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Beyond Philanthropy: A Critical Accounting Policy Brief on *Lembaga Dana Umat* and the Politics of Redistribution

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Abstract: *The emergence of Lembaga Dana Umat (LDU) has generated significant debate regarding the governance, accountability, and redistribution of religious social finance in Indonesia. Existing studies predominantly interpret religious funds through a philanthropic perspective, providing limited explanation of their broader institutional and political implications. This study aims to develop a critical understanding of LDU as a redistributive accounting institution by integrating Critical Perspectives on Accounting (CPA), Islamic social finance, and governance literature. Employing a qualitative conceptual approach based on systematic literature synthesis and multiparadigmatic analysis, the study examines how accounting practices influence the legitimacy, allocation, and public accountability of religious funds. The findings reveal three key issues. First, conventional accountability emphasizes financial collection and distribution while neglecting distributive justice and structural inequality. Second, LDU operates as a political-accounting institution that shapes beneficiary classification, public value creation, and redistributive governance. Third, a critical Islamic and interfaith accounting framework provides a more comprehensive model by integrating financial stewardship, ethical responsibility, social justice, and democratic accountability. This study contributes to the development of CPA by extending critical accounting analysis to faith-based social finance and proposes a policy framework emphasizing independent oversight, participatory governance, differentiated fund management, and regulatory alignment to strengthen redistributive accountability in pluralistic societies.*

Keywords: *Critical Perspectives on Accounting; Islamic social finance; Lembaga Dana Umat; Public Accountability; Redistributive Accountability.*

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INTRODUCTION

The governance of religious social finance has become an increasingly important issue in contemporary debates on accountability, redistribution, and public policy. Across many jurisdictions, faith-based philanthropic institutions have evolved beyond their traditional charitable functions and now play significant roles in welfare provision, poverty alleviation, education, healthcare, disaster response, and community development. In Muslim-majority countries, particularly Indonesia, zakat, infaq, sadaqah, and waqf (ZISWAF) constitute a substantial component of the social finance ecosystem and have increasingly been positioned as strategic instruments for addressing social inequality and promoting inclusive development (Ahmed et al., 2024; Ayub et al., 2025). Consequently, discussions concerning the governance of religious funds can no longer be confined to technical questions of financial administration; they must also address broader issues of power, accountability, representation, and distributive justice.

Indonesia provides a particularly significant context for examining these issues. As the country with the world's largest Muslim population, Indonesia possesses a complex landscape of religious philanthropy involving state institutions, civil society organizations, faith-based foundations, and community initiatives. Existing studies demonstrate that Islamic philanthropy in Indonesia has expanded from conventional charitable activities toward more institutionalized forms of social intervention and development programs (Azhari & Asmuni, 2023; Hartnell, 2020). This transformation has generated growing demands for transparency, accountability, and governance mechanisms capable of ensuring that religious resources contribute effectively to public welfare while maintaining their ethical and spiritual foundations.

Recent public discussions surrounding the proposed *Lembaga Pengelola Dana Umat* (LPDU) have intensified debates concerning the governance of religious funds in Indonesia. Various media reports have suggested that the potential value of religious social funds could reach between Rp1,000 trillion and Rp1,200 trillion annually (CNN Indonesia, 2026; Detik, 2026; Kompas.com, 2026; Metro TV News, 2026; NU Online, 2026). However, from a critical accounting perspective, such figures should not be treated as objective or uncontested facts. Rather, they represent discursive constructions that shape public perceptions regarding the scale, significance, and governability of religious resources. The methodological basis of these estimates remains insufficiently transparent, and therefore they should be interpreted cautiously as part of broader public discourse rather than as empirically verified measurements. This distinction is particularly important because critical discourse studies emphasize that numerical representations often function not merely as descriptive tools but also as instruments of persuasion, legitimacy, and policy mobilization (Meyer & Wodak, 2015; Nwagbara & Belal, 2019). Accordingly, the present study does not accept these figures uncritically; instead, it examines how such narratives contribute to the political construction of religious funds as governable economic resources.

