



اَوْنُوْرَسِيْتِي تِيْكُونُوْلُوْجِي مَارَا  
UNIVERSITI  
TEKNOLOGI  
MARA

Accounting  
Research  
Institute

**Abstract  
Book**

# **12th International Conference on Financial Criminology (ICFC) 2022**

# **ICFC 2022**

**Attaining Sustainable Development Goals Through  
Financial Transparency**

25th - 27th August 2022

**University of Cambridge, United Kingdom**

25-27 August 2022

<https://ori.uitm.edu.my/icfc2022>
**ICFC  
2022**

**12<sup>TH</sup>**

**INTERNATIONAL CONFERENCE  
ON FINANCIAL CRIMINOLOGY (ICFC) 2022**

Attaining sustainable development goals through financial transparency

## ABOUT US


 UNIVERSITI  
TEKNOLOGI  
MARA

 Institut  
Penyelidikan  
Perakaunan

**ACCOUNTING RESEARCH INSTITUTE (ARI),  
UNIVERSITI TEKNOLOGI MARA**

The Accounting Research Institute (ARI) was first formed in 2002 as a special interest group. Since then, ARI had gone through a complete evolutionary cycle which includes of first being a special interest group (SIG), then as a research centre and finally as a research institute. The Ministry of Higher Education formally approved the formation of ARI in 2005. As a research institute, ARI is responsible for coordinating and managing the activities of its eight multi-discipline research centres (also known as units of excellence). Effective November 2009, ARI has been recognised by the Ministry of Higher Education as one of the Higher Institutions' Centres of Excellence (HICoE).

Today ARI coordinates eight research centres that have been co-established with various national and international professional agencies: CIMA-UiTM Asian Management Accounting Research Centre (AMARC); UiTM-MICG Corporate Governance Research Centre (CGRC); UiTM-ACCA Financial Reporting Research Centre (FCRC); UiTM-ACFE Asia-Pacific Forensic Accounting Research Centre (AFARe); UiTM-CPA Australia Public Sector Accounting Research Centre (PSARC); UiTM-ACCA Asia-Pacific Sustainability Research Centre (APCeS), Islamic Accounting and Muamalat Research Centre (IAMRC) and Government-Linked Companies Research Centre (GLCRC). As a HICoE, ARI focuses its current fundamental research in the niche area of forensic accounting and Islamic Financial Criminology. Nevertheless, ARI's other expertise in the areas of corporate governance, management accounting, financial reporting, public sector accounting, taxation, auditing, and accounting information system will continue to be championed by respective research centres and SIGs. By the end of 2022, ARI aspires to establish strategic alliances with at least five top-notch global research centres.



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**PROF. DR. JAMALIAH SAID**

Director

Accounting Research Institute (ARI)  
Universiti Teknologi MARA, Malaysia

25-27 August 2022

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## LIST OF COLLABORATORS



25-27 August 2022

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## TENTATIVE Malaysia

 <b>UNIVERSITI TEKNOLOGI MARA</b> Institut Penyelidikan Perakaunan						
<b>ICFC 2022</b> <b>Virtual Presentation Schedule</b> 25th August 2022 (Malaysia Time GMT +8:00)						
8.30 AM	Arrival/Registration of Participants					
9.00 AM	Opening Ceremony • National Anthem (Negaraku) • Doa Recitation by Dr Nazmul Haque • Opening Speech by Prof. Dr Jamaliah Said, Director of Accounting Research Institute (ARI), UiTM					
9.30 - 11.30 AM	<b>PARALLEL VIRTUAL SESSION</b> <div> <div>VIRTUAL ROOM 1</div> <div>VIRTUAL ROOM 2</div> <div>VIRTUAL ROOM 3</div> <div>VIRTUAL ROOM 4</div> <div>VIRTUAL ROOM 5</div> <div>VIRTUAL ROOM 6</div> </div>					
12.00 PM	BREAK					
12.30 PM	Closing Ceremony • Announcement of ICFC 2022 Best Presenter Award • Closing Speech by AP Dr Sharifah Norzehan Syed Yusuf • Photo session					
1.00 pm - 4.00pm	BREAK					
4.00pm	12th INTERNATIONAL CONFERENCE ON FINANCIAL CRIMINOLOGY (ICFC) 2022 Live from WYNG Gardens, Trinity Hall, University of Cambridge, United Kingdom					



