P ISSN: 0000-0000
E ISSN: 0000-0000

contact: +62 813 266 9393 or admin@adicita.org

JOSEM: Journal of Sustainable and Economic Management

http://josem.adicita.org/josem

Governance and Strategic Integration of COSO ERM in Islamic Philanthropy: Evidence from a Zakat Institution in Yogyakarta

Tyagita Dianingtyas Sudibyo[1], Tasrim[2], Angga Kurniawan[3], Divanda Putri Warisma[4]
Department, PGRI Yogyakarta University, Indonesia[1,2,3,4]

Article History
Received : 2026-04-10
Revised : 2026-05-30
Accepted : 2026-05-30
Published : 2026-05-31

Keywords:
ERM, Governance, Strategic alignment, Zakat, Risk management

Corresponding author:
Tyagita Dianingtyas Sudibyo

Author's email:
tyagita@upy.ac.id

Paper type:
Research paper

Abstract

Purpose – This study investigates the role of governance and strategic integration in the implementation of Enterprise Risk Management (ERM) based on the COSO 2017 framework within an Islamic philanthropic institution. It aims to assess how governance practices support risk management and to identify the extent to which risk considerations are integrated into strategic planning processes.
Methodology – A qualitative case study approach was employed. Data were collected through semi structured interviews with key stakeholders, including management, an external auditor, and beneficiaries, complemented by observation and document analysis. The data were analyzed using thematic analysis guided by the five components of COSO ERM 2017 to ensure analytical consistency and depth.
Findings – The findings indicate that governance and culture are relatively well established, as demonstrated by strong leadership commitment, active involvement in risk related discussions, and the presence of ethical practices within the organization. However, strategic integration remains weak. Risk management is considered in operational objectives but is not explicitly embedded in formal strategic planning documents, resulting in a gap between governance structures and strategic execution.
Implications – Practically, the study highlights the importance of aligning risk management with strategic planning to enhance organizational effectiveness, accountability, and sustainability. Theoretically, it contributes to the growing literature on ERM in nonprofit and Islamic philanthropic contexts.
Originality – This study provides empirical evidence on COSO ERM implementation in an Islamic philanthropic institution, offering new insights into governance strength and strategic integration challenges.

Introduction

Islamic philanthropic institutions, particularly those managing zakat, play a strategic role in promoting socio economic development, poverty alleviation, and equitable wealth distribution. As faith based nonprofit organizations, they are required to uphold high standards of accountability, transparency, and sustainability in managing public funds (Widiastuti et al., 2021; Rakhmadi, 2021). However, the increasing complexity of operational environments, regulatory demands, and stakeholder expectations exposes these institutions to various risks, including financial mismanagement, operational inefficiencies, reputational threats, and compliance issues related to Sharia principles. These rising vulnerabilities and compliance issues related to Sharia principles necessitate the adoption of a comprehensive risk management framework (Ambrose &

Asuhaimi, 2021; Zarhana & Faradisi, 2022). Enterprise Risk Management (ERM), particularly the COSO ERM 2017 framework, offers a holistic approach to managing these organizational uncertainties (COSO, 2017).

Previous studies have demonstrated that ERM implementation can enhance transparency, decision making quality, and long term sustainability in nonprofit organizations (Berglund & Sterin, 2021; Mikes & Kaplan, 2015). Nevertheless, empirical evidence on ERM implementation within Islamic philanthropic institutions remains limited, particularly in developing countries such as Indonesia. A critical issue in ERM implementation is the alignment between governance structures and strategic processes. While many organizations demonstrate strong governance practices, risk management is often not fully integrated into strategic planning, resulting in fragmented and reactive approaches (Tahiri-Jouti, 2022). This resulting gap leads to fragmented and reactive approaches that undermine the long term social impact of philanthropic programs.