The significance of this issue extends beyond accounting scholarship and directly concerns practitioners and researchers of zakat and waqf management. Critical accounting scholarship has consistently demonstrated that accounting systems are not neutral technologies but social and political practices that influence resource allocation, organizational priorities, and structures of accountability (Brown et al., 2015; Miller & Power, 2013). For zakat and waqf institutions, this insight is particularly relevant because accounting frameworks determine not only how funds are recorded and reported but also how beneficiaries are defined, whose interests are prioritized, and what forms of social impact become visible or invisible. Consequently, the governance of ZISWAF institutions involves fundamental questions regarding distributive justice, stakeholder participation, ethical stewardship, and democratic accountability.

Despite the growing relevance of these issues, the engagement between Critical Perspectives on Accounting (CPA) scholarship and Islamic social finance remains relatively limited. A review of influential CPA-related literature reveals substantial attention to environmental accountability, corporate power, social justice, dialogic accounting, and alternative forms of accountability (Dillard & Brown, 2015; Gallhofer & Haslam, 2004; Gray & Collison, 2002). Similarly, social accounting scholars have explored the accountability implications of nonprofit and community-based organizations, including faith-inspired institutions (Richmond et al., 2003). However, explicit CPA-oriented analyses of Zakat Governance, waqf accountability, and interfaith religious funds remain comparatively underdeveloped.

This observation should not be interpreted as suggesting that religious accounting has been entirely absent from critical scholarship. Important contributions have examined accounting and accountability within religious organizations (Basri et al., 2016), the governance of Islamic charities (Yasmin et al., 2018; Yasmin & Haniffa, 2017), and the emancipatory potential of Islamic accounting traditions (Kamla, 2009). Kamla (2009) argued that Islamic accounting possesses significant potential to contribute to critical accounting debates by foregrounding social justice, moral responsibility, and collective welfare. Nevertheless, most existing studies remain focused either on organizational accountability within specific religious institutions or on normative discussions of Islamic accounting principles. Comparatively little attention has been devoted to examining how large-scale religious social funds become embedded within broader political projects of redistribution, governance, and public policy. Furthermore, the emerging concept of interfaith or cross-religious public funds has received only limited attention within CPA scholarship despite its growing relevance in pluralistic societies.

The present article seeks to address this gap by developing a critical accounting analysis of *Lembaga Dana Umat* (LDU) as a redistributive and political-accounting institution. Rather than treating religious funds merely as charitable assets, the study conceptualizes them as sites where accounting practices, governance arrangements, state interests, and social justice aspirations intersect. This perspective is informed by CPA scholarship emphasizing that accounting participates in the construction of social realities and the legitimation of particular political and economic arrangements (Miller & Power, 2013). Accordingly, debates concerning religious fund governance should be understood not only as technical matters of financial management but also as contests over authority, representation, inclusion, and redistribution.

This argument is particularly important for zakat and waqf practitioners. Traditional accountability mechanisms often focus on financial compliance, operational efficiency, and donor trust. While these dimensions remain essential, critical accounting perspectives encourage a broader conception of accountability that includes beneficiaries, marginalized communities, interfaith stakeholders, and wider society (Brown & Dillard, 2015). Such an approach enables religious social finance institutions to move beyond philanthropic reporting toward redistributive accountability, where success is evaluated not merely through funds collected or disbursed but through their contribution to social justice and structural transformation.

Building upon this foundation, the article introduces the concept of *Lembaga Dana Umat* as a policy-oriented framework capable of integrating accountability, redistribution, and pluralistic governance. Drawing upon critical accounting theory, Islamic social finance literature, and multiparadigmatic reflections developed within *Akuntansi Langit* (Prabowo & Idris, 2026), the study explores how religious funds may be governed through mechanisms that balance spiritual legitimacy, democratic participation, and public accountability. By doing so, the article contributes simultaneously to CPA scholarship, Islamic social finance research, and contemporary policy debates concerning the future governance of religious resources in Indonesia.

RESEARCH METHODS

This study employed a qualitative critical-policy approach integrating systematic literature mapping, thematic analysis, and multiparadigmatic reflection. Rather than examining the operational performance of existing religious-fund institutions, the study aimed to develop a conceptual framework for understanding Lembaga Dana Umat (LDU) as a redistributive accounting institution. Critical Perspectives on Accounting (CPA) served as the principal analytical lens for interpreting the governance, accountability, and redistributive dimensions of religious social finance.