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## CONCURRENT SESSION Malaysia

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### PARALLEL VIRTUAL SESSION

TIME	<b>*VIRTUAL ROOM 1</b> Session Moderators: DR YUSLINA ZAKARIA DR NUR SYUHADA JASNI	<b>*VIRTUAL ROOM 2</b> Session Moderators: DR MASLINAWATI MOHAMAD AP DR IBRAHIM ABIODUN OLADAPO	<b>VIRTUAL ROOM 3</b> Session Moderators: DR FAZLIDA MOHD RAZALI DR AZLEEN ILIAS
9.30 - 9.45 AM	ICFC 07 <b>*NURUL HIDAYAH AHMAD NAWAWI</b> <i>Preliminary Study on Website Disclosures for Sustainability Reporting of Islamic Religious Institutions</i>	ICFC 44 <b>FARHANA YASMIN LIZA</b> <i>Commercial Banks and Financial Stability: Evidence from Bangladesh</i>	ICFC 73 <b>*NUR AGILAH SUTAINIM</b> <i>Value Creation for Shariah Compliant Companies from The Perspective of Maqasid Shariah: A Proposed Framework</i>
9.45 - 10.00 AM	ICFC 58 <b>HALIM DEDY PERDANA</b> <i>Implementation of Whistleblowing System Based Web-Based in the Order to Mitigating the Risk of Fraud by Regional Inspectorates</i>	ICFC 45 <b>MOHAMMAD ZAHED HOSSAIN</b> <i>Evaluating The Factors Influencing Share Price Volatility of General Insurance Companies Listed in Dhaka Stock Exchange</i>	ICFC 75 <b>*MOHD IRWAN ABDUL RANI</b> <i>The Challenges in Money Mule Investigation by Malaysian Enforcement Agency</i>
10.00 - 10.15 AM	ICFC 59 <b>HALIM DEDY PERDANA</b> <i>Implementation of E-Risk Based Internal Audit in the Framework of Implementation Effectiveness Audit Process by Regional Inspectorates</i>	ICFC 70 <b>*NATHAN JUNINO JAHJA</b> <i>Performance Evaluation of Indonesian State-Owned Companies in Corporate Governance and Managerial Diversion Perspective</i>	ICFC 76 <b>SHAHRLUNAIM BIN MOHD AMIN</b> <i>The Effect of Money Laundering Activities on The Development of Malaysia</i>
10.15 - 10.30 AM	ICFC 26 <b>*CHARA P T TUBARAD</b> <i>Board Structure and Maqasid Shariah Performance Index: A Systematic Literature Review of Current Research</i>	ICFC 50 <b>MOHAMMAD ROKIBUL KABIR</b> <i>Impact of Emotional Arousal on Fintech Chatbot Use Behaviour: The Mediating Role of Attitude</i>	ICFC 71 <b>*SITI JALILAH BINTI MAT HUSIN</b> <i>Internal Control in Mitigating E-Procurement Corruption in Malaysian Public Organizations</i>
10.30 AM	BREAK		
10.45 - 11.00 AM	ICFC 67 <b>*NOOR ROHINI AWALLUDIN</b> <i>The Moderating Impact of Hotel Size on Motivational Factors and Environmental Management System Towards Sustainable Development Goals in Hotel Industry in Malaysia</i>	ICFC 33 <b>FARHA ABDUL CHAPAR</b> <i>The Impact of Double Crossover Moving Averages Strategy on Traders Return in Nasdaq Composite Index</i>	ICFC 77 <b>FAKHRUL SYAHMI BIN ABDUL RAHMAN</b> <i>The Need of Forensic Accounting in Corruption Investigations: The Malaysian Anti-Corruption Commission</i>
11.00 - 11.15 AM	ICFC 88 <b>*KATHERINE TAN KHEE EN</b> <i>Regulations of Digital Currencies in Malaysia</i>	ICFC 84 <b>LUTFI TRIZKI</b> <i>Examining Factors Contributing to Strategic Agility and Sustainable Competitive Advantage of Private Universities in Indonesia: Dynamic Capability Theory</i>	ICFC 87 <b>YANTO KAMARUDIN</b> <i>Ethical Decision Making Among Auditors in Indonesia: Examination on Ethical Environment of Audit Firm and Moral Intensity</i>
11.15 - 11.30 AM	ICFC 92 <b>SITI NAVILLAH ZULKIFLI</b> <i>Digital Halal Supply Chain Maturity Framework for Halal Ecosystem Governance</i>	ICFC 19 <b>MUHAMMAD NAZMUL HOQUE</b> <i>Strengthening Accountability and Governance of Crowdfunding for Public Universities</i>	ICFC 78 <b>FAZLIDA MOHD RAZALI</b> <i>Exploring Malaysian SMEs Challenges in Mitigating Cybersecurity Threat</i>

