



Building Community Trust and Participation Through Transparency, Accountability, and Mosque Fund Governance: Empirical Evidence

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Abstract. *This study aims to analyze the effect of transparency and accountability of mosque funds on community trust and participation, as well as to examine the role of governance as a moderating variable in mosques in Gorontalo City. This study employs a quantitative approach with a survey research design and is analyzed using Structural Equation Modeling (SEM) based on WarpPLS. The results of this study indicate that transparency can enhance community trust and participation. Accountability can enhance community trust and participation. Governance strengthens the relationship between transparency and community trust and participation. Governance also strengthens the relationship between accountability and community trust and participation.*

Abstrak. Penelitian ini bertujuan untuk menganalisis pengaruh transparansi dan akuntabilitas dana masjid terhadap kepercayaan dan partisipasi masyarakat, serta menguji peran tata kelola sebagai variabel moderasi pada masjid di Kota Gorontalo. Penelitian ini menggunakan pendekatan kuantitatif dengan desain survei dan dianalisis menggunakan model persamaan struktural (SEM) berbasis WarpPLS. Hasil penelitian ini menunjukkan bahwa transparansi dapat meningkatkan kepercayaan dan partisipasi masyarakat. Akuntabilitas dapat meningkatkan kepercayaan dan partisipasi masyarakat. Tata kelola memperkuat hubungan transparansi dalam meningkatkan kepercayaan dan partisipasi masyarakat. Tata kelola memperkuat hubungan akuntabilitas dalam meningkatkan kepercayaan dan partisipasi masyarakat.

Keywords:

*Transparency;
Accountability;
Governance;
Community Trust;
Participation*

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Introduction

Mosques play a central role in the lives of Muslims, functioning not only as places of worship but also as centers for social, educational, and economic activities (Widianto & Widianti, 2023). To effectively perform these functions, mosques require adequate resources, particularly in terms of financial management. However, in practice, the management of mosque funds often faces significant challenges, especially regarding insufficient transparency and accountability. These issues may undermine community trust and reduce public participation (Effendi et al., 2023). Therefore, the implementation of sound governance is essential to enhance transparency and accountability in mosque financial management (Syafitri, 2023).

Previous studies have examined the influence of transparency and accountability on community trust and participation within non-profit organizations (Syafitri, 2023; Yuanita & Suropto, 2022). Nevertheless, research that specifically investigates how transparency and accountability in mosque fund management affect community trust and civic engagement in Indonesia remains limited. Moreover, this relationship has not been extensively explored by incorporating governance as a moderating variable, indicating a clear research gap.

Conceptually, transparency and accountability are closely interrelated in organizational financial management. Transparency refers to openness in decision-making processes and the disclosure of relevant information to stakeholders (Liesenfeld et al., 2023). In the context of mosque fund management, transparency involves providing clear, accurate, and timely information regarding the sources and utilization of funds to the community. Meanwhile, accountability refers to the obligation of managers to justify their actions and decisions to stakeholders, including ensuring that funds are used effectively, efficiently, and in accordance with established objectives (Khotami, 2017).

The importance of transparency and accountability in fostering community trust and participation has been widely supported in prior research. Ahmad & Zain (2023) found a positive relationship between transparency and accountability and donor trust in non-profit organizations in Malaysia. Similarly, Song (2023) demonstrated that transparency and accountability enhance public support and legitimacy for non-profit organizations in the United States.

Trust in mosque fund management can be understood as the confidence of individuals or groups in the reliability, integrity, and competence of those responsible for managing the funds (Rahim et al., 2023). In essence, community trust reflects the belief that mosque administrators act honestly, responsibly, and in accordance with Islamic principles. This trust is crucial, as it directly influences the willingness of community members to participate in supporting mosque activities, both financially and non-financially.

Community participation, on the other hand, refers to the active involvement of individuals in decision-making processes and various mosque-related activities. Participation may take financial forms, such as zakat, donations, and almsgiving (sadaqah), as well as non-financial forms, including voluntary contributions of time and effort. Previous studies indicate that community participation is influenced by trust, transparency, and accountability (Masdar et al., 2022; Rahim et al., 2023).

Governance is another critical factor in ensuring effective organizational management. It refers to the system by which an organization is directed and controlled to achieve its objectives efficiently and effectively (Chebbi et al., 2023). In the context of mosque fund management, governance encompasses structures, processes, and control mechanisms that ensure funds are managed in a transparent, accountable, and Sharia-compliant manner. Effective governance not only enhances

community trust and participation but also helps prevent the misappropriation of mosque funds.