The study drew upon three categories of data: (1) peer-reviewed literature on accounting, Islamic social finance, and governance; (2) policy and regulatory documents concerning zakat, waqf, and public accountability; and (3) selected public discourse materials related to LDU. Literature was retrieved primarily from Scopus-indexed and internationally recognized databases using combinations of keywords related to Critical Perspectives on Accounting, Islamic social finance, accountability, governance, redistribution, and public policy.

The literature selection followed a PRISMA-informed protocol adapted for qualitative conceptual research. The initial search identified 1,072 records. After duplicate removal and preliminary screening, 709 records proceeded to title and abstract review. Further screening reduced the dataset to 376 publications for full-text assessment, resulting in a final analytical corpus of 208 sources. These sources comprised peer-reviewed journal articles, scholarly books, policy documents, and a limited number of contextual grey-literature materials that informed the conceptual and policy analysis undertaken in this study. The literature selection process is summarized in Table 1 and Figure 1.

Table 1. PRISMA-Informed Literature Selection Process

Stage	Records (n)	Excluded (n)	Reason
Initial identification	1,072	–	Database search results
Duplicate and preliminary removal	709	363	Duplicates, non-academic sources, inaccessible abstracts, outside timeframe

Stage	Records (n)	Excluded (n)	Reason
Title and abstract screening	376	333	Technical finance focus, non-accountability studies, unrelated themes
Full-text eligibility assessment	208	168	No governance relevance, operational-only focus, unrelated context, inaccessible full texts
Final synthesis corpus	208	–	Included in coding and thematic synthesis

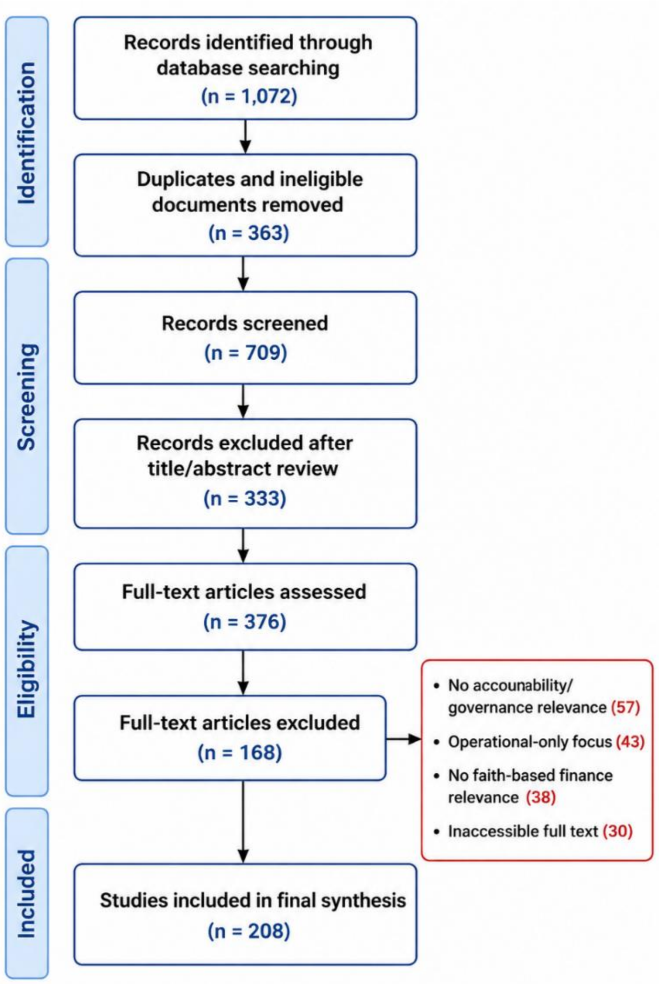

Figure 1. PRISMA-Informed Literature Selection Flow

The credibility of the analysis was enhanced through transparent documentation of the literature search strategy, inclusion criteria, coding procedures, and analytical decisions (Ahmed et al., 2024; Hartnell, 2020; Kamla, 2009; Yasmin et al., 2018; Yasmin & Haniffa, 2017). The interpretation was supported primarily by peer-reviewed scholarly publications, while policy documents and selected media sources were used only to provide contextual understanding rather than empirical evidence. This audit trail strengthened the transparency and consistency of the conceptual analysis (Ahmed et al., 2024; Ayub et al., 2025; Kamla, 2009; Yasmin & Haniffa, 2017).

