to strengthen and get a strong basis. The conclusions that have been obtained need to be verified data. Techniques that can be used to verify such data using data triangulation techniques and methods.

Results

Anticipated Risk Factors at the Waqf Maintenance and Development Foundation of Pondok Modern

The survival of an organization is determined by the performance of its members, but achieving it will not be separated from the occurrence of risks, which can be caused by various internal and external factors of the organization. Here are the risk factors that is identified to be possible risk the Waqf Maintenance and Development Foundation Pondok Modern. First, Internal Factors : The growing number of waqf assets will require : 1. Higher maintenance effort and cost; 2. Advanced database; 3. Advanced tax management; 4. Stronger communication for the waqf management applied; and 5. Higher level of human resources development). Second, External Factor : The fluctuations in fertilizer prices require alternatives to provide sustainable fertilizer source.

The application Waqf Core Principles in Risk Management at the Waqf Maintenance and Development Foundation of Pondok Modern

Waqf Core Principles is the latest waqf management guidelines, which was first launched in mid- October 2018 in Nusa Dua Bali. The Waqf Core Principle guidelines were created by Bank Indonesia in collaboration with the Indonesian Waqf Board, Islamic Research and Training Institute, Islamic Development Bank, and several other countries such as; New Zealand, Southern Africa, and Kuwait.

Based on the results of the research, researcher found that the Waqf Maintenance and Development Foundation of Pondok Modern has done several ways to overcome the risks and solve the problems faced by waqf managers. The measures used by waqf managers in overcoming risks that anticipated the performance of these managers are contained in every action. Starting from the collection of waqf assets to the distribution of waqf proceeds managed by the head office in Ponorogo.

Waqf Core Principles is aimed at encouraging and realizing a healthy and effective waqf management system for the community. Waqf management is expected not only to depend on personal conditions and encouragement for politics. But, the management is the result of system governance, and planned so that waqf management can be closely monitored (Badan Wakaf Indonesia 2018).

In this research, we used the Waqf Core Principles as an element of systematic supervision, namely Risk Management which has 12 indicators of the core principles of waqf, among others: First, Risk management determines that the waqf board must have a comprehensive risk management process as well as establish appropriate risk preferences to determine the level of risk that will be borne or tolerated by the waqf institution. The waqf manager in managing waqf property conducts reporting and discussions that are carried out every morning before the employees start work activities. Discussions are conducted to discuss the problems faced and they immediately evaluate the problem. Reporting is carried out every 4 months and the report will be submitted to the central foundation located in Ponorogo.

Second, Collection management determines that the waqf institution has adequate policies and processes to replace the valuation of the property that has been represented. Waqf managers at the Waqf Maintenance and Development Foundation of Pondok Modern

identify and ensure the assets to be represented and then collect the property that has been represented. So that in the future there is no problem of disputes between heirs and waqf managers. Waqf managers also ensure the completeness of property documents that have been represented such as certificates and relevant data. The central foundation board has provisions and regulations on waqf property.

Third, The counterparty risk determines that the money waqf institution has an adequate risk management process of default by the borrower taking into account risk preferences, risk profile, market conditions and macroeconomics. Since the appointment of Darussalam Gontor Islamic Institution in 1958, there has never been a cash waqf, so in this principle there has never been a linkage of risk of default by borrowers.

Fourth, Disbursement management determines that waqf institutions have adequate policies and processes for the management of property and waqf funds and the distribution of investment returns. The manager has a policy towards the use of waqf property. For the distribution of agricultural products carried out by waqf managers who are at the head office. Waqf managers who are in the Mantingan branch office report all agricultural activities from the beginning of nursery activities to the acquisition of crops.

Fifth, To solve problem of Waqf Assets, Provisions, and Reserves determines that the waqf institution must have policies and processes for the initial identification and handling of problematic property, and adequate maintenance of allowances and reserves. Some assets that have been represented in the Foundation for the Waqf Maintenance and Development Foundation of Pondok Modern was in dispute. Where the heirs demand the asset because there is no legal force and the number of assets owned by the foundation it makes it difficult for the manager in terms of data collection. The problem occurred around the 1970s and was only discovered in 2018. The waqf manager conducts data collection and makes certificates as evidence when waqif wants to donate his property.

Sixth, Transactions with related parties other than the recipient, to prevent the misuse of waqf property arising from transactions with related parties other than the recipient and to resolve conflicts of interest. Waqf supervisors require waqf board to conduct transactions in accordance with the principles of reasonableness and proper business habits to control or mitigate the risks associated with standard policies and processes. Waqf managers at the Waqf Maintenance and Development Foundation of Pondok Modern do not specifically choose people to manage waqf as they must have special talents in managing waqf property.