This gap is particularly relevant in Islamic philanthropic institutions, where governance is often value driven, but strategic risk integration is still evolving. The Zakat Institution in Yogyakarta serves as an instrumental case study because it represents a mature, highly trusted, decentralized branch of a major national Islamic philanthropic organization operating at the sub district level. Examining this specific unit provides a unique vantage point to understand how top down institutional values translate into ground level operational risk practices within a developing country context, an area often overlooked by broader macro level studies. This study specifically aims to analyze the role of governance and strategic integration in the implementation of COSO ERM 2017 within the institution. The findings are expected to provide clear insights into the extent of ERM implementation and identify key challenges in aligning governance and strategy. Specifically, it seeks to address the following research questions: (1) How is governance and culture implemented in supporting ERM? (2) To what extent is risk management integrated into strategic planning? and (3) What are the key gaps and improvement areas?

Literature Review

Enterprise Risk Management and COSO Framework

Enterprise Risk Management (ERM) has evolved from a fragmented, control based approach into a strategic and integrated system that supports organizational value creation. The COSO ERM 2017 framework emphasizes the integration of governance, strategy, and performance, positioning risk management as a central element of decision making rather than merely a compliance function (COSO, 2017). This perspective is supported by Frigo and Anderson (2011), who emphasize that ERM should be integrated with strategic management to create organizational value. Despite its conceptual robustness, ERM implementation often remains superficial in practice. Mikes and Kaplan (2015) argue that many organizations adopt ERM symbolically without fully embedding it into strategic processes. This gap between theory and practice is particularly evident in nonprofit organizations, where resource limitations and institutional complexity may hinder full implementation.

Governance, Strategic Integration, and ERM Effectiveness

Governance and organizational culture are widely recognized as key drivers of ERM effectiveness (Bertin, 2024; Wahyuni-TD et al., 2021). Strong leadership commitment, ethical values, and accountability mechanisms foster a risk aware culture, which is essential for consistent risk management practices across organizational levels (Bertin, 2024). Nevertheless, governance strength alone does not guarantee effective ERM implementation. Berglund and Sterin (2021) found that nonprofit organizations often exhibit strong governance structures, yet risk management practices remain inconsistently applied. This suggests that governance must be complemented by effective communication, coordination, and integration into operational and strategic processes.

Strategic integration represents a critical mechanism through which governance translates into effective ERM implementation. Organizations that embed risk considerations into strategic planning are better able to anticipate uncertainty, allocate resources efficiently, and enhance performance (Tahiri-Jouti, 2022). Arena et al. (2010) also high light that the effectiveness of ERM depends on how well it is embedded within organizational processes and structures. In contrast, when risk management is treated as a separate or administrative function, it leads to fragmented and reactive practices, thereby limiting its contribution to organizational sustainability (Mikes & Kaplan, 2015). Therefore, strategic integration can be understood as a mediating process linking governance to ERM effectiveness.

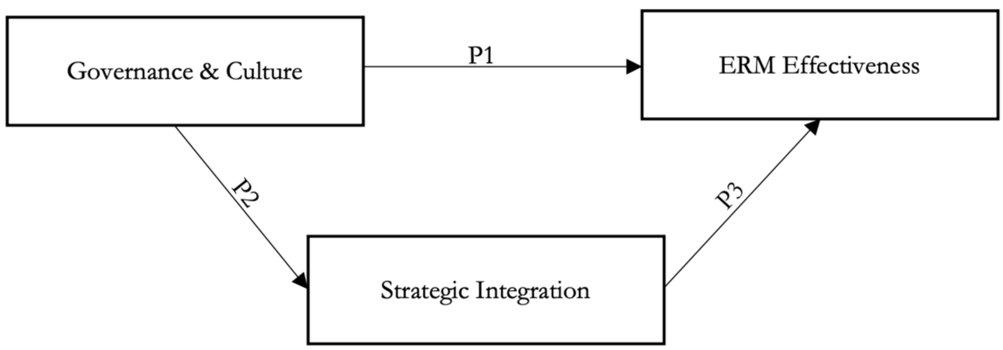
ERM in Islamic Philanthropy

Islamic philanthropic institutions operate within a dual accountability framework, combining financial and religious responsibilities (Ambrose & Asuhaimi, 2021; Cahyono & Hidayat, 2022). This dual responsibility introduces additional complexity in risk management, particularly in ensuring transparency, compliance, and social impact (Ambrose & Asuhaimi, 2021). Although governance structures in these institutions are often strengthened by ethical and religious values, previous studies indicate that strategic integration of risk management remains underdeveloped (Ihyak & Suprayitno, 2023). As a result, ERM implementation in Islamic philanthropy tends to be partial and not fully embedded in strategic decision making processes.