This study is conceptual rather than empirical and therefore does not evaluate the operational performance of specific zakat, waqf, or other faith-based social finance institutions. Instead, it develops a CPA-informed framework for analysing redistributive accountability in religious-fund governance. Future studies are encouraged to validate the proposed framework through institutional case studies, interviews with key stakeholders, and comparative analyses across different models of faith-based social finance.

RESULTS AND DISCUSSION

From Philanthropy to Redistributive Accountability

Synthesis of the reviewed literature reveals a recurring tension between philanthropy as an instrument of social assistance and accountability as an instrument of structural redistribution. Critical accounting scholarship has long argued that philanthropic initiatives often function as mechanisms that soften the visible consequences of inequality while leaving the institutional arrangements producing such inequality largely unquestioned (Brown & Dillard, 2015; Gray & Collison, 2002). Within this perspective, accounting practices may contribute to depoliticization by framing social problems as matters of charitable generosity rather than distributive justice.

The reviewed corpus indicates that this tendency is not limited to global philanthrocapitalism. Hsu (2016); Reich (2018); Sklair & Glucksberg (2021) demonstrate that large philanthropic institutions frequently derive legitimacy from social interventions while remaining insulated from democratic scrutiny regarding the origins, concentration, and deployment of wealth. Accounting disclosures in such contexts often emphasize outputs, donations, and beneficiaries while obscuring broader questions concerning power relations and redistributive consequences.

Importantly, this pattern is also observable within the Indonesian context. Studies on Islamic philanthropy indicate that zakat and charitable organizations have evolved from informal religious giving into increasingly professionalized institutions that administer substantial social resources (Azhari & Asmuni, 2023; Hartnell, 2020). Yet annual reporting practices remain heavily focused on collection achievements, distribution volumes, donor growth, and program expansion. Reports issued by major Zakat institutions, including BAZNAS and nationally recognized amil organizations, frequently highlight the amount of funds distributed and the number of beneficiaries reached. While such disclosures are essential for transparency, they rarely include systematic assessments of how resource allocation affects structural inequality, political exclusion, or unequal access to economic opportunity.

This observation does not imply a deficiency in the performance of Zakat institutions. Rather, it demonstrates how prevailing accountability frameworks tend to privilege managerial and financial metrics over redistributive evaluation. The finding therefore extends critical accounting arguments into the domain of Islamic social finance by suggesting that accountability should encompass not only stewardship of funds but also examination of the social structures within which those funds operate.

The Indonesian experience provides a particularly useful illustration. Research on Islamic charities and social activism has shown that charitable organizations frequently function simultaneously as welfare providers, religious actors, and social intermediaries (Hartnell, 2020). Consequently, their accountability obligations extend beyond donors and regulators to include beneficiaries, local communities, and broader public interests. When reporting systems emphasize financial compliance alone, the political dimensions of redistribution may become marginalized.

This finding is reinforced through the conceptual reading of *Akuntansi Langit* Prabowo & Idris, (2026), which argues that accountability should not be restricted to procedural correctness but must also consider ethical consequences and social justice outcomes. In this interpretation, accounting is viewed not merely as a recording technology but as a moral practice that mediates relationships among wealth, responsibility, and collective welfare.

Table 2. From Philanthropic Accountability to Redistributive Accountability

Dimension	Philanthropic Accountability	Redistributive Accountability
Primary focus	Fund collection and distribution	Structural social impact
Main stakeholders	Donors and regulators	Donors, beneficiaries, communities, public
Success indicators	Amount distributed	Reduction of inequality and exclusion
Reporting orientation	Compliance and efficiency	Justice, participation, and social transformation
Accountability logic	Stewardship of resources	Stewardship of redistribution

The literature synthesis therefore suggests that religious social finance institutions require a broader accountability framework capable of linking financial stewardship with distributive justice.