Seventh, Country and transfer risks determine that waqf institutions have adequate policies and processes to control state risks in cross-border waqf activities. Assets in the Waqf Maintenance and Development Foundation of Pondok Modern are currently unprecedented waqf involving 2 different countries. The waqf management focuses more on the development of waqf assets located in the country.

Eighth, Market risk ensures that the waqf board has adequate market risk management processes and considers risk preferences, risk profiles, market and macroeconomic conditions, and significant downside risks of market liquidity. Seeing the market conditions

of the Waqf Foundation for The Waqf Maintenance and Development Foundation of Pondok Modern has worshippers who come to Masjid Jami located in Darussalam Gontor Islamic Institution Ponorogo, it enlivens the integrated waqf area.

Ninth, Reputation and waqf asset loss risk determine that the waqf institution has an adequate management framework and can handle systematic risks, reputation, and loss of waqf property. To prevent the loss of waqf property waqf managers do data collection on waqf property. So that if there is a dispute in the future there is already data that becomes evidence that the property has been legally represented. The administrators conduct public relations in the management and maintenance of waqf property with the government to maintain public trust in the foundation.

Tenth, Revenue or profit-loss sharing risk determines that the endowment has an adequate risk management process and considers risk preferences, risk profiles, and market and macroeconomic conditions, and determines careful limits to limit the endowment institution's exposure to a single borrower or related group of borrowers. In avoiding the risk of income and revenue sharing, waqf managers at the Waqf Maintenance and Development Foundation of Pondok Modern held meetings with internal parties. The meeting aims to decide what agreement to use with careful consideration. The account of each waqf used is not the same, some use rent and some use revenue sharing. If the waqf agreement uses revenue sharing then the third party reports the financial statements and shares the proceeds in accordance with the initial agreement. While with third party rental must pay in following with the agreement. The lease made by the manager with the rice field cultivator still has a shortage. Where the farmer has paid the rent that should have been paid on time. Election. This agreement was chosen because rice field farmers are less able to make financial statements.

Eleventh, Disbursement risk determines that the waqf board must be able to overcome payment risks, such as unstable financial position and misallocated in payment activities. All waqf management distribution results are carried out by the manager or manager of waqf located in the center or Ponorogo, the foundation manager who is in the branch is tasked to report the activities carried out from the beginning of the harvest or other activities until the end of the harvest.

Twelfth, Operational risk and shari'ah compliance dictate that waqf institutions must have good operational risk management and shari'ah compliance processes to minimize potential fraudulent practices and anticipate system disruptions and other potential disruptions. The steps taken are to comply with the rulings and policies that have been written in the AD ART YPPWPM in 1987.

After the implementation is done, the Waqf Maintenance and Development Foundation of Pondok Modern can find good risk management. The importance of this application is so that the foundation can avoid the occurrence of unpleasant things in the future. Such as the prosecution of heirs to property that has been represented. In addition, the foundation can find out what the solution of the problem will be used.

Analysis of The Application of Waqf Core Principles in Risk Management at The Waqf Maintenance and Development Foundation of Pondok Modern

In general, risk can be interpreted as a situation that allows for predictable losses. So that a decision can be taken to prevent the occurrence of such losses. The Waqf Maintenance and Development Foundation of Pondok Modern sets different risk appetites and risk profiles in each waqf program. This depends on the account used in the waqf program. Therefore, the foundation is required to be able to implement risk management that can be used to prevent obstacles in the achievement of the foundation's work performance. The risk of obstacles in the work can be caused by several factors both internal and external foundation.

As the factors that cause risks or obstacles in the achievement of work performance occur, the foundation is required to have a way of prevention or countermeasures to deal with the occurrence of these obstacles. Therefore, the foundation is required to implement the Waqf Core Principles in good risk management so that all problems that cause these risks can be overcome so that the problem does not harm the waqf manager of the Waqf Maintenance and Development Foundation Pondok Modern.