Research Gap and Conceptual Framework

Based on the critical analysis above, a major disconnect exists between strong governance structures and weak strategic integration of risk management. To address this gap, this study proposes a qualitative conceptual framework based on the comprehensive COSO ERM 2017 perspective. Within this scope, strategic integration is examined as the primary operational mechanism connecting formal governance values with practical risk execution. Proposition 1 posits that robust governance and organizational culture establish a foundational environment that enhances the overall effectiveness of ERM. Proposition 2 and Proposition 3 suggest that strong leadership commitment fosters deeper risk integration, which ultimately determines the quality of organizational sustainability. This study proposes a conceptual framework exploring how governance and culture shape ERM effectiveness through institutional alignment. Within this scope, strategic integration is examined as the primary operational mechanism connecting formal governance values with practical risk management execution

Figure 1. Conceptual Model



Conceptual Conceptual Framework and Research Propositions

This study proposes a qualitative conceptual framework rooted in the COSO ERM 2017 perspective to explore how governance and culture shape the effectiveness of ERM, both directly and through the mediating role of strategic integration. Within this qualitative paradigm, strategic integration is conceptualized as a dynamic process that bridges formal governance structures with practical, on the ground risk management practices. Rather than testing statistical causality, this framework serves as an analytical lens to understand the underlying qualitative mechanisms of risk management within an Islamic philanthropic context. Based on the literature review and the specific institutional context, the following research propositions are formulated to guide the thematic analysis: (1) Proposition 1 (P1): Robust governance and organizational culture establish a foundational environment that enhances the implementation and overall effectiveness of ERM practices; (2) Proposition 2 (P2): Strong governance commitment and leadership foster the depth of risk integration into the organization's formal strategic planning processes; (3) Proposition 3 (P3): The systematic integration of risk considerations into strategic planning serves as a critical mechanism determining the quality, responsiveness, and sustainability of ERM execution.

Research Methods

This study adopted a qualitative case study design to examine the implementation of Enterprise Risk Management (ERM) based on the COSO 2017 framework, with a focus on governance and strategic integration within an Islamic philanthropic institution. A qualitative approach is considered appropriate as it enables an in depth understanding of complex organizational processes, particularly those related to risk management practices, governance structures, and strategic decision making (Yin, 2018; Creswell & Poth, 2018; Merriam & Tisdell, 2016). By utilizing an interpretive case study strategy, this research explores the how and why of ERM operationalization within its real life organizational boundaries, particularly where the distinction between institutional values and administrative practices is highly intertwined (Yin, 2018). The empirical setting for this study is centered on a selected branch in the Special Region of Yogyakarta, Indonesia, which was chosen through purposive site sampling. To maintain institutional confidentiality, protect the identities of the informants, and adhere to strict qualitative research ethics, the actual name of the studied organizational branch has been anonymized. Throughout this paper, the site is referred to generally as the Zakat Institution. Nevertheless, the contextual characteristics of the institution as a mature, sub district level Islamic philanthropic branch remain factually represented. As a prominent decentralized branch, this specific site provides an information rich case study regarding how local operational units navigate institutional risks.

To ensure data richness and multi perspective validity, informants were selected using a strict and well defined purposive sampling strategy. The inclusion criteria required informants to have direct involvement, operational oversight, or a direct stake in the program risk structures. A total of seven key informants participated in this study, representing a comprehensive multi stakeholder perspective from management to beneficiaries. This sample size was deemed methodologically sufficient because clear data saturation was successfully achieved during the final rounds of interviews.

