



## Accountability Mechanisms in Faith-Based Organizations: A Case Study of an Islamic Philanthropy Institution in Indonesia

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**Abstract**

**Background:** Faith-based NGOs in Indonesia occupy a unique position at the intersection of religious obligation and public governance. While accountability research on NGOs has grown substantially, existing studies predominantly examine secular or general nonprofit contexts, leaving the accountability dynamics of values-based Islamic institutions underexplored.

**Objective:** This study aims to identify the key stakeholders and evaluate the accountability mechanisms within philanthropic institutions.

**Methods:** This study adopts a single case study design focusing on a faith-based organization engaged in Islamic philanthropy in Indonesia. Data were collected through semi-structured interviews, direct observation, and document analysis. The analysis was conducted using a thematic approach, complemented by the constant comparative method to identify patterns and variations in accountability practices.

**Results:** The findings indicate that the organization has implemented five key accountability mechanisms: disclosure and reporting, performance evaluation, participation, self-regulation, and social audit. However, the implementation of these mechanisms remains suboptimal. Future research is recommended to undertake a comparative analysis across multiple NGOs to examine the relationship between accountability mechanisms and the level of public trust in philanthropic institutions in Indonesia.

**Conclusion:** The upward-biased accountability structure identified in this study reflects a broader governance challenge in Indonesian faith-based NGOs, where regulatory and donor compliance pressures systematically crowd out participatory and reflective accountability to beneficiaries.

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### INTRODUCTION

The concept of NGO (Non-Governmental Organization) was first formally recognized internationally in the United Nations (UN) Charter document in 1945. One of the early forms of modern NGOs was the International Committee of the Red Cross (ICRC) founded in Switzerland in 1863, which until now has been a pioneer in international humanitarian aid. The role of NGOs is very significant in various aspects of life and global development, both at the local, national, and international levels (Wardani, 2024).

Amidst the limited capacity of the state to reach vulnerable groups and increasing distrust of formal institutions, NGOs are present as alternative actors carrying out missions of humanity, social justice, and community empowerment (Permatasari et al., 2023). NGOs need to ensure that their social interventions not only have an immediate impact but also create sustainable change in the future (Rakhman & Haryadi, 2020). NGOs play a crucial role as a counterbalance and

complement to the role of the state and the private sector, particularly in bridging the needs of civil society with public policy (Fikri et al., 2023).

The development of NGOs in Indonesia has been gradual and closely linked to national socio-political dynamics (Harahap, 2023). During the Old Order (1945–1965), NGOs were not yet prominent in their modern form. Social activities and public services were primarily carried out by faith-based organizations such as Muhammadiyah and Nahdlatul Ulama, which focused on education and public health (Sukmana et al., 2022). More significant developments occurred during the New Order (1966–1998), when NGOs began to emerge in response to the impact of centralized development. The primary focus of NGOs during this period was village community empowerment, environmental conservation, and human rights advocacy (Anita, 2022).

Entering the Reformation era (1998–2010), a more open democratic climate encouraged the exponential growth of NGOs (Amelina, 2014). According to Bappenas (2001) data, there were more than 13,000 registered non-governmental organizations (NGOs) active throughout Indonesia during that period. Many NGOs continued to transform into professional institutions that play a role in public oversight, multi-sector collaboration, and the implementation of the sustainable development agenda, commonly referred to as the Sustainable Development Goals (SDGs) (Lauwo et al., 2022).

Despite their increasing significance in supporting development and championing the interests of civil society, these institutions also face various serious challenges in terms of governance and operational sustainability (Zulfathurrahmah et al., 2024). According to Harahap (2023), as non-profit entities, funding generally comes from individual donations, grants from international donor agencies, and corporate funds, such as Corporate Social Responsibility (CSR) or community contributions. However, these funding streams are not free from complex accountability requirements (Hardianto et al., 2022).