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## CONCURRENT SESSION Malaysia

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### PARALLEL VIRTUAL SESSION

TIME	<b>VIRTUAL ROOM 4</b> Session Moderators: DR SALWA ZOLKAFILIL AP DR RUHAINI MUDA	<b>VIRTUAL ROOM 5</b> Session Moderators: DR NURHIDAYAH YAHYA DR FARAH AIDA AHMAD NADZRI	<b>VIRTUAL ROOM 6</b> Session Moderators: AP DR SHARIFAH NORZEHAN SYED YUSUF
9.30 - 9.45 AM	ICFC 51 <b>YUSARINA MATISA</b> <i>Wage Theft Susceptibility in The Airlines Industry: Malaysian Scenario</i>	ICFC 79 <b>RAYWEL ANDUROH</b> <i>The Whole Government Approach Paralyzes Syndicate Activities</i>	ICFC 83 <b>ELEY SUZANA KASIM</b> <i>Enhancing Sustainability Using Digital Networking Relationship Among Micro-Enterprises During COVID-19</i>
9.45 - 10.00 AM	ICFC 80 <b>NOOR SYAZANA BTE KAMI</b> <i>Fraud Within a Statutory Body Due to Weak Corporate Risk and Governance</i>	ICFC 81 <b>ASRUL RIDZUAN BIN AHMAD RUSTAMI</b> <i>Corporate Liability</i>	ICFC 90 <b>SALWA ZOLKAFILIL</b> <i>Professional Skepticism Determinants in Detecting Money Laundering among the Investigators</i>
10.00 - 10.15 AM	ICFC 37 <b>*NURUL FITRI MOHD NOOR</b> <i>Moderation Effect of Situational Support and Mediation Effect of Information Search in The Relationship Between Competency And Auditors' Performance</i>	ICFC 30 <b>*SYAHRINA ADLIANA ABDUL HALIM</b> <i>A Preliminary Analysis of Corporate Governance Adoption Among Listed Malaysian SMEs</i>	ICFC 89 <b>SHARIFAH NORZEHAN SYED YUSUF</b> <i>Digital Transformation Strategic Roadmap for Zakat Organisations</i>
10.15 - 10.30 AM	ICFC 40 <b>RATNA MARTA DHEWI</b> <i>Mapping Of Whistleblowing and Fraud Reporting Research: A Forty-Years Bibliometric Analysis</i>	ICFC 22 <b>NURISYAL MUHAMAD</b> <i>Top Management Support, Monitoring Activities and Employees' Commitment on Anti-Corruption Management System: A Moderated - Mediation Analysis</i>	ICFC 91 <b>FARAH AIDA AHMAD NADZRI</b> <i>Enhancing the Governance of Social Enterprise During Financial Crisis</i>
10.30 AM	<b>BREAK</b>		
10.45 - 11.00 AM	ICFC 11 <b>PURWATINGSIH LISDIONO</b> <i>Risk Management Practices and Enterprise Resilience of Indonesian State-Owned Enterprises: The Mediating Role of Leadership Capabilities</i>	ICFC 13 <b>*NURAZLINA BINTI ABDUL RAOF</b> <i>Director's Personal Liability for Corporate Bribery in Malaysia: Significant Features</i>	
11.00 - 11.15 AM	ICFC 29 <b>SITI AISYAH BARIZAH KAMSIS</b> <i>Impact of Internal Audit Effectiveness on Employee Performance: A Case of a Bumiputera Academic Institution</i>	ICFC 25 <b>*NINUK DEWI KESUMANINGRUM</b> <i>Corporate Reporting, Corporate Governance Mechanisms, and Tax Aggressiveness: Evidence from Industries in Indonesia</i>	
11.15 - 11.30 AM	ICFC 68 <b>AZAHARI JAMALUDIN</b> <i>Exploring The Correlation Between Financial Risk, Operational Risk, Strategic Risk, and The Performance of Small and Medium-Sized Enterprises (SMEs) in Klang Valley, Malaysia</i>	ICFC 86 <b>JULIAN LUTFI</b> <i>Elevating the Fraud Risk Judgment Performance of Internal Auditors</i>	