Data were gathered over an extended fieldwork period utilizing three core qualitative techniques to facilitate comprehensive data triangulation. Semi structured interviews were guided by an academic protocol developed based on the 5 components and 20 principles of COSO ERM. The researchers also conducted passive observations of strategic planning sessions, routine operational meetings, and ground level program execution activities. To cross examine verbal accounts, an extensive review of internal documents including Standard Operating Procedures and audit logs was performed. The gathered qualitative data were analyzed using systematic thematic analysis, combining rigorous deductive component coding with inductive theme refinement.

Table 1. Informants Profile

Informant Code	Informant Category	Experience	Role Description
IM-01	Program Manager / Executive	>5 years	Strategic planning, institutional governance, and financial allocation oversight
IM-02	Operational Manager	>5 years	Ground level program implementation, risk monitoring, and SOP enforcement
EA-01	External Auditor	Certified Auditor	Independent financial auditing, sharia compliance review, and internal control assessment
BN-01 to BN-04	Beneficiaries (Mustahik)	Active Recipients	Evaluation of program accountability, disbursement timeliness, and field level transparency

Although the sample size comprises seven key informants, this number was deemed methodologically sufficient as data saturation was achieved. During the final interviews, responses began to echo previously identified themes regarding governance values and strategic alignment barriers, indicating that no new substantive information would emerge from additional interviews

Data were gathered over an extended fieldwork period utilizing three core qualitative techniques to facilitate data triangulation: semi structured interviews, direct observation, and document analysis (Creswell & Poth, 2018): (1) Semi structured Interviews: Interviews were guided by an academic protocol developed based on the 5 components and 20 principles of the COSO ERM 2017 framework. The core areas evaluated included governance culture, strategic objective alignment, performance execution, review mechanisms, and communication structures. Each interview lasted between 30 and 60 minutes, was digitally recorded with the informant's formal consent, and was transcribed verbatim for analysis; (2) Direct Observation: The researchers conducted passive observations of strategic planning sessions, routine operational meetings, and program execution activities. This method aimed to capture real time behaviors, the tone at the top during discussions, and how operational risks are dynamically debated and handled on the ground; (3) Document Analysis: To cross examine and corroborate verbal accounts, an extensive review of internal institutional documents was performed. This included Standard Operating Procedures (SOPs), quarterly performance reports, internal audit logs, financial statement summaries, and formal strategic planning documents.

Table 2. Summary of Data Collection Matrix

Method	Data Source	Primary Target Parameters	Methodological Purpose
Semi structured Interviews	Managers, Auditor, Beneficiaries	Perceptions of risk ownership, alignment barriers, governance values, and reporting blockages	To extract deep, subjective institutional insights regarding ERM barriers
Direct Observation	Organizational activities	Leadership engagement, policy enforcement consistency, and risk communication patterns	To observe real time governance implementation and check for symbolic adoption
Document Analysis	SOPs, reports, internal documents	Explicit presence of risk indicators, standardized reporting templates, and written mitigation parameters	To objectively validate the level of formal and documented strategic integration

The qualitative data were analyzed using systematic thematic analysis, combining a deductive approach (using the predetermined COSO ERM 2017 components as primary structural nodes) and an inductive approach (allowing sub themes and specific institutional barriers to emerge organically from the text) (Braun & Clarke, 2006). The analysis followed a rigorous four stage procedure as outlined in Table 3

Table 3. Streamlined Data Analysis Procedure

Stage	Operational Description	Analytical Approach
Data Familiarization & Verbatim Transcription	Repeated reading of the interview transcripts, cleaning up audio files, and compiling field notes from observations	Descriptive preparation
Deductive Component Coding	Segmenting text and assigning initial conceptual codes aligned with the COSO ERM 2017 components: Governance & Culture, Strategy & Objective Setting, Performance, Review & Revision, and Information & Communication	Structural Deductive Coding
Inductive Theme Refinement	Clustering specific codes into broader qualitative themes. At this stage, nuanced patterns such as value driven vs. system driven governance and structural integration bottlenecks were identified	Inductive Latent Analysis
Synthesis and Proposition Mapping	Interrelating the finalized themes to address the three research questions and evaluating the empirical validity of the research propositions (P1–P3).	Qualitative Thematic Analysis