Two intersecting trends within the Indonesian context intensify the need for scrutiny of accountability in Islamic-based NGOs. The first is that the collection of ZIS funds from LAZ institutions has rapidly grown—IDR 6.2 trillion in 2020 increasing to over IDR 26 trillion in 2023 based on BAZNAS data—bringing unprecedented scale and public scrutiny on how these funds are managed and reported. Second, Indonesia is the largest Muslim-majority country in the world, and consequently public trust in Islamic philanthropic institutions has implications not only for organizational sustainability but also on a wider scale, with respect to the social contract between faith-based civil society organizations (CSOs) and beneficiaries. The accountability deficit jeopardizes not only institutional sustainability, but also the ethical credibility of zakat-based redistribution as an instrument of social justice.

Accountability, then, is the process of testing that commitment. Islamic philanthropic institutions must be structured, governed, and held accountable Zulfathurrahmah (2024); failing to do so threatens public trust. Accountability is a means of ensuring that responsibilities are performed transparently, honestly, and fairly Jaka Mulyana (2024), in accordance with stakeholders' expectations. This relationship is vital for NGOs that often handle public resources and work in a social space Kusmaeni (2024) that requires legitimacy and trust.

In this regard, according to Freeman (1984), organizations are responsible not only toward a specific party but toward all parties who have an interest in or are affected by the organization's activities directly or indirectly. In the NGO context, stakeholders include donors, governments, beneficiaries, employees, institutional partners, and the wider community that experiences the impact of the program (Ulum & Sujatna, 2025). The main principle of Freeman's (1984) theory is that an organization's success depends heavily on its ability to balance and meet the needs and expectations of each stakeholder group. Thus, stakeholder theory is an important foundation in understanding the direction and dynamics of NGO accountability, because every organizational decision must consider the moral and social responsibilities to the parties involved.

Meanwhile, Ebrahim (2003) classifies NGO accountability into three main directions: upward accountability, namely accountability to higher parties such as donors and the government; downward accountability, namely accountability to beneficiaries or the communities served; and internal accountability, namely the organization's accountability to itself, including to staff, organizational values, and institutional missions. These three directions

of accountability reflect the strategic position of NGOs between external pressures and internal commitments, thus demanding the implementation of accountability mechanisms that are not only administrative but also participatory and reflective. This aligns with Kholmi's (2022) research, which characterizes accountability as taking the form of vertical and horizontal patterns.

According to Ebrahim (2003), there are five main mechanisms for accountability that are commonly used by NGOs to build and maintain accountability, namely: disclosure statements and reports, performance assessment and evaluation, participation, self-regulation, and social auditing.

The main motivation in raising this issue of accountability is to assess how NGOs are accountable for their roles to various stakeholders and how unbalanced accountability can pose risks to organizational sustainability, as in research conducted by (Kamila & Wijayanti, 2023; Palupi et al., 2024; Ulum & Sujatna, 2025). This condition raises the importance of examining accountability mechanisms in NGO practices, both upward (to donors and the government), downward (to beneficiary communities), and internally (to the values and staff of the organization itself). This research is based on the awareness that the sustainability and legitimacy of NGOs is not only determined by how extensive their programs are, but also by how strong the accountability mechanisms they build are, as demonstrated in research conducted by (Afif et al., 2023; Kabib et al., 2021; Kholmi, 2022; Kusmaeni & Syahrenny, 2024; Ladewi et al., 2023; Solin et al., 2023; Syaifuddin & Khalil, 2024).

The main issue this research seeks to understand can be formulated as follows: the organization operates under overlapping—and at times competing—accountability pressures. These include regulatory demands for formal compliance, donor expectations for financial transparency, beneficiary demands for responsive and participatory program delivery, and internally embedded religious values that emphasize ethical integrity. When these demands pull in different directions, the risk is that accountability becomes an upward-facing performance satisfying powerful external principals—while the organization's downward obligations to beneficiaries and internal governance integrity are progressively weakened. Identifying and diagnosing this imbalance in a specific, well-documented case is the primary scientific contribution of this research.

In general, NGOs can be classified based on their areas of focus, such as education, health, environment, and humanitarian work (Robinson et al., 2024). In addition, the funding model and operational objectives of NGOs also vary; some rely on social donations, some combine commercial activities as a source of income (hybrid), and some are commercially oriented while maintaining their social mission (Permatasari et al., 2023). Understanding this variation is important for assessing the diversity of NGO functions and strategies across various social and economic contexts.