Prior studies have also highlighted the importance of governance in mosque financial management. Ibrahim et al. (2021) found that good governance practices, such as establishing audit committees and disclosing financial information, improve mosque accountability in Malaysia. Meanwhile, Kholmi (2022) reported that effective governance practices, including strategic planning and internal control, are positively associated with the financial performance of mosques in Indonesia.

In summary, the literature indicates that transparency, accountability, and governance are critical factors in mosque fund management. Transparency and accountability play key roles in enhancing community trust and participation, while governance strengthens these relationships. However, empirical studies that specifically examine the influence of mosque fund transparency and accountability on community trust and participation—particularly by incorporating governance as a moderating variable—remain limited. Although Ahmad & Zain (2023) and Song (2023) have demonstrated the importance of transparency and accountability in non-profit contexts, research focusing specifically on mosques remains scarce.

Accordingly, this study offers several contributions. First, it specifically examines how financial transparency and accountability in mosques influence community trust and participation, an area that has received limited scholarly attention. Second, it integrates governance as a moderating variable in this relationship, which remains underexplored. Third, the study is conducted in the context of mosques in Gorontalo, a region with distinct socio-cultural characteristics compared to other areas in Indonesia.

This study aims to analyze the effects of transparency and accountability in mosque fund management on community trust and participation, as well as to examine the moderating role of governance. Specifically, this study seeks to: (1) assess the levels of transparency, accountability, and governance in mosque fund management; (2) evaluate the effects of transparency and accountability on community trust and participation; and (3) examine whether governance strengthens these relationships. The findings are expected to contribute to the literature on accounting and mosque financial management, as well as to provide practical insights for mosque administrators and policymakers in improving transparency, accountability, and community engagement.

Research Method

Employing a quantitative approach with a survey research design, this study investigates the relationship between transparency and accountability (independent variables) and community trust and participation (dependent variables), with governance as the moderating variable. Data analysis was conducted using Structural Equation Modeling (SEM) via WarpPLS software.

The study population comprised all mosques registered with the Ministry of Religious Affairs in Gorontalo City. The sample was selected using a purposive sampling technique, with the following criteria: (1) the mosque must have been established for at least five years, and (2) it must have an active management committee. The sample size was determined using the Slovin formula.

Data collection was carried out through a survey using questionnaires distributed to mosque administrators and members of the surrounding community. The questionnaire was developed based on indicators derived from the study variables, adapted from prior research. A five-point Likert scale was used as the measurement instrument.

Data analysis was conducted using WarpPLS, encompassing: (1) evaluation of the measurement model (outer model) to test the validity and reliability of indicators, and (2) evaluation of the structural model (inner model) to test the research hypotheses. Interpretation of the results was performed by examining path coefficient values and their significance levels. Research conclusions were drawn based on the findings obtained and linked to relevant theories and prior research.

Results and Discussion

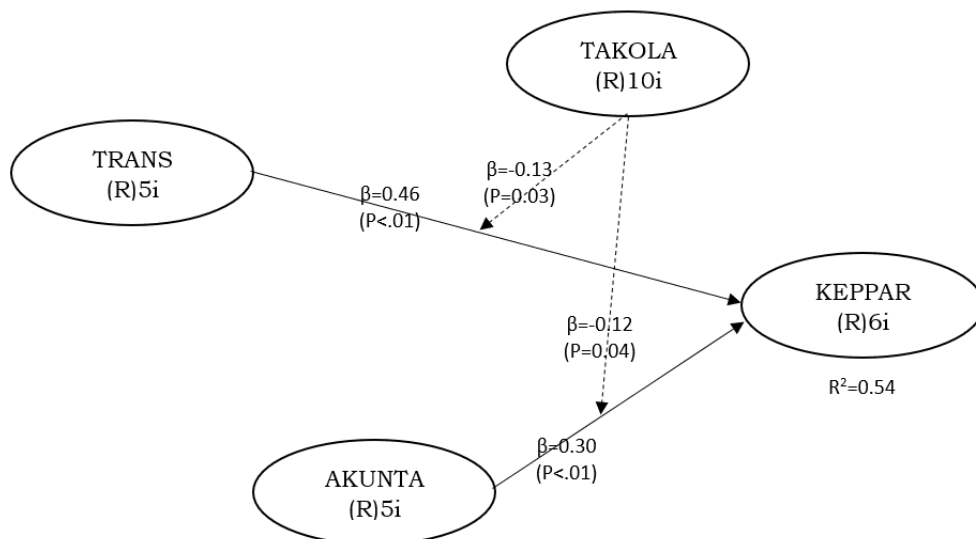
Research Results

Table 1. Model Fit Measurements

Parameter	Value	P-Value	Result
Average path coefficient (APC)	0.275, $p < 0.001$	$P < 0.05$	Model fit
Average R-squared (ARS)	0.537, $p < 0.001$	$P < 0.05$	Model fit
Average adjusted R-squared (AARS)	0.527, $p < 0.001$	$P < 0.05$	Model fit
Average block VIF (AVIF)	2.097	Acceptable if ≤ 5 ideally ≤ 3.3	Model fit
Average full collinearity VIF (AFVIF)	1.337	Acceptable if ≤ 5 ideally ≤ 3.3	Model fit