Table 4. Validity and Reliability Techniques

Technique	Description	Purpose
Triangulation	Data were cross checked across interviews, observations, and documents to ensure consistency of findings	To enhance credibility
Member Checking	Findings were validated with selected informants to confirm accuracy of interpretation	To ensure credibility
Audit Trail	Detailed documentation of research procedures and decisions was maintained throughout the study	To ensure dependability and confirmability

Trustworthiness and Reliability

To ensure the academic rigor, trustworthiness, and credibility of this qualitative inquiry, the study implemented the strict criteria established by Lincoln and Guba (1985): (1) Credibility (Triangulation & Member Checking): Information was cross verified using data source triangulation (comparing accounts of managers vs. auditors vs. mustahik) and method triangulation (interviews vs. observations vs. documents). Furthermore, member checking sessions were conducted where preliminary transcript summaries and interpretations were sent back to the managers to confirm accuracy; (2) Dependability and Confirmability (Audit Trail): A transparent, step by step research log and raw data archive (including voice recordings, transcripts, and coding sheets) were maintained throughout the study to allow for an independent audit trail.

Results and Discussion

Results

Governance and Culture

The Zakat Institution in Yogyakarta possesses written risk related policies, standard operating procedures, and active leadership involvement in quarterly evaluation meetings. The primary program manager explicitly stated that regular quarterly risk evaluation meetings ensure their operations are completely aligned with ethical standards. However, the dissemination of these risk policies at the operational level was uneven, and not all units demonstrated equal understanding. To illustrate this foundation, IM-01 highlighted the leadership's stance:

> *"We hold regular quarterly risk evaluation meetings to ensure that our operations are aligned with ethical standards, although spreading this policy uniformly to every single volunteer on the ground remains an operational challenge."*

Strategy and Objective Setting

Risk considerations were included in general operational objectives, but they remained broad and lacked measurable, written risk indicators. The operational manager confirmed that while they consider risks when setting local targets, they have not formally integrated them into planning documents. This planning gap was explicitly captured during the interview with IM-02, who remarked:

> *"While we always consider risks when setting our operational targets and local programs, we haven't formally written these specific risk indicators down into our main long term strategic planning documents."*

Performance

Risk identification procedures were conducted periodically, but the formal documentation process was highly inconsistent, manual, and non-standardized. The external auditor corroborated this limitation, noting that the controls are strong but lack a digitally integrated risk register system. However, documentation of risk identification was inconsistent and mostly manual. The independent evaluation from the external auditor (EA-01) corroborated this limitation:

> *"The internal controls and risk identification mechanisms are relatively strong on the ground. However, the documentation process is highly manual and lacks a standardized, digitally integrated risk register system."*

Review and Revision

Risk assessments were stored only in meeting minutes and were not updated regularly or maintained in standardized formats.

Information, Communication, and Reporting

Mitigation plans existed across various units. No quantitative evaluation of mitigation effectiveness was found. Internal communication on risk was not yet comprehensive or structured. From the external perspective, one of the beneficiaries (BN-01) stated:

"The charity assistance and empowerment funds always arrive on time, which we highly appreciate. However, we rarely receive detailed open information regarding the broader program risk mitigations or formal fund management profiles."

The comprehensive qualitative evidence gathered from interviews, observations, and document reviews across the five COSO ERM components is synthesized in Table 5.

Table 5. Summary of Findings by COSO ERM Component

COSO ERM Component	Key Evidence	Main Gap
Governance and Culture	Quarterly leadership risk meetings; annual ethics training	Uneven policy dissemination across units
Strategy and Objective Setting	Risk considered in operational objectives	No explicit integration in strategic planning documents
Performance	Periodic risk identification; internal and external risk coverage	Weak and non-standardized documentation
Review and Revision	Risk assessments available	Irregular updates; manual records
Information, Communication, and Reporting	Mitigation plans available	No quantitative evaluation; inconsistent communication

These findings reinforce the conclusion that while governance provides a strong foundation, effective ERM implementation requires systematic integration into strategic planning and organizational processes.