Lembaga Dana Umat as a Political-Accounting Institution

The second finding concerns the institutional character of *Lembaga Dana Umat* (LDU). The reviewed literature consistently demonstrates that accounting institutions do not merely record social reality; they actively participate in constructing, organizing, and governing it (Miller & Power, 2013). Consequently, any institution designed to mobilize, aggregate, and redistribute religious resources inevitably performs political functions, regardless of whether those functions are explicitly acknowledged.

The concept of LDU emerging from the reviewed corpus should therefore be understood as a political-accounting institution rather than a purely administrative mechanism. Its significance lies not only in its capacity to collect and manage funds but also in its ability to determine categories of eligibility, define legitimate beneficiaries, establish reporting requirements, and shape public understandings of religious redistribution.

This interpretation gains further relevance when situated within the Indonesian regulatory framework. The governance of zakat is currently regulated under Law No. 23 of 2011 concerning Zakat Management and Government Regulation No. 14 of 2014. These regulations assign a central coordinating role to BAZNAS while recognizing the participation of licensed Zakat management organizations. Similarly, waqf governance is supervised through the Indonesian Waqf Board (BWI) under the existing waqf legal framework.

Within this institutional landscape, the emergence of an LDU-type arrangement raises several critical questions:

1. How would authority be distributed between existing institutions and the proposed entity?
2. How would accountability obligations be allocated?
3. How would overlapping jurisdictions be managed?
4. How would public oversight be ensured?

The reviewed literature suggests that answers to these questions cannot be resolved through technical accounting mechanisms alone. Rather, they require explicit recognition of the political dimensions of redistribution.

Brown & Dillard (2015) argue that dialogic accountability requires inclusion of multiple stakeholder voices in governance processes. Applying this principle to LDU implies that accountability should extend beyond state agencies and donors to encompass beneficiaries, civil society organizations, faith communities, and marginalized groups affected by redistribution decisions.

Table 3. LDU as a Political-Accounting Institution

Institutional Function	Accounting Role	Political Implication
Resource mobilization	Recording and reporting funds	Legitimizing collection authority
Beneficiary classification	Allocation criteria	Defining inclusion and exclusion
Performance measurement	Social impact reporting	Determining public value
Governance monitoring	Audit and oversight	Exercising institutional power
Public disclosure	Transparency mechanisms	Producing legitimacy

The synthesis therefore suggests that LDU should not be conceptualized merely as a financial intermediary. Rather, it represents a governance arrangement through which redistribution becomes organized, justified, and contested.

Toward an Islamic/Interfaith Critical Accounting Framework

The third finding concerns the possibility of developing an Islamic/interfaith critical accounting framework capable of integrating ethical, social, and political dimensions of accountability.

Existing critical accounting literature has increasingly emphasized pluralistic forms of accountability that move beyond shareholder-centered reporting and managerial control (Brown & Dillard, 2015; Gray & Collison, 2002). Parallel developments within Islamic accounting scholarship have highlighted justice, *amanah* (trust), social welfare, and accountability before God as foundational principles of reporting and governance (Ahmed et al., 2024; Kamla, 2009).

The synthesis reveals substantial complementarities between these traditions. Both reject the assumption that accounting is a value-neutral technology.

Both emphasize social consequences. Both recognize accountability as extending beyond economic performance.

The conceptual contribution of *Akuntansi Langit* becomes particularly relevant at this stage. Prabowo & Idris (2026) propose a multiparadigmatic understanding of accountability in which technical efficiency, ethical responsibility, and spiritual consciousness coexist as mutually reinforcing dimensions rather than competing alternatives. The present review does not adopt this framework uncritically. Instead, it interprets the framework as a conceptual bridge linking Islamic moral accountability with critical accounting concerns regarding power, inequality, and social justice.