Source: Authors (2024)

Based on the model fit output presented in Table 1, the Average Path Coefficient (APC) = 0.275, $p < 0.001$; the Average R-squared (ARS) = 0.537, $p < 0.001$; the Average Adjusted R-squared (AARS) = 0.527, $p < 0.001$; the Average Block VIF (AVIF) = 2.097 (acceptable if ≤ 5 , ideally ≤ 3.3); and the Average Full Collinearity VIF (AFVIF) = 1.337 (acceptable if ≤ 5 , ideally ≤ 3.3). The AVIF and AFVIF values, serving as indicators of multicollinearity, must be less than 5. Based on these criteria, the research model is deemed to be a good fit. Structural model analysis was conducted using WarpPLS 8.0. A comprehensive depiction of the results obtained through structural equation modeling is presented in Figure 1 below:



Source: Authors (2024)

Figure 1. WarpPLS 8.0 Results – Complete Model

The adjusted R^2 value for the Community Trust and Participation variable (KEPPAR) is 0.54, indicating that the variables of Transparency (TRANS) and Accountability (AKUNTA), moderated by Governance (TAKOLA), account for 54% of the variance in Community Trust and Participation (KEPPAR), with the remaining 46% attributable to other variables outside the scope of this research model. When compared against the rule-of-thumb benchmark for adjusted R^2 , the structural model of this study falls within the moderate category, as the adjusted R^2 value of 0.54 exceeds the threshold of 0.25.

Discussion

As shown in Figure 1, the SEM results via WarpPLS 8.0 provide robust empirical support for the relationship between transparency and community trust and participation. The path coefficient from Transparency (X1) to Community Trust and Participation (Y) is positive and highly significant ($p < 0.01$), indicating that improvements in transparency meaningfully enhance community engagement. Based on this finding, Hypothesis 1 (H1) is accepted.

This finding reinforces the results of prior research, particularly the study by Ahmad & Zain (2023), which emphasizes the importance of financial transparency in the context of Islamic NGO organizations. The result highlights the critical role of transparency as a mechanism for building and maintaining public trust. Within the context of Islamic NGOs, financial transparency not only enhances trust but also serves as a safeguard against potential abuses of authority that could hinder the achievement of organizational objectives.

From a theoretical standpoint, this study makes an important contribution by providing additional empirical evidence to the body of literature linking transparency to positive outcomes such as community trust and participation. These findings may also serve as a foundation for future research aimed at more deeply exploring the specific mechanisms through which transparency influences trust and participation, as well as identifying moderating or mediating factors that may play a role in this relationship. Overall, the results underscore the importance of implementing transparency in efforts to enhance community trust and participation, particularly within the context of non-profit or civil society organizations.

The structural model further reveals a significant positive relationship between Accountability (X2) and Community Trust and Participation (Y), with a high level of significance ($p < 0.01$). This finding confirms that organizations that demonstrate strong accountability practices are more effective at building stakeholder trust and encouraging active participation. Based on this result, Hypothesis 2 (H2) is accepted.

This finding carries important implications and is consistent with the existing literature. The results demonstrate that accountability plays a crucial role in building and enhancing community trust and participation. This is consistent with the recent study by Song (2023) conducted in the context of non-profit organizations in the United States. Song found that sound accountability practices can enhance an organization's legitimacy in the eyes of the public and encourage greater community support. This consistency strengthens the external validity of the present study's findings and suggests that the positive effect of accountability on community trust and participation may be universal, transcending geographical boundaries and organizational contexts.

From a practical standpoint, these results emphasize the importance for organizations—particularly non-profit organizations and civil society institutions—of prioritizing and strengthening their accountability practices. By doing so, organizations can build stronger trust with their stakeholders and foster more active community participation in their activities and initiatives. Furthermore, these findings may serve as a basis for future research exploring the specific mechanisms

through which accountability influences trust and participation, as well as identifying best accountability practices that can be adopted by various types of organizations.