Discussion

Governance and Culture as a Strong Foundation but Incomplete Driver of ERM (Exploring P1)

The empirical results show that governance and culture were the strongest aspects of ERM implementation at the Zakat Institution in Yogyakarta. Leadership participation in quarterly risk meetings and annual ethics training demonstrates a clear and positive tone at the top level (COSO, 2017; Bertin, 2024). However, the findings also reveal that governance strength did not automatically ensure uniform risk implementation across all operational units. Risk policies were available but not consistently disseminated or internalized at the operational level. This pattern aligns with Berglund and Sterin (2021), who found that nonprofit organizations may exhibit strong formal governance while still facing implementation inconsistency. This finding also supports prior research suggesting that governance effectiveness in nonprofit organizations does not automatically translate into operational performance without system integration (Sofyani et al., 2023). Consequently, these empirical findings confirm Proposition 1 (P1), demonstrating that governance and culture exert a profound influence on ERM effectiveness, even though its operational momentum remains partially constrained by uneven policy dissemination.

Strategic Integration as the Main Structural Weakness (Exploring P2)

The primary institutional constraint was observed within the strategy and objective setting component, particularly regarding strategic alignment. Although risk was considered in operational objectives, no explicit risk linkage was found in strategic planning documents. This indicates that risk management was not fully embedded in long term planning. This finding supports the argument by Mikes and Kaplan (2015) that many organizations adopt ERM symbolically rather than strategically. In the context of Islamic philanthropy, this gap is particularly critical because institutions are expected to balance social impact, financial accountability, and Sharia compliance. Without strategic integration, ERM remains a compliance oriented function rather than a value creating system.

Therefore, the institution's robust, value driven governance has not automatically translated into formal strategic integration due to structural barriers and capacity limitations within long term planning frameworks. Therefore, the institution's robust, value driven governance has diverged from fully supporting Proposition 2 due to planning capacity limitations.

Strategic Integration and ERM Effectiveness (Exploring P3)

The findings indicate that weak strategic integration was associated with weak performance in review and revision, as well as information, communication, and reporting. In practice, risk identification was performed periodically, but the absence of strategic embedding reduced the continuity of documentation, evaluation, and communication. This supports Tahiri-Jouti (2022), who argues that strategic integration is a key mechanism for improving ERM effectiveness. When risk management is integrated into planning and resource allocation, organizations are better able to anticipate uncertainty and sustain performance. In contrast, fragmented integration leads to reactive practices and delayed responses.

This strongly supports Proposition 3 (P3), which posits that the depth of risk integration within strategic planning is a primary determinant of overall ERM execution. The absence of formal alignment explains why risk evaluation and reporting remain fragmented and reactive rather than proactive. These findings are consistent with prior studies suggesting that ERM effectiveness is highly dependent on organizational integration and strategic alignment (Arena et al., 2010; Frigo & Anderson, 2011). This reinforces the argument that ERM cannot function effectively as a standalone system but must be embedded within strategic and organizational processes.

Contextual Insight: Value Driven Governance but System Limited ERM

A key insight from this study is that governance strength in Islamic philanthropic institutions may be value driven but not yet system driven. The Zakat Institution demonstrated strong ethical commitment and leadership involvement, but these strengths were not fully translated into strategic documents, digital documentation systems, or quantitative mitigation evaluation. This finding extends prior nonprofit ERM literature by showing that religious ethical governance, while important, is insufficient without procedural and strategic institutionalization. In other words, ethical values can initiate ERM adoption, but system quality determines ERM effectiveness.

Practical Implications for Islamic Philanthropic Institutions

Three practical implications emerge from the findings. First, risk management should be explicitly embedded into strategic planning documents through risk based objectives and measurable indicators. Second, digital risk registers and standardized templates should be adopted to improve continuity of monitoring and documentation. Third, risk communication should be tailored to beneficiary needs, including low digital literacy, to strengthen transparency and trust. The need for digitalization and structured risk reporting is consistent with recent studies emphasizing the role of information systems in strengthening organizational accountability (Sari et al., 2024).