This research uses a purposively selected single case study approach. According to Yin , (2018) single case studies are relevant when the case represents a unique, critical, or typical case, and when researchers want to gain an in-depth and holistic understanding of a complex phenomenon. This case study allows researchers to explore accountability mechanisms contextually and comprehensively, both from a formal perspective such as reporting and evaluation, and from a social and ethical perspective such as public participation and legitimacy (Harahap, 2023). Accordingly, the central research questions guiding this study are: (RQ1) Who are the key stakeholders of the organization, and what are their distinctive accountability expectations? (RQ2) How has the organization implemented Ebrahim's (2003) five accountability mechanisms across the three directional dimensions of accountability? (RQ3) Where do the principal imbalances and tensions within the organization accountability system emerge, and what are their implications for organizational legitimacy and sustainability?

In the Indonesian context, the organization examined in this study exhibits several characteristics that are particularly relevant to the research focus. First, it is an Islamic-based non-profit organization that operates nationally and has a network of activities spread across various regions of Indonesia. This organization specifically engages in the management of religious social funds such as *zakat* (alms), *infaq* (donations), and *sedekah* (charity). Second, while grounded in Islamic values, the organization adopts an inclusive approach, delivering programs that benefit a broad spectrum of society without discrimination based on religious affiliation. Third, it reflects

the shift in the role of NGOs in Indonesia toward more professional institutions, engaging in cross-sector collaboration, and supporting the achievement of the Sustainable Development Goals (SDGs). Collectively, these features make the organization a relevant empirical setting for examining accountability practices within values-based governance contexts.

In 2024, the organization successfully managed more than IDR 400 billion in *zakat*, *infaq*, and *sedekah* (ZIS) funds from the community. The number of beneficiaries assisted reached more than one million people in various regions of Indonesia. It has received awards and recognition in the form of the Top Zakat NGO of the Zakat Awards by BAZNAS several times, has ISO 9001:2015 certification for quality management systems, is registered and supervised by the Ministry of Religion and BAZNAS, has obtained permission as a National Zakat Amil Institution (LAZ), and is one of the Indonesian NGOs that are part of the UN Global Compact, signifying a commitment to the principles of global sustainability.

This study addresses a significant gap in previous research. Most previous researchers, such as Ulum (2025) and Kamila (2023), stated that NGO accountability in Indonesia focuses on non-religious institutions, emphasizing financial reporting and donor compliance (upward accountability). This study differs in that it examines Islamic NGOs that manage *zakat*, *infaq*, and *sedekah* (ZIS) funds using a values-based and spiritual approach. Furthermore, this study integrates Freeman's (1984) stakeholder theory and Ebrahim's (2003) accountability mechanism framework to understand how accountability principles are applied in the context of religious philanthropic organizations in Indonesia. Using a qualitative case study approach on an Indonesian Islamic NGO, this study provides an empirical contribution in explaining how the balance between upward, downward, and internal accountability is realized in real practice.

The conceptual novelty of this study lies in its integration of two complementary theoretical frameworks: Freeman's (1984) stakeholder theory provides the structural lens for identifying who holds legitimate claims on NGO accountability, while Ebrahim's (2003) five-mechanism framework provides the operational lens for evaluating how—and how effectively—those claims are addressed. Previous applications of these frameworks have treated them separately; this study is the first, to the authors' knowledge, to apply their integrated use to an Islamic philanthropic institution in the Indonesian context, where the added dimension of religious legitimacy creates a distinctive fourth layer of accountability beyond the three conventional directions (upward, downward, internal) identified by (Ebrahim, 2003). Three analytical gaps distinguish this study from existing scholarship.