Consequently, the proposed Islamic/interfaith critical accounting framework consists of four interconnected dimensions:

Table 4. Proposed Islamic/Interfaith Critical Accounting Framework

Dimension	Core Principle	Accountability Focus
Financial	Transparency and stewardship	Proper management of funds
Social	Redistribution and welfare	Social justice outcomes
Ethical	Amanah and responsibility	Moral legitimacy
Political	Participation and representation	Democratic accountability

Unlike conventional philanthropic reporting, this framework recognizes that religious funds operate within broader social and political environments. Accountability therefore involves not only demonstrating compliance but also evaluating how institutions contribute to justice, inclusion, and collective well-being.

The finding also responds to recent calls within Islamic accounting scholarship for greater engagement with questions of governance, accountability, and public value (Ahmed et al., 2024; Ayub et al., 2025). By integrating insights from CPA and Islamic social finance, the framework offers a basis for evaluating religious-fund institutions beyond conventional measures of efficiency and financial performance.

Overall, the results suggest that the future development of LDU should not be framed solely as an administrative innovation. Rather, it should be understood as an opportunity to advance a broader model of redistributive accountability in which accounting functions as a mechanism for ethical stewardship, democratic participation, and social transformation.

Discussion

The findings indicate that a cross-faith *Lembaga Dana Umat* (LDU) cannot be designed merely as a philanthropic collection agency. It must be theorised as a redistributive accounting institution operating within Indonesia's existing legal architecture for zakat, waqf, public accountability, and civil society governance. This means that the proposed LDU model should not replace BAZNAS or BWI. Rather, it should function as a legally bound coordinating, reporting, and redistributive-policy mechanism that respects the specific mandates of existing institutions under Law No. 23/2011 on Zakat Management, Government Regulation No. 14/2014, and the waqf governance framework administered through BWI. Without such regulatory anchoring, the model would risk becoming normatively attractive but institutionally unrealistic.

Propositions for Further Development

Building on the synthesis of critical accounting, governance, and Islamic social finance literature, this study formulates a series of refined propositions that explain how accounting practices, governance arrangements, and accountability mechanisms influence the redistributive capacity and public legitimacy of religious philanthropy institutions. These propositions provide a conceptual framework for understanding the interaction between reporting, governance, stakeholder accountability, and social justice objectives. The refined propositions for a critical accounting perspective on religious philanthropy in Table 4:

Table 5. Refined Propositions for a Critical Accounting Perspective on Religious Philanthropy

Proposition	Refined proposition	Theoretical grounding
P1	Religious philanthropy becomes redistributive only when accounting reports disclose structural effects, not merely collection and disbursement totals.	Critical accounting shows that reporting systems shape what becomes publicly visible and governable (Gray & Collison, 2002; Miller & Power, 2013).
P2	LDU should be treated as a political-accounting institution because it defines categories of entitlement, legitimacy, and public value.	Accounting participates in organising economic and social life, rather than simply representing it (Miller & Power, 2013).
P3	Islamic social finance accountability must include donors, beneficiaries, regulators, and affected communities.	Peer-reviewed studies on Muslim charities and Islamic social finance stress multi-stakeholder accountability, public trust, and narrative disclosure (Ahmed et al., 2024; Ayub et al., 2025; Yasmin & Haniffa, 2017).
P4	Semi-autonomous governance reduces state capture only when appointment, audit, allocation, and reporting processes are insulated from partisan control.	Governance studies on arm's-length public bodies and dialogic accountability emphasise institutional independence, plural oversight, and procedural transparency (Brown & Dillard, 2015; Christensen & Lægreid, 2001).
P5	Interfaith redistribution requires differentiated accounts, not undifferentiated pooling, to preserve religious legitimacy and legal compliance.	Islamic accounting and waqf governance literature emphasise stewardship, restriction of funds, and compliance with donor intent (Ayub et al., 2025; Kamla, 2009).

These propositions strengthen the article's central contribution: LDU is not simply a new institutional container for religious giving but a test case for whether accounting can transform philanthropy into redistributive accountability. P3 is deliberately grounded in peer-reviewed literature rather than relying primarily on (Yasmin et al., 2018; Yasmin & Haniffa, 2017). P4 is also strengthened by locating semi-autonomy within governance literature on arm's-length institutions, auditability, and dialogic accountability.