Table 6. Summary of Proposition Insights and Qualitative Evidence

Research Proposition	Core Premise	Qualitative Status	Empirical Basis
P1	Robust governance and culture establish a foundational environment that enhances ERM implementation	Confirmed with Constraints	Governance was strong (leadership and ethics), but implementation was uneven across units
P2	Strong governance commitment and leadership foster the depth of risk integration into formal strategic planning	Diverged / Not Supported	No explicit linkage between risk management and strategic planning documents
P3	The systematic integration of risk into strategic planning determines the quality and sustainability of ERM execution	Fully Supported	Weak strategic integration coincided with weak review, revision, and communication

Overall, the implementation of COSO ERM 2017 at the Zakat Institution in Yogyakarta was at a moderate level. Governance and culture showed the strongest performance, while strategy and objective setting, review and revision, and information/communication remained weak. The findings indicate that governance alone was insufficient to produce effective ERM outcomes without strategic integration, systematic documentation, and continuous evaluation.

Conclusion

This study concludes that the implementation of the COSO ERM 2017 framework within the Zakat Institution in Yogyakarta operates at a moderate level. While governance and culture emerge as organizational strengths driven by leadership commitment, the transition of risk practices into formal strategic documents remains weak. This case study demonstrates that within Islamic philanthropic institutions, value driven governance (rooted in ethical religious principles) must be reinforced by system driven governance (institutionalized and documented frameworks) to ensure that enterprise risk management is adaptive, accountable, and sustainable over the long term.

Limitations and Future Research

While this study provides valuable insights into ERM implementation within an Islamic philanthropic context, it is not without limitations. First, the findings are based on a single qualitative case study at the Zakat Institution in Yogyakarta, which may limit the generalizability of the results to other institutions with different sizes, operational scopes, or geographical contexts. Second, although rigorous triangulation methods were employed, the qualitative nature of the study inherently relies on the self reported perceptions of the informants, which may carry subjective biases. Finally, the cross sectional design captures the institution's ERM maturity at a specific point in time, whereas strategic integration is a continuous and dynamic process.

Future research should consider adopting a multiple case study design comparing different branches or various Islamic philanthropic organizations to identify broader, cross institutional patterns. Additionally, future studies could employ quantitative methodologies to statistically test the relationships between governance, strategic integration, and ERM effectiveness proposed in this study's conceptual framework. Longitudinal research would also be highly beneficial to observe how faith based nonprofit organizations transition from value driven governance to fully institutionalized, system driven risk management structures over time.

Acknowledgements

The authors would like to express their sincere gratitude to the Zakat Institution in Yogyakarta for their valuable cooperation and willingness to participate as respondents in this study, as well as for providing access to relevant information and facilitating the data collection process.

The authors also acknowledge Universitas PGRI Yogyakarta (UPY) for providing financial support that enabled the completion of this research.

References

Ambrose, A. H. A. A., & Asuhaimi, F. A. (2021). Cash waqf risk management and perpetuity restriction conundrum. *ISRA International Journal of Islamic Finance, 13*(2), 162-176. DOI: https://doi.org/10.1108/IJIF-12-2019-0187.

Arena, M., Arnaboldi, M., & Azzone, G. (2010). The organizational dynamics of Enterprise Risk Management. *Accounting, Organizations and Society, 35*(7), 659–675. https://doi.org/10.1016/j.aos.2010.07.003.

Berglund, N. R., & Sterin, M. (2021). Internal controls and operational performance of nonprofit organizations. *Journal of Governmental & Nonprofit Accounting, 10*(1), 134–156. DOI: https://doi.org/10.2308/jogna-19-001.

Bertin, E. (2024). *Implementing and maintaining an effective risk management system in non-profit organisations*. Routledge.

Braun, V. and Clarke, V. (2006) Using thematic analysis in psychology. Qualitative Research in Psychology, 3 (2). pp. 77-101. ISSN 1478-0887. file:///Users/apple/Downloads/thematic_analysis_revised_-_final.pdf.