The results also reveal a significant moderating effect of Governance (TAKOLA) on the relationship between Transparency and Community Trust and Participation ($p < 0.03$). This positive moderating effect indicates that sound governance amplifies the impact of transparency in building community trust and encouraging participation. Based on this finding, Hypothesis 3 (H3) is accepted.

This finding carries important implications and aligns with the existing literature. The results demonstrate that sound governance can enhance the effectiveness of transparency in building trust and promoting community participation. This is consistent with the recent study by Chebbi et al. (2023), which defines governance as the system by which an organization is directed and controlled to achieve its objectives effectively and efficiently. In the context of mosque fund management, governance involves the structures, processes, and mechanisms that ensure funds are managed in a transparent, accountable, and sharia-compliant manner.

The practical implications of this finding are highly significant, particularly in the context of mosque fund management. Sound governance not only amplifies the positive impact of transparency but also plays an important role in enhancing community trust and encouraging more active participation. Furthermore, effective governance can serve as a preventive mechanism against the misappropriation or improper appropriation of mosque funds. This underscores the importance for religious organizations—mosques in particular—of not merely focusing on transparency, but also of building and strengthening their governance systems.

From a theoretical perspective, these results broaden our understanding of the interaction between transparency, governance, and organizational outcomes such as community trust and participation. These findings may serve as a basis for further research exploring the specific mechanisms through which governance moderates the effect of transparency, as well as identifying governance best practices that can be adopted by religious and other non-profit organizations.

Governance also moderates the relationship between Accountability and Community Trust and Participation in a positive and significant direction ($p < 0.04$). This finding suggests that effective governance structures enhance the capacity of accountability practices to foster trust and promote community engagement. Based on this result, Hypothesis 4 (H4) is accepted.

This finding carries important implications and is consistent with the recent literature in the field of religious organization management, particularly that pertaining to mosques. The results demonstrate that sound governance can enhance the effectiveness of accountability in building trust and promoting community participation. This is consistent with the recent study by Ibrahim et al. (2021) in Malaysia, which found that the implementation of good governance practices—including the establishment of an audit committee and the dissemination of financial information—can improve mosque accountability. Furthermore, Kholmi's (2022) research in Indonesia reinforces this finding by demonstrating a positive relationship between sound governance practices, such as strategic planning and internal control, and the financial performance of mosques.

The practical implications of this finding are highly significant in the context of mosque fund management and religious organization management more broadly. Effective governance not only amplifies the positive impact of accountability but also plays a critical role in enhancing community trust and encouraging more active participation. The implementation of sound governance practices—such as the formation of audit committees, transparency in financial reporting, thorough

strategic planning, and robust internal control systems—may prove key to enhancing accountability and, in turn, improving community trust and participation.

From a theoretical standpoint, these results extend our understanding of the complex interactions between accountability, governance, and organizational outcomes such as community trust and participation in the context of religious organizations. These findings may serve as a foundation for further research exploring the specific mechanisms through which governance moderates the effect of accountability, as well as identifying governance best practices that can be adopted by mosques and other religious organizations across diverse cultural and geographical contexts.

Conclusion and Recommendations

This study demonstrates that transparency and accountability significantly influence community trust and participation in mosque fund management in Gorontalo City. Governance plays an important moderating role, strengthening the positive effects of both transparency and accountability on community outcomes. These findings affirm that effective, transparent, and well-governed mosque management is essential for sustaining public trust and engagement, consistent with evidence from non-profit organizations in other contexts.

To enhance community trust and participation in mosque fund management, mosque administrators in Gorontalo City are urged to prioritize the implementation of transparency and accountability through sound governance. Concrete steps that may be taken include: preparing financial reports that are submitted regularly and openly; utilizing communication channels accessible to the community to disseminate fund management information; establishing an internal audit team; involving the community in the planning and evaluation of mosque programs; developing a clear organizational structure with a detailed delineation of duties and responsibilities; formulating standard operating procedures (SOPs) for financial management; and organizing governance training for administrators. By consistently applying these practices, it is hoped that mosques will be able to forge stronger ties with the community, increase participation in mosque activities, and ensure effective and sharia-compliant fund management.

Future research may expand on these findings in several directions. First, studies could examine additional moderating or mediating variables—such as digital literacy, community social capital, or the role of religious leadership—that may further explain the relationship between mosque fund governance and community outcomes. Second, a comparative study across different cities or regions in Indonesia would help determine whether the findings are generalizable beyond the Gorontalo context. Third, longitudinal designs could capture how governance reforms influence community trust and participation over time. Finally, qualitative approaches may offer deeper insight into the community's perceptions of mosque transparency and accountability, complementing the quantitative evidence presented here.

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