First, while Ulum (2025) identify accountability indicators, neither examines the directional imbalance between upward, downward, and internal accountability in a single institution—the analytical lens this study specifically develops. Second, Jaka Mulyana (2024) and Zulfathurrahmah (2024) examine accountability outcomes (public trust, program effectiveness) but do not investigate the mechanism-level implementation through which these outcomes are—or are not—produced. Third, no existing Indonesian study has integrated stakeholder theory with Ebrahim's (2003) five-mechanism framework to systematically examine how multi-stakeholder accountability demands are operationally navigated in a ZIS-managing Islamic philanthropic institution. Moreover, this study aims to identify the key stakeholders and evaluate the accountability mechanisms within philanthropic institutions.

## METHOD

This research design used a single case study approach (single case theory) as proposed by Yin (2018), where this approach is suitable when researchers want to conduct an in-depth and comprehensive (holistic) study of a case unit that is considered representative or critical.

This study focuses on a single organization as the unit of analysis, selected for its demonstrably advanced accountability practices within the context of faith-based non-profit organizations, as well as the complex, distinctive, and context-dependent nature of such practices. This single case study allowed researchers to explore the relationship between stakeholder theory, accountability mechanisms, and the internal dynamics of NGOs within a specific social and cultural context. Using Yin's (2018) typology, the selected organization qualified as a critical case: it managed the largest scale of ZIS funds among nationally licensed LAZ institutions, held ISO 9001:2015 certification and multiple national and international awards, and had implemented all

five accountability mechanisms identified by Ebrahim (2003)—making it a theoretically strategic site for examining the completeness, balance, and tensions within a fully developed accountability system. Because the case is a best-practice exemplar, any imbalances identified here have special significance for innovation diffusion: they underscore that structural accountability asymmetries remain present among institutionally sophisticated faith-based NGOs and not just low-capacity organizations.

This research was conducted at the headquarters of the organization in Bandung. Purposeful sampling, which is the intentional selection of specific locations based on social activity intensity and open access to information, was used for this purpose. Bandung, the capital of West Java Province, is a region with high social dynamics and active civil society participation, particularly in religious, economic empowerment, and humanitarian issues. The city is known for its numerous social communities, philanthropic organizations, and active volunteer networks, making it a fertile environment for implementing NGO programs.

The data sources for this study were categorized into two types: primary and secondary data. Primary data were collected through semi-structured interviews and direct observation. Primary data, obtained directly from informants through interviews, were used to gain a clearer understanding of phenomena that had not yet been fully explained.

The research informants listed in Table 1 consisted of seven informants selected based on the accountability orientation according to (Ebrahim, 2003). These informants included upward stakeholders, namely one donor representative and one government representative; downward stakeholders, namely two community beneficiaries; and internal stakeholders, including the company secretary, a volunteer and regional coordinator, and the financial manager. Observations were conducted on NGO field activities to directly observe accountability practices. Informants were selected using criterion-based purposive sampling; each informant was required to have direct involvement in or experience of at least one of the three accountability directions (upward, downward, or internal).

This triangulation provided directional representation: upward accountability was represented by a donor with a multi-year giving history and one BAZNAS regulatory official who had oversight of BAZNAS fund distribution; downward perspectives included two beneficiaries with at least one year of experience participating in BAZNAS programs; and internal perspectives were represented by three officers across functional roles—financial management, administrative governance, and field coordination. This purposive sampling was conducive to systematic comparison by directional position, rather than by accountability experience alone.

In addition, secondary data were obtained from document studies. A qualitative approach was utilized because the methods are compatible with capturing social dynamics that cannot be quantifiably measured (Bogdan & Biklen, 1997). Documents such as annual reports, financial statements, organizational codes of ethics, and NGO publications were also examined for data triangulation.

Data were analyzed using Braun (2006) thematic analysis and Thorne's (2000) constant comparative method. Thematic analysis was conducted to extract patterns or themes from interview and document data. The steps of analysis included transcription of interview data, theme identification, and initial coding. The constant comparative method was employed to compare data across sources to identify notable similarities as well as differences. This process helped yield more accurate and meaningful conclusions. Coding followed a deductive-inductive hybrid approach: an initial deductive coding scheme was derived from Ebrahim's (2003) five mechanisms and three accountability directions, providing a theoretically anchored structure, while subsequent inductive coding enabled emergent themes to surface from data not predetermined by the framework.