The application of the Waqf Core Principles in risk management that has been applied by the Waqf Maintenance and Development Foundation of Pondok Modern covers all activities at the foundation. Starting from the collection of waqf assets to the distribution of waqf results carried out by the waqf manager. The application of the Waqf Core Principles in risk management is applied as follows: 1. Risk Management, Identification of risks carried out by the foundation in the form of data collection, discussion, evaluation and reporting of activities aimed at assessing and measuring the achievement of work performance. Although the lack of communication is spread by the distance between the branch office with the center; 2. Collection Management, Waqf managers at the Waqf Maintenance and Development Foundation of Pondok Modern identify and ensure the assets to be represented and then collect the property that has been donated. Waqf managers also ensure the completeness of property documents that have been represented such as certificates and relevant data. The central foundation board has provisions and regulations on waqf property; 3. Counterparty Risk, Because there has never been a cash waqf since the establishment of the boarding school. Therefore, in this principle, there has never been a link between the counterparty risk; 4. Disbursement Management, Distribution of agricultural products is carried out by waqf managers who are at the head office. Waqf managers who are in the mantingan branch office report all agricultural activities from the beginning of nursery activities to the acquisition of crops; 5. Problem Waqf Assets, Provisions, and Reserves, The Waqf Maintenance and Development Foundation Pondok Modern has adequate policies and processes for the identification and handling of problematic objects. The waqf manager of the Waqf Maintenance and Development Foundation of Pondok Modern conducted a data collection and made a certificate as evidence when waqif wanted to donate his property; 6. Transactions with Related Parties, The head of Darussalam Gontor Islamic Institution put concern on transparencies and trustworthiness in all transactions with related parties; 7. Country and Transfer Risks, Assets in the Waqf Maintenance and Development Foundation of Pondok Modern are currently not involving 2 different countries. The waqf management focuses more on the development of waqf assets located in the country; 8. Market Risk, The

waqf land will not face market risk unless the manager plan to swap a land with another land at the other location. However, since the price of land risk mostly increasing this type of risk is apparently negligible; 9. Reputation and Waqf Asset Loss Risk, To prevent the loss of waqf property waqf managers did data collection on waqf property. The administrators conduct public relations in the management and maintenance of waqf property with the government to maintain public trust in the foundation; 10. Revenue or Profit-Loss Sharing Risk, Waqf managers at the Waqf Maintenance and Development Foundation of Pondok Modern in avoiding income risks and revenue sharing, held meetings with internal parties. The meeting aims to decide what agreement to use with careful consideration; 11. Disbursement Risk, All waqf management distribution results are carried out by the manager or manager of waqf located in the center or Ponorogo, the foundation manager who is in the branch is tasked to report the activities carried out from the beginning of the harvest or other activities until the end of the harvest; and 12. Operational Risk and Shari'ah-Compliant, The waqf managers at the Waqf Maintenance and Development Foundation of Pondok Modern in all activities carried out are by complying with the decisions and policies written in the AD ART YPPWPM year 1987.

Based on the above description, it was concluded that the Analysis of the application of Waqf Core Principles in Risk Management that has been applied by the Waqf Maintenance and Development Foundation Pondok Modern, of the 12 principles, among others, Risk Management, Collection Management, Counterparty Risk, Disbursement Management, Problem Waqf Assets, Provisions, and Reserves, Transactions With Related Parties, Country and Transfer Risks, Market Risk, Reputation and Waqf Asset Loss Risk, Revenue/Profit-Loss Sharing Risk, Disbursement Risk, Operational Risk and shari'ah-Compliant.

Two of these regulations, they are counterparty risks, and country and transfer risks have not been implemented. The counterparty risk has not been applied because cash waqf has never occurred at the Waqf Maintenance and Development Foundation of Pondok Modern, The country and transfer risks due to the absence of assets involving two countries.

Based on the results of researchers' interviews with the Waqf Maintenance and Development Foundation of Pondok Modern, the researcher know that over time the Waqf Maintenance and Development Foundation of Pondok Modern continues to move to improve the risk management system that is tasked with handling and controlling all risks, both those that have occurred and those that have not happened. In addition, the application of the Waqf Core Principles in risk management is also tasked to make regulations that will be followed by all implementers of activities, so any risks that may occur can be avoided as early as possible.

Conclusion

Anticipating risk factors in achieving work performance at the Waqf Maintenance and Development Foundation Pondok Modern there are internal factors, and external factor. Internal factors the growing number of waqf assets will require: higher maintenance effort and cost, advanced database, advanced tax management, and stronger communication for the waqf management applied. External factor the fluctuations in fertilizer prices require alternatives to provide sustainable fertilizer source.

Application of Waqf Core Principles in Risk Management at the Waqf Maintenance and Development Foundation of Pondok Modern among others risk management, collection management, counterparty risk, disbursement management, problem waqf assets, provisions, and reserves, transactions with related parties, country and transfer risks, market risk, reputation and waqf asset loss risk, revenue/profit-loss sharing risk, disbursement risk, operational risk and shari'ah-compliant. Two of these regulations, are counterparty risk, and country and transfer risks have not been implemented. The counterparty risk has not been applied because cash waqf has never occurred at the Waqf Maintenance And Development Foundation Pondok Modern, the country and transfer risks due to the absence of assets involving two countries.

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