Issues and Challenges in the Practice of Wakalah Zakat Management at Polytechnic Malaysia

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Received 1 October 2025, Accepted 28 October 2025, Available Online 17 November 2025

Abstract. The wakalah practice of zakat management at Polytechnic Malaysia involves the delegation of zakat administration from the zakat institution to the polytechnic in order to guarantee the equitable and efficient distribution of zakat. This study emphasizes how zakat may enhance community well-being and how crucial it is for polytechnics to handle it. The study's primary goal is to pinpoint the causes of zakat management difficulties, such as a lack of standardization, a lack of amil competency, and problems with accountability. The findings of the study indicate that amil lacks support and training, and the zakat management process lacks clear guidelines. The study's conclusion highlights the necessity of improvement initiatives such the establishment of regular training courses for amil, the creation of uniform policies for zakat administration, and the implementation of stringent auditing procedures. It follows that more efficient and open implementation of zakat management at polytechnics will boost public confidence in the institution's zakat system.

Keywords: zakat management, wakalah, polytechnic

INTRODUCTION

Zakat is one of the principles of Islam that has a significant impact on the development of the Islamic economy and society. Social components of zakat's function include attempting to close the gap between the rich and the poor, particularly among the asnaf. Higher education establishments like polytechnics are also subject to zakat in Malaysia, along with to state religious institutions.

Through the wakalah system of zakat management, polytechnics play a significant role in assisting students who are less able to complete their education. The efficiency of zakat distribution at this educational institution may be impacted by a number of obstacles and limitations that accompany the implementation of this wakalah practice (Khalid, N., and Rahim, A. 2020).

In polytechnics, wakalah zakat management entails designating specific people to serve as amil or representative zakat managers, handling the tasks of zakat distribution and collecting (Ammar Badruddin and Mohd Noor 2021). This position is crucial to ensuring that zakat funds may be handled openly and effectively. But there are a number of problems in making sure this management functions properly. One of the primary problems is that the wakalah process is not standardized amongst the polytechnics; as a result, different techniques may be adopted by each, leading to inconsistent zakat implementation. This is frequently the result of a lack of clear regulations or official assistance that would enable zakat officials to carry out their responsibilities more successfully (Romli, A. B. and Daud, M. N., 2022).

Furthermore, it is impossible to underestimate the difficulty of the amil competency issue. An amil's responsibilities necessitate a thorough understanding of zakat law, sound financial management, and proficiency with the newest technologies that can streamline the process of distribution and collecting. Their level of expertise

may not be comparable at the polytechnic level due to limitations in providing these amil zakat with specialized training. In addition to impeding the efficiency of zakat administration, this may result in misconceptions or inaccurate zakat allocation to qualified asnaf (Nur, S. and Azlan, M. 2023).

Transparency and accountability are also essential components of zakat management in polytechnics. To maintain staff and student confidence in the polytechnic zakat system, zakat management calls for clear financial records and transparent reporting. Inadequate oversight may result in the possibility of zakat monies being misappropriated or leaking, which would ultimately harm the institution's reputation (Malik, R. and Omar, N. 2022). This makes it imperative that polytechnics implement more stringent monitoring procedures and produce regular reports that stakeholders may readily access.

Thus, the purpose of this article is to thoroughly examine the problems and difficulties associated with wakalah zakat administration in Malaysian polytechnics and to identify workable and efficient solutions. This study will concentrate on the issues that lead to the problem, including the need to improve accountability in zakat administration, the competence of amil, and the absence of uniformity. It is envisioned that this analysis will offer recommendations for enhancements to guarantee that the polytechnic's zakat management can successfully accomplish its primary objective of aiding the poor.

RESEARCH METHOD

This study used a document analysis methodology as the primary qualitative research tool to examine the concerns and challenges in the management of wakalah zakat at Malaysian Polytechnics. This approach was selected because it enables researchers to analyse textual material that is legitimate, official, and pertinent to the study's setting. In keeping with Bowen's (2009) assertion that document analysis is highly appropriate for research requiring an understanding of the institutional and social context, it enables a thorough comprehension of the policies, procedures, and implementation of zakat management based on existing documents produced by the institutions involved.