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## TENTATIVE Cambridge University, United Kingdom

 <p>UNIVERSITI TEKNOLOGI MARA</p>		<p><b>ICFC 2022</b></p> <p><b>Tentative Program</b> (Face to face)</p> <p>WYNG, Gardens, Trinity Hall, University of Cambridge 25th August 2022 (UK Time GMT +1)</p>
8.30 AM - 9.00 AM	Arrival/Registration of Participants	
9.00 AM - 9.10 AM	<p><b>Welcome Address:</b> <b>Professor Dr. Jamaliah Said</b> Director, Accounting Research Institute, Universiti Teknologi MARA, Malaysia</p>	
9.10 AM - 9.40 AM	<p><b>Keynote Address:</b> "Attaining Sustainable Development Goals through Financial Transparency" <b>YBhg Tan Sri Dato' Sri Haji Azam Baki</b> Chief Commissioner of the Malaysian Anti-Corruption Commission (MACC) &amp; <b>Official Opening</b> 12th International Conference on Financial Criminology</p>	
9.40 AM - 10.10 AM	<p><b>Guest Speaker 1:</b> "The Sustainable Development Goals and Organised Crime- Recognising and Mitigating the Impact of an Osmotic Relationship". <b>Prof Rob McCusker</b> Transnational Crime Director, Global Risk Alliance, Ltd United Kingdom</p>	
10.10 AM - 10.40 AM	<p><b>Guest Speaker 2:</b> "Oil Pipeline Fraud in Nigeria" <b>Dr. Akinseye Olatokunso Aluko</b> University of East London, United Kingdom</p>	
10.40 AM - 11.00 AM	COFFEE BREAK & NETWORKING	
11.00 AM - 12.00 PM	<p><b>Forum:</b> "Governance and Accountability for SDGs: Insights on Financial Crime Compliance"</p> <p><b>Panelist 1:</b> <b>Professor John Blekingsopp</b> Oslo New University College, Norway &amp; Northumbria University, United Kingdom</p> <p><b>Panelist 2:</b> <b>Dr. Hendra Susanto</b> Audit Board Member, Republic of Indonesia</p> <p><b>Panelist 3:</b> <b>Professor Dr. Farid Sobhani</b> United International University, Dhaka</p> <p><b>Moderator:</b> <b>Dr. Morrison Handley-Schachler</b> Edinburgh Napier University, United Kingdom</p>	



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## **TENTATIVE Cambridge University, United Kingdom**

 <b>UNIVERSITI TEKNOLOGI MARA</b>		<b>ICFC 2022</b> <b>Tentative Program</b> (Face to face) WYNG, Gardens, Trinity Hall, University of Cambridge 25th August 2022 (UK Time GMT +1)
12.00 PM - 12.20 PM	<b>Sharing Session:</b> <b>"The Benefits of Good Intelligence in Achieving Successful Law Enforcement Outcomes in the Fight Against Corruption"</b> <b>Tuan Mohammad Zamri Zainul Abidin</b> Director of Anti Money Laundering Division, MACC	
12.20 PM - 12.30 PM	<b>GROUP PHOTO SESSION</b>	
12.30 PM - 2.00 PM	<b>LUNCH &amp; NETWORKING</b>	
2.00 PM - 2.30 PM	<b>Guest Speaker 3:</b> <b>"The Private Health Insurance Sector as a Victim of Fraud"</b> <b>Dr Peter Stiernstedt</b> University of West London, United Kingdom	
2.30 PM - 4.00 PM	<b>Concurrent Session:</b> Room 1: Paper presentations – ICFC 2022 Room 2: Leadership discussion - GMLT & Strategic Leadership Roundtable – University Representatives	
4.00 PM	<b>CLOSING:</b> <b>YBhg. Prof. Datuk Ts. Dr. Hajah Roziah Mohd Janor</b> Vice Chancellor, Universiti Teknologi MARA, UiTM Malaysia	
	<b>END</b>	