Coding segments were organized into specific themes through iterative comparison within each informant type, facilitating the identification of cross-stakeholder trends and contradictions. To ensure trustworthiness, four criteria were applied: credibility was established through member checking, where key findings were returned to three informants for verification; transferability was achieved through thick description of the organizational and regulatory context; dependability was maintained through an audit trail of coding decisions documented in the research journal; and confirmability was ensured through triangulation across interview,

observational, and documentary data sources.

This research was based on the principles of voluntarily conducted research. Before the interview, all informants received detailed information about the purpose and scope of this study as well as a discussion of how any potential risks associated with their participation would be minimized. This was explained in a formal document, the Informed Consent Form.

**Table 1.** List of Interview Informants

<b>Code</b>	<b>Position</b>	<b>Direction of Accountability</b>
001	Regional Coordinator of the organization	<i>Internal Accountability</i>
002	<i>Head of Secretary</i> of the organization	<i>Internal Accountability</i>
003	Donor	<i>Upward Accountability</i>
004	<i>Finance Manager</i> of the organization	<i>Internal Accountability</i>
005	Head of Archives and PPID Section of BAZNAS Center	<i>Upward Accountability</i>
006	Beneficiary 1	<i>Downward Accountability</i>
007	Beneficiary 2	<i>Downward Accountability</i>

## RESULTS AND DISCUSSION

### Results

The findings uncover a well-defined structural hierarchy in the implementation of accountability mechanisms within the organization. This study systematically considers the five accountability mechanisms, producing consistent evidence that the strongest and most systematically implemented direction of accountability is upward—toward the donors, BAZNAS, and the Ministry of Religious Affairs.

External regulatory expectations are highly complied with regarding disclosure and reporting, performance evaluation, and self-regulation. In contrast, participation and social audit—the two mechanisms most directly oriented toward beneficiary communities—are the weakest, most discretionary, and least institutionally embedded. Internal accountability is a hybrid: organizational mechanisms (codes of ethics, hierarchy) may be in place, but implementation consistency struggles with limited human resource availability. This upward-biased orientation is the main analytical result of this paper and is elaborated in the three directions of accountability identified below.

### Stakeholders of the Organization

The data on stakeholder classifications and the discrepancies between expectations and experiences pertaining to accountability mechanism implementations within the organization are presented based on the results of the interviews. According to the results of this analysis regarding direction of accountability, it is evident that the organization operates across three dimensions as per the explanation from Ebrahim (2003), which are upward, downward, and internal accountability.

From the aspect of upward accountability, the organization fulfills its obligation to be accountable to the government (BAZNAS and the Ministry of Religious Affairs) by preparing financial reports that comply with ISAK 35 or PSAK 109, as evidenced by external audits conducted by a Public Accounting Firm. This transparency also applies to reporting done to donors, which is available on the company's official website and digital applications.

This strong upward accountability is indicative of the coercive isomorphic pressure that characterizes Indonesia's ZIS regulatory environment, whereby BAZNAS oversight, Ministry of Religion registration requirements, and LAZ licensing conditions create a set of compliance obligations that are not subject to negotiation—reducing the organization's ability to freely change course. The strong performance in this direction is thus structurally overdetermined—it stems from the threat of sanctions and not so much from organizational commitment to accountability as an intrinsic value.

In contrast, downward accountability remains comparatively limited. While the organization has introduced mechanisms to engage beneficiary communities—such as needs-

based assessments, consultation forums, and post-program evaluations—these forms of participation tend to be mediated and largely representational. Describing downward accountability as "limited and representational" exposes a major structural tension: beneficiaries—those who ultimately receive ZIS redistribution, and the primary intended recipients of the organization's social mission—wield the least influence over program design, delivery, and evaluation. At best, their involvement is consultative; at worst, it is largely performative, and there are no formal channels for giving ongoing feedback to the organization or for raising grievances. Such asymmetry between the beneficiaries' centrality (to the organization's mission) and their marginality (in terms of accountability toward them) is identified in this study as the most critical governance gap.