This study methodically implemented document analysis through three primary stages: collecting, appraisal, and categorisation of documents. Internal operations manuals from polytechnics, yearly zakat reports from universities, zakat recommendations from the State Islamic Religious Council, audit reports, and scholarly articles about wakalah and amil competencies were among the documents gathered. According to O'Leary's (2014) document evaluation rules, each document was evaluated for content relevancy, publisher authenticity, and recentness. Making ensuring the data analysed accurately reflected the realities of zakat administration at polytechnics was the goal.

The researchers then thematically tagged and examined the documents' content to find reoccurring themes and problems, including inconsistent policies, limitations on amil training, and shortcomings in accountability and transparency. Scholarly references like Fauzi & Hashim (2021) and Hassan & Rahman (2022), which similarly emphasised comparable difficulties in the context of zakat management in higher education institutions, also supported this strategy. This study is pertinent to efforts to increase the efficacy of the zakat wakalah system in Malaysian polytechnics since the analysis's findings allowed the researchers to develop suggestions for enhancement based on actual data.

FINDINGS

Selection of a Capable Amil

To properly collect and distribute zakat, an amil or an amil representative must possess a thorough understanding of the rules governing it, as well as financial management and technology skills. However, creating an effective AML is hampered by the absence of specialized training and courses to give employees these abilities. Since many employees designated as amil zakat lack experience in zakat administration, they require further direction and training.

Additionally, there are difficulties in giving employees designated as amil ongoing training. Resources, time, and ongoing assistance from polytechnics and governmental zakat institutions are needed for specialized zakat

management training. However, the study discovered that because staff members often have other academic and administrative obligations, polytechnics frequently struggle to allocate time and funds for rigorous training programs. The appointed amil is unable to stay up to date with the most recent advancements or modifications in zakat policy brought about by the governmental zakat institution in the absence of this regular training system.

The appointment of an amil among current employees also creates commitment concerns because they must split their time between their primary responsibilities and their duty as amil. This may result in a lack of concentration and attention to zakat management, particularly when it comes to keeping an eye on zakat recipients' eligibility and making sure distribution is carried out equitably. This circumstance highlights the necessity for a more thorough approach to ensuring that staff members designated as amil receive sufficient training and assistance so they can perform their zakat duties with complete competence and professionalism.

A Comprehensive Guide

To ensure efficient, equitable management and to help the poor, Polytechnic Malaysia must have thorough policies on the collection, distribution, and oversight of zakat. Frequently, polytechnics lack detailed regulations that govern the zakat fund collection, distribution, and monitoring procedure. The absence of this guideline results in varying zakat management practices among polytechnics, which may lead to misunderstandings among amil staff members. Errors in the process of distributing funds to asnaf and in the assessment of zakat recipients' eligibility could occur in the absence of a standard guidance.

Furthermore, the lack of this thorough guide makes it more difficult to guarantee accountability and openness in zakat administration. Procedures including money reporting, reception and distribution documentation, and financial monitoring might not be handled correctly in the absence of thorough advice. This circumstance has an impact on the polytechnic's zakat management and may cause stakeholders, particularly students and employees, to lose faith in the wakalah zakat system that has been put in place. In addition to making the audit process and routine inspections easier, a thorough guide is crucial for guaranteeing that all procedures are followed in an understandable and transparent manner. The efficacy of long-term zakat management procedures in polytechnics is also impacted by the absence of comprehensive guidelines.

Without standardized guidelines with precise operational and implementation processes, polytechnics would find it challenging to make changes and guarantee uniform zakat administration throughout all of their institutions. In order to guarantee that all facets of zakat management can be carried out in a more methodical and expert manner, this study recommends that a thorough guide be created by the pertinent authorities, such as the State Islamic Religious Council or the zakat authority and coordinated in all polytechnics.

Accountability and Transparency Challenges in Zakat Management at the Polytechnic

Concerns about transparency and accountability also drove the conversation about the difficulties of managing zakat at polytechnics. Without an orderly and transparent structure, there is a chance that zakat funds will be misappropriated or leaked, which could harm the institution's reputation and the confidence of its employees and students. It can be challenging to determine whether zakat distribution has reached eligible recipients and is adequate for their needs when there is no clear system in place to document and report zakat collection and distribution. This demonstrates how crucial stringent monitoring protocols and frequent reports are to guaranteeing that every zakat donation is handled appropriately and fulfills its intended purpose.