Cahyono, E. F., & Hidayat, S. E. (2022). Cash waqf and development: A case study of cash waqf linked sukuk in Indonesia. *El-Barka: Journal of Islamic Economics and Business, 5*(1), 150-182. DOI: https://doi.org/10.21154/elbarka.v5i1.3713.

Committee of Sponsoring Organizations of the Treadway Commission. (2017). *Enterprise risk management: Integrating with strategy and performance.*

Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Sage Publications.

Frigo, M.L. and Anderson, R.J. (2011), Strategic risk management: A foundation for improving enterprise risk management and governance. *J. Corp. Acct. Fin.*, 22: 81-88. DOI: https://doi.org/10.1002/jcaf.20677.

Hoyt, R.E. and Liebenberg, A.P. (2011), The Value of Enterprise Risk Management. *Journal of Risk and Insurance*, 78: 795-822. https://doi.org/10.1111/j.1539-6975.2011.01413.

Ihyak, M., & Suprayitno, E. (2023). Risk management in Islamic financial institutions: A literature review. *Scientific Research, 11*(5). **DOI:** 10.4236/ojbm.2023.115113.

Karakaya, E., & Karakaya, G. (2017). Developing a risk management framework for non-profit organizations. In *Risk management, strategic thinking and leadership in the financial services industry* (pp. 297–308). Springer.

Lincoln, Y.S. and Guba, E.G. (1985) Naturalistic Inquiry. SAGE, Thousand Oaks, 289-331. DOI: http://dx.doi.org/10.1016/0147-1767(85)90062-8.

Merriam, S. B., & Tisdell, E. J. (2016). *Qualitative research: A guide to design and implementation* (4th ed.). Jossey-Bass.

Mikes, A., & Kaplan, R. S. (2015). *Towards A Contingency Theory Of Enterprise Risk Management (Working paper).* Harvard Business School.

Rakhmadi, H. D. P. (2021). Gerakan filantropi Islam: Peran LazisMU dalam pemberdayaan ekonomi masyarakat. *Jurnal GEMI, 1*(1), 14-26. DOI: https://doi.org/10.47200/gemi.v1i1.1007.

Sari, S. K., Anggryani, L., Hidayat, R., & Marzuki, S. N. (2024). Tantangan dan Solusi Dalam Pengawasan Risiko di Perbankan Syariah pada Era Cyber: Tinjauan Literatur Bank Syariah Indonesia. *Lan Tabur: Jurnal Ekonomi Syariah, 6*(1), 91-109. https://lan-tabur.unikhams.ac.id/index.php/LT/article/view/109.

Sofyani, H., Abu Hasan, H., & Saleh, Z. (2023). Does internal control contribute to quality management in higher education institutions? Indonesia's adoption experience of the COSO integrated framework. *The TQM Journal, 35*(8), 2162-2180. DOI: https://doi.org/10.1108/TQM-06-2022-0201.

Tahiri-Jouti, A. (2022). *Financial instruments and cash waqf.* Palgrave Macmillan.

Wahyuni-TD, I. S., Haron, H., & Fernando, Y. (2021). The effects of governance and fraud prevention on zakat institutions. *International Journal of Islamic and Middle Eastern Finance and Management, 14*(4), 692-712. DOI: 10.1108/IMEFM-03-2019-0089.

Widiastuti, T., Cahyono, E. F., Zulaikha, S., Mawardi, I., & Al Mustofa, M. U. (2021). Optimizing zakat governance using analytic network process. *Journal of Islamic Accounting and Business Research, 12*(3), 301-319. DOI: https://doi.org/10.1108/JIABR-09-2020-0307.

Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). Sage Publications.

Zarhana, R., & Faradisi, R. J. (2022). Analysis of the Application of Waqf Core Principle in Risk Management Case Study: the Waqf Maintenance and Development Foundation of Pondok Modern Darussalam Gontor. *Al-Awqaf: Jurnal Wakaf dan Ekonomi Islam, 15*(2), 44-60. DOI: https://doi.org/10.47411/al-awqaf.Vol15Iss2.162.