On the internal accountability front, it was found that a clear organizational structure, regular evaluations, and a code of ethics form the foundation of internal governance. The remaining challenges are inconsistent internal reporting and capacity limitations of the human resources needed to operationalize a robust accountability system.

## Discussion

### Stakeholder Expectations of the Organization

According to informants from donor organizations, transparency is demonstrated through the provision of detailed financial reports on the flow and distribution of all funds raised. The government noted the compliance of NGO organizations with regulations, including the use of *zakat* accounting standards and reporting in accordance with BAZNAS regulations.

Using Freeman's (1984) stakeholder theory applied to the interview data uncovers systematic expectation gaps that map directly onto the accountability discrepancies identified above. Donors and government regulators—the upward stakeholders—have explicit, formalized expectations about financial accuracy, ZIS-category applicability, and regulatory reporting that the organization consistently meets.

Beneficiaries—the downward stakeholders—have more relational expectations: assistance that is regular and responsive to their needs, dignified service delivery, and programs based on a genuine understanding of conditions in their communities. Such expectations are qualitatively distinct from upward-mandated compliance and require ongoing participatory mechanisms as opposed to simple reporting formats. The difference is not only one of implementation intensity but also of the nature of accountability required by each: upward accountability tends to be transactional and formal, while downward accountability calls for relational and adaptive responses less readily systematized or legible to an outside evaluator. This structural difference also explains how well-resourced, award-winning organizations can excel at upward accountability while lagging in their downward responsiveness—the two modes require completely different organizational capacities and incentive structures.

"I hope the funds are optimized to improve the community's welfare, and the program is implemented productively." (Donor)

"...ensure that the collected funds are distributed to the 8 (eight) *asnaf* (beneficiaries) recipients of *zakat*. *Zakat* funds may not be allocated to programs other than *zakat*. The recipients of *zakat* must also only be Muslims as stated in the Al-Quran, namely QS. At-Taubah (9): 60." (Head of Archives and PPID Section of BAZNAS Pusat)

From the beneficiaries' perspective, they assessed that the organization had provided a positive impact through regular aid distribution, although there were still complaints regarding the limited distribution of aid.

"Hopefully, this NGO can provide regular assistance according to the community's needs." (Beneficiary 1)

Meanwhile, internal informants, such as corporate secretaries and financial managers, are expected to provide transparency and accountability to all stakeholders. However, suggestions and input will be received and processed before implementation.

"...can provide transparency and accountability to all stakeholders." (Secretary of the organization)

### Organizational Accountability Mechanisms

Secondary data collection from documentation indicates that the organization has strived to achieve transparency and accountability through various media, particularly its official website and social media accounts. On the website, it presents quite comprehensive information, ranging from its vision and mission, work culture, organizational history, organizational structure, and various types of programs implemented. Information related to disbursed funds, donor feedback reports, and awards received are also published openly.

The programs offered include Empowered Village, Health, My Village Sacrifices, Environment and Disaster, Education, Ramadan, Da'wah and Capacity Building, and Economy, which demonstrate a broad and diverse range of social activities. In terms of achievements, the organization has won several prestigious awards, including an international award at the 15th Global Islamic Finance Awards (GIFA) in Kuala Lumpur, Malaysia, and the 2025 BAZNAS Awards in the National LAZ category.

Based on the results of interviews with stakeholders, it can be concluded that the NGO has implemented most of the five accountability mechanisms as stated by Ebrahim (2003), namely disclosure and reporting, performance evaluation, participation, self-regulation, and social audit.

**Mechanism Strength Analysis:** The implementation intensity across the five mechanisms displays a distinct gradient. Disclosure and reporting—anchored in ISAK 35/PSAK 109 compliance, independent external audits, a publicly accessible website, and active social media communications—represents the strongest implementation. The second is self-regulation, with structured organizational conduct in the form of formalized codes of ethics, standard operating procedures (SOPs), and HR-managed internal regulations.