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## CONCURRENT SESSION

### Cambridge University, United Kingdom

 <p>UNIVERSITI TEKNOLOGI MARA</p> <p>Institut Penyelidikan Perakaunan</p> <p><b>ICFC 2022</b></p> <p><b>In Person Presentation Schedule</b> 25th August 2022 (Malaysia Time GMT +8:00)</p>		
<p><b>Moderator: DR MOHD TAUFIK MUHD SUFFIAN</b>  <b>Assessor 1: PROF ROB MCCUSKER</b>  <b>Assessor 2: DR AKINSEYE OLATOKUNSO ALUKO</b>  <b>Technical: DR NUR AIMA SHAFIE</b></p>		
TIME	PRESENTER	TITLE
2.30-2.45	ASSOC. PROF. DR. AZAHARI JAMALUDIN	THE RELATIONSHIP BETWEEN FINANCIAL RISK, OPERATIONAL RISK AND STRATEGIC RISK ON SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) PERFORMANCE IN KLANG VALLEY, MALAYSIA
2.45-3.00	FATHIMATH RASHEED (PROF JAMALIAH)	THE CORRUPTION SCANDAL THAT ROCKED A NATION: THE CASE OF MALDIVES MARKETING AND PUBLIC RELATIONS CORPORATION (MMPRC)
3.00-3.15	DR. FARHANA BEGUM	KNOWLEDGE AND PERCEPTION OF BANGLADESHI UNIVERSITY STUDENTS ON FACTORS DRIVING FINANCIAL CRIMES
3.15-3.30	MOHAMAD ZAMRI BIN ZAINUL ABIDIN	THE BENEFIT OF GOOD INTELLIGENCE IN ACHIEVING SUCCESSFUL LAW ENFORCEMENT OUTCOME IN THE FIGHT AGAINST CORRUPTION
3.30-3.45	DR. YUSMAN ARSYAD THAMRIN	MECHANISMS OF FRAUD PREVENTION WITHIN INDONESIAN GOVERNMENT LINKED COMPANIES
3.30-3.45	DR. NOOR MARINI ABDULLAH	INFLUENCE OF PRESSURE, OPPORTUNITY, RATIONALIZATION, AND CAPABILITY ON THE POSSIBILITY OF CORRUPTION OCCURRENCE AMONG ENFORCEMENT OFFICERS IN MALAYSIA
3.45-4.00	DR. MEMIYANTY ABDUL RAHIM	AUDIT COMMITTEE AND EXTERNAL AUDITORS IN GOVERNMENT-LINKED COMPANIES: DO THEY PLAY THEIR ROLES TO MITIGATE EARNING MANAGEMENT?
4.00-4.15	ASSOC. PROF. DR. AZIZAN ZAINUDDIN	EMPIRICAL STUDY ON THE FINANCIAL LITERACY AMONG WORKING SINGLE WOMEN TOWARDS THEIR RETIREMENT PLANNING
4.15-4.30	NUSRAT FARZANA, PIANA MONSUR PINDIA, YEASMIN ISLAM	HALAL TOURISM: AN EMERGING ERA FOR BANGLADESH TOURISM
4.30-4.45	ASSOC. PROF DR NOR FARIZAL MOHAMMED	SYNTHESIS AND SYSTEMATIC REVIEW OF NEWS AND MACC PUBLICATIONS ON ANTI-CORRUPTION EDUCATION IN MALAYSIA
4.45-5.00	DR DALILA DAUD	WAQF INTEGRATED INCOME GENERATING MODEL (WIIGM) FOR ENHANCING SUSTAINABLE DEVELOPMENT GOALS (SDGS): AN EVALUATION OF BEHAVIOURAL INTENTION
5.00-5.15	ASSOC. PROF DR. NORZIANA LOKMAN	SUSTAINABILITY DEVELOPMENT GOALS, STRATEGIES AND CHALLENGES FACED BY SOCIAL ENTERPRISES IN MALAYSIA