Regulatory Grounding of the Proposed LDU Model

The proposed model must operate within, or explicitly require amendment to, Indonesian law. For zakat, Law No. 23/2011 establishes BAZNAS as the national body responsible for zakat management and recognizes licensed amil zakat institutions. Government Regulation No. 14/2014 further regulates implementation, coordination, reporting, and institutional authority. Therefore, any LDU function involving zakat cannot legally bypass BAZNAS. It should instead be designed as a complementary policy, data, reporting, and redistribution coordination mechanism.

For waqf, the Indonesian Waqf Board has regulatory authority over nazhir development and waqf governance. Because waqf assets are legally and religiously bound by donor intention, LDU cannot freely pool waqf with other religious funds unless fund restrictions, asset designation, and beneficiary rules are preserved. This is why differentiated accounts are not merely an accounting preference; they are a legal and theological necessity.

Interfaith fund governance is even more sensitive. Indonesian law does not currently provide a fully developed framework for pooling zakat, waqf, church-based funds, Hindu dana punia, Buddhist dana, and other faith-based resources into one undifferentiated account. A legally viable model would therefore require either: separate faith-based subaccounts under a common reporting platform, or a new statutory mandate defining permissible coordination, disclosure, audit, and allocation mechanisms. The former is more immediately feasible; the latter would require legislative or regulatory reform.

Operational Principles for Policy Design

To translate the proposed conceptual framework into practical governance arrangements, this study identifies a set of operational principles and accountability mechanisms for the *Lembaga Dana Umat* (LDU). These principles are derived from the intersection of critical accounting, nonprofit accountability, public governance, and Islamic social finance literature. Rather than treating accountability solely as a reporting obligation, the framework emphasizes transparency, stakeholder participation, institutional independence, and redistributive justice as essential conditions for enhancing the legitimacy and effectiveness of religious philanthropy governance. Table 6 summarizes the proposed operational principles, corresponding policy mechanisms, expected accountability effects, and supporting literature:

Table 6. Operational Principles and Accountability Mechanisms for the *Lembaga Dana Umat* (LDU)

Operational principle	Policy mechanism	Expected accountability effect	Supporting literature
Differentiated religious accounts	Maintain separate ledgers for zakat, waqf, sadaqah, church funds, Hindu dana punia, Buddhist dana, and other restricted funds.	Prevents theological dilution, protects donor intent, and reduces legal ambiguity.	(Ayub et al., 2025; Kamla, 2009).
Independent audit	Require annual external financial,	Enhances credibility, reduces information	(Connolly & Hyndman, 2013; DeAngelo, 1981;

Operational principle	Policy mechanism	Expected accountability effect	Supporting literature
	sharia/religious, and social-impact audits.	asymmetry, and strengthens public trust.	Yasmin & Haniffa, 2017).
Participatory governance	Include beneficiaries, civil society, religious representatives, and public accountability experts.	Reduces elite capture and expands accountability beyond donors and state actors.	(Brown & Dillard, 2015; O'Dwyer & Unerman, 2008).
Semi-autonomous institutional design	Insulate appointments, allocation decisions, audit committees, and reporting from partisan control.	Reduces state capture while preserving public oversight.	(Christensen & Lægreid, 2001; Miller & Power, 2013).
Public redistributive reporting	Publish distribution maps, beneficiary categories, inequality indicators, and impact narratives.	Moves reporting from charity outputs to justice-oriented outcomes.	(Gray & Collison, 2002; Nwagbara & Belal, 2019).
Legal-regulatory alignment	Position LDU as a coordinating and reporting mechanism under existing zakat and waqf authorities unless new legislation is enacted.	Prevents institutional duplication and improves regulatory legitimacy.	(Ayub et al., 2025; Connolly & Hyndman, 2013).

The strengthened table clarifies why each principle is expected to produce a specific accountability effect. Independent audit is not assumed to generate trust automatically; it does so when audit quality, independence, and public disclosure reduce information asymmetry. Participatory governance does not guarantee justice by itself; it must be institutionally embedded so that beneficiary voices affect allocation rules, evaluation criteria, and reporting priorities.