Performance evaluation occupies the middle ground: there are internal monitoring and evaluation cycles, but these relate more to donor reporting requirements than to beneficiary-centered impact evaluations. Participation is the fourth and far less effective mechanism—it is largely restricted to regional coordinators and field staff during implementation design, with minimal systematic community involvement in program design or monitoring and evaluation. Social audit is the weakest mechanism: external oversight of the organization by BAZNAS and independent auditors captures financial and regulatory compliance but does not engage the communities whose lives are supposed to be transformed through programs. Paradoxically, the community—the recipient of a non-profit organization's social impact—has the least organized voice when it comes to determining whether that impact is occurring.

In terms of disclosure and reporting, the organization regularly publishes financial and program reports through its website and social media, and provides access to information for the public and stakeholders.

"Reports are submitted to stakeholders and can be accessed through the company website." (Finance Manager of the organization)

"We learned about the program through social media." (Beneficiary 1)

"Usually, we receive reports on program distribution and see the documentation published on NGO social media." (Beneficiary 2)

From the donor and government perspectives, this reporting was deemed quite informative and in accordance with the principles of accountability, although obstacles were still encountered, such as the uneven distribution of the digital data collection system and the limited availability of specific reports for the public.

"Obstacles arise from the uneven and incomplete digital collection and processing of data and information." (Secretary of the organization)

In the performance evaluation mechanism, program evaluations have been carried out periodically by internal teams, and some involve external parties.

"The evaluation report is a monitoring and evaluation report only for beneficiaries." (Secretary of the organization)

The participation mechanism is reflected through community involvement in the program planning and implementation process.

"As the regional coordinator, I am involved in designing, implementing, and overseeing programs, both those conducted by regional coordinators and those created by central field staff." (Regional Coordinator of the organization)

In terms of self-regulation, the organization has established ethical standards, codes of conduct, and internal SOPs that regulate reporting and financial management.

"The people and culture team, commonly known as Human Resources, creates internal regulations such as the code of ethics and applicable SOPs." (Secretary of the organization)

Finally, the social audit mechanism has been implemented through the involvement of external institutions such as BAZNAS, the Ministry of Religion, and independent auditors to assess the institution's social and financial performance.

"Evaluation from all stakeholders, including donors, beneficiaries, and across institutions and governments. The community is not involved in evaluating social performance." (Secretary of the organization).

### CONCLUSION

This study aims to identify the key stakeholders of the organization and analyze how it navigates their expectations through the implementation of accountability mechanisms. The analysis reveals three principal stakeholder groups corresponding to different accountability directions: upward accountability (government authorities and donors), downward accountability (beneficiary communities), and internal accountability (staff, volunteers, and organizational management). Each group articulates distinct expectations concerning transparency, program effectiveness, and the reliability of financial reporting.

To address these expectations, the organization has adopted five accountability mechanisms—disclosure and reporting, performance evaluation, participation, self-regulation, and social audit. However, the findings indicate that the implementation of these mechanisms remains uneven across accountability directions. Accountability practices are more developed in the upward direction, whereas downward and internal accountability continue to face notable constraints, including limited human resource capacity, the absence of integrated digital reporting systems, and restricted community involvement in social audit processes.

The implications of this research indicate that a balance among the three strands of accountability is crucial for maintaining the legitimacy and sustainability of NGOs, particularly in the context of faith-based institutions that manage public funds such as *zakat* (alms), *infaq* (donations), and *sedekah* (charity). Therefore, it is necessary to strengthen participatory mechanisms and increase the capacity of internal resources so that accountability is not merely administrative but also reflective and responsive to stakeholder needs. This research is limited by its single-case study focus on one NGO, making its results unable to be generalized to all faith-based NGOs in Indonesia. Future research is recommended to employ a comparative approach across several NGOs with different backgrounds and operational scales, and to integrate quantitative methods to more objectively measure the effectiveness of accountability mechanisms.

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### AUTHOR CONTRIBUTION STATEMENT

Arika Tri Sugiharti: Conceptualization, literature review, data collection (interviews, observation and documentation), preliminary data analysis and writing – original draft. Desti Fitriani: Conceptualization and methodology, supervision, data validation and analysis, interpretation of findings, writing – review and editing, manuscript final approval.

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