

Certifying Compliance for Sustainable Fiscal Governance: Muzakki Certificate as an Assurance-Based Mechanism in Zakat Administration

Saidatul Nurul Hidayah Jannatun Naim Nor-Ahmad

Tunku Puteri Intan Safinaz School of Accountancy, College of Business, Universiti Utara Malaysia, Sintok, Kedah

Aryati Juliana Sulaiman

Tunku Puteri Intan Safinaz School of Accountancy, College of Business, Universiti Utara Malaysia, Sintok, Kedah

Rusniza Abdul Rahman

Tunku Puteri Intan Safinaz School of Accountancy, College of Business, Universiti Utara Malaysia, Sintok, Kedah

Nor Atikah Shafai

Tunku Puteri Intan Safinaz School of Accountancy, College of Business, Universiti Utara Malaysia, Sintok, Kedah

Mohd Farihal Osman

Islamic Business School, College of Business, Universiti Utara Malaysia, Sintok, Kedah, Malaysia

Abstract

Sustainable fiscal systems increasingly depend on governance instruments that cultivate institutional legitimacy rather than rely solely on regulatory enforcement. In statutory taxation contexts, audits and professional certification schemes serve as assurance mechanisms that legitimize fiscal authorities and motivate voluntary compliance. However, analogous governance instruments in religious fiscal systems, particularly zakat administration, remain underexamined in mainstream accounting research. This study investigates Lembaga Zakat Negeri Kedah, Malaysia, on its Muzakki Certificate programme using Legitimacy Theory to examine how certification and verification practices function as legitimacy-building governance mechanisms for strengthening zakat compliance among business contributors. Employing qualitative interviews with certified business owners, and community stakeholders, the study analyses how Muzakki Certificate enhances compliance through three legitimacy pathways. First, procedural legitimacy arises from standardized verification processes that resemble formal assurance practices in taxation and auditing. Second, moral legitimacy is strengthened by the certification's symbolic role in signalling ethical business responsibility and adherence to Islamic fiscal obligations. Third, pragmatic legitimacy emerges through the tangible benefits experienced by certified businesses, including heightened public trust, reputational recognition, and access to institutional business-network platforms. The findings demonstrate that the certification process converts zakat payment from a purely religious act into a legitimized fiscal practice embedded within credible governance structures. This study contributes to compliance scholarship by extending Legitimacy Theory into the understudied arena of religious fiscal governance, illustrating how assurance-style mechanisms produce compliance behaviour through trust creation rather than coercion. The paper further advances accounting governance research by positioning Muzakki Certificate as a model of ethical fiscal assurance aligned with sustainability principles of transparency, accountability, and inclusive economic participation.

Keywords

Certification Assurance, Legitimacy, Fiscal Compliance, Zakat Governance, Muzakki Certificate, Ethical Assurance, Accounting Governance, Sustainable Fiscal Management.