Implications for CPA, Islamic Social Finance, and Public Policy

For CPA scholarship, the proposed LDU framework extends critical accounting into a domain often treated as moral or charitable rather than political. It shows that religious funds are not outside the politics of accounting. They are deeply implicated in the production of visibility, legitimacy, entitlement, and redistribution. This supports the CPA argument that accounting systems do not merely measure social interventions; they actively construct what counts as need, impact, efficiency, and justice.

For Islamic social finance, the implication is that zakat and waqf governance should not stop at compliance, collection efficiency, or donor confidence. These are necessary but insufficient. A redistributive accountability framework asks whether religious social finance reduces vulnerability, changes access to resources and empowers beneficiaries as accountable publics. This aligns Islamic concepts of *amanah*, *maslahah*, and justice with critical accounting's concern for power and inequality.

For public policy, the implication is more practical. An LDU model should be designed as a layered governance arrangement: BAZNAS remains central for zakat; BWI remains central for waqf; other religious funds remain governed by their respective legal and community structures; and LDU functions as a cross-faith coordination, transparency, data integration, and redistributive-policy platform. Such a model is more legally defensible than a single pooled fund.

Risks and Critical Safeguards

While the proposed LDU offers a framework for enhancing the accountability and redistributive effectiveness of religious philanthropy, its implementation is not without challenges. Consistent with critical accounting and governance literature, institutional innovations may generate unintended consequences, including political interference, elite domination, bureaucratic inefficiencies, and symbolic forms of accountability that obscure substantive social outcomes. Identifying these risks is essential for designing governance arrangements that preserve institutional legitimacy, stakeholder trust, and distributive justice objectives. Table 6 outlines the key governance risks associated with the proposed LDU model and the corresponding safeguards that may mitigate these concerns:

Table 7. Potential Governance Risks and Mitigation Mechanisms for the *Lembaga Dana Umat* (LDU)

Risk	Critical concern	Safeguard
State capture	LDU may become an instrument of political patronage.	Independent appointment committee, fixed-term governance, public minutes, external audit.
Religious dilution	Cross-faith coordination may be perceived as weakening doctrinal boundaries.	Differentiated accounts and faith-specific allocation rules.
Elite capture	Religious and economic elites may dominate allocation decisions.	Beneficiary representation and participatory budgeting mechanisms.
Bureaucratisation	Excessive regulation may slow distribution and weaken community responsiveness.	Lean reporting standards and digital transparency systems.
Symbolic accountability	Reports may emphasise narratives without structural impact evidence.	Mandatory redistributive indicators and independent social-impact assessment.

The central safeguard is institutional design. LDU must be autonomous enough to resist partisan capture, but accountable enough to remain publicly answerable. It must be plural enough to coordinate across faiths but differentiated enough to respect religious law. It must be technical enough to produce reliable accounting data, but critical enough to ask whether redistribution transforms social conditions.

CONCLUSION

This study argues that Lembaga Dana Umat (LDU) should be understood not merely as a philanthropic fundraising initiative but as a redistributive accounting institution operating at the intersection of religious authority, public governance, and social justice. By integrating Critical Perspectives on Accounting (CPA), Islamic social finance, and governance literature, the study demonstrates that accounting extends beyond technical reporting to shape the legitimacy, allocation, and accountability of religious social funds. The concept of redistributive accountability proposed in this article broadens conventional accountability by emphasizing not only financial stewardship and regulatory compliance but also distributive justice, public value, and social inclusion. Accordingly, the study extends CPA scholarship into the underexplored field of faith-based and interfaith social finance while providing a stronger conceptual foundation for evaluating the governance of religious funds.

From a policy perspective, the study proposes a governance framework for LDU based on differentiated religious fund management, independent oversight, participatory governance, and alignment with Indonesia's regulatory framework for zakat and waqf institutions. These principles are expected to strengthen institutional legitimacy, transparency, and public accountability while mitigating the risks of political capture and governance failure. As a conceptual study, however, the findings are derived from systematic literature synthesis rather than empirical investigation. Future research should therefore examine the practical implementation of redistributive accountability across zakat, waqf, and other faith-based social finance institutions to validate and refine the proposed framework in diverse institutional settings.

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