Furthermore, the study discovered that accountability issues were exacerbated by polytechnics' lack of a specialized internal audit system for zakat management. The documentation of zakat collection and distribution may contain mistakes or inaccuracies if there is no audit procedure or recurring review. This has an impact on zakat management's openness and makes it more difficult to assess how well polytechnic personnel and students are receiving zakat distributions to the asnaf group. Strict audit procedures can guarantee the accuracy of the data collected and assist in identifying and fixing any flaws in the zakat management system.

This study also demonstrates the necessity of a strong culture of accountability among the amil, or employees, who are in charge of managing zakat. Training and exposure to the value of openness in the zakat management process are two ways to implement this culture of accountability. In addition to strengthening documentation and

reporting protocols, polytechnics can implement work ethics or policies that prioritize social responsibility in the administration of public monies. Zakat administration at polytechnics can be carried out more successfully and preserve public trust in this educational institution by enhancing accountability and transparency.

DISCUSSION

In order to assist the asnaf, especially staff members and students in need, wakalah zakat administration entails designating a person or a designated entity to oversee the collecting and distribution of zakat. However, there are significant issues with this zakat management system's flaws, such as the lack of a thorough standard guide and issues with amil competency, accountability, and transparency. The absence of a standard framework across all polytechnics leads to a number of implementation-related misunderstandings, and these disparate zakat management practices have an impact on how effectively the amils do their duties.

One of the biggest obstacles to zakat administration in polytechnics is the problem of amil competency. Amil's responsibilities necessitate a thorough understanding of zakat law, proficiency in financial administration, and the capacity to leverage contemporary technologies to streamline the management process. However, the employees designated as amil could not possess the requisite abilities due to the absence of specialized training and assistance in the area of zakat management. Introducing recurring training programs to enhance Amil's proficiency and offering precise instructions in the form of training modules are two suggestions to address this problem. This program, which exposes polytechnic staff to the skills necessary for professional zakat management, can be carried out in partnership with state zakat institutions.

Furthermore, zakat management's accountability and transparency issues need more careful consideration. To keep staff and students confident in the polytechnic's zakat system, it is essential to be open and honest about how zakat is collected and disbursed. Stricter internal auditing and documentation protocols, where each zakat collection and distribution is meticulously recorded, can be implemented by polytechnics. Another way to guarantee that zakat money are used correctly is to prepare regular reports that are available for review by stakeholders and authorities. This will guarantee openness at every stage of zakat fund management and allow the polytechnic to evaluate how well zakat is distributed.

Polytechnics must rely on consistent recommendations given by the State Islamic Religious Council (MAIN) or the state zakat institution in order to address the issue of the lack of comprehensive rules. Clear operational processes for collection, distribution, and monitoring should be included in this consistent guidance, along with comprehensive documentation for every stage of zakat management. To guarantee that zakat distribution is directed to genuinely eligible recipients, this guide must include the eligibility requirements for zakat recipients and precise verification methods. By coordinating policies among polytechnics, confusion can be avoided and wakalah zakat management can be implemented more effectively and consistently across the institution.

In summary, a thorough and methodical approach is necessary for the wakalah practice of zakat management in Malaysian polytechnics. It is possible to guarantee that polytechnic zakat administration operates more efficiently by enhancing amil's competency through training, guaranteeing accountability and transparency through stringent audits, and offering consistent and thorough advice. These actions will guarantee that zakat monies may be directed to those who are actually in need and assist increase community confidence in the polytechnic zakat system.

CONCLUSION

At Polytechnic Malaysia, the wakalah practice of zakat administration has a number of obstacles that need to be addressed seriously, such as a lack of uniformity, a lack of amil competency, and problems with accountability. This report highlights the necessity of improvement initiatives such offering amil training programs, creating precise zakat management rules, and enforcing stringent audit procedures. These steps can be taken to boost community faith in the current zakat system and strengthen the efficacy of zakat administration at polytechnics.

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