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## **SPECIAL GUEST**



**YBHG. PROF. DATUK Ts. DR. HAJAH ROZIAH JANOR**

Vice Chancellor  
Universiti Teknologi MARA (UiTM)  
Malaysia



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## KEYNOTE ADDRESS



YBHG. TAN SRI DATO' SRI HAJI AZAM BAKI

Chief Commissioner  
Malaysian Anti-Corruption Commission  
(MACC)

***“Attaining Sustainable Development  
Goals through Financial Transparency”***

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## GUEST SPEAKERS



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Attaining sustainable development goals through financial transparency

**25 AUGUST 2022**  
WYNG Gardens,  
Trinity Hall,  
University of  
Cambridge, United  
Kingdom

**GUEST  
SPEAKER 1**

"The Sustainable Development Goals and Organised Crime—Recognising and Mitigating the Impact of an Osmotic Relationship".  
by:

**PROFESSOR ROB MCCUSKER**

Transnational Crime Director,  
Global Risk Alliance,  
Ltd United Kingdom



Professor Rob McCusker is the Head of Division for Community and Criminal Justice at De Montfort University, a Visiting Professor at Universiti Teknologi MARA in Malaysia and an Adjunct Associate Professor at Charles Sturt University in Australia. He was the former Director of the Centre for Fraud and Financial Crime and Reader in Fraud and Financial Crime at Teesside University and the former Transnational Crime Analyst for the Australian Institute of Criminology, Australia's leading statutorily created crime research body which falls within the Minister for Justice's portfolio.

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## GUEST SPEAKERS



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**25 AUGUST 2022**  
WYNG Gardens,  
Trinity Hall,  
University of  
Cambridge, United  
Kingdom

**GUEST  
SPEAKER 2**

"Oil Pipeline Fraud in Nigeria"  
by:

**DR. AKINSEYE OLATOKUNBO ALUKO**

Deputy Course Leader in Oil &  
Gas Management  
University of East London



Dr Akinseye Olatokunbo Aluko is the principal consultant at Beslfield Business and Management Consultant, UK. This is the world class consultancy organization with strategic alliances all over the world. He is also the Associate Programme Director/Lecturer in Oil & Gas Management & International Strategic Management respectively at the University of East London (UEL) and a Public/Motivational Speaker.



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## GUEST SPEAKERS



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**25 AUGUST 2022**  
 WYNG Gardens,  
 Trinity Hall,  
 University of  
 Cambridge, United  
 Kingdom

GUEST  
SPEAKER 3

"The Private Health Insurance Sector as a  
Victim of Fraud"

by:

DR. PETER STIERNSTEDT

School of Human and  
Social Science  
University of West London



Peter Stiernstedt is Deputy Head of the School of Human and Social Sciences, the Head of Subject for Criminology, and Forensic Science, and a senior lecturer in Criminology at the University of West London. He holds a PhD in Criminology on the Perception of Corruption awarded by the University of Portsmouth. Previous academic achievements are a BSc in Physics from the University of Gothenburg in Sweden, followed by an MSc in Security Management from the University of Portsmouth.

Prior to the current academic career Peter was working as a consultant providing Strategic Solutions within the realms of risk, security and crisis. During over a decade of providing high-quality advice, support and solutions, Peter has worked mostly in Europe, and Spain in particular, as well as the US, Russia and China.

Both work and education has provided experience, knowledge and insight into Risk Management, Anti-Fraud and Corruption strategies, Business Continuity and Crisis Management. Peter is an active member of ISACA, IFPO UK and ASIS International.

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## PANELISTS

### “Governance and Accountability for SDGs: Insights on Financial Crime”



**PROF. JOHN BLENKINSOPP**

Professor  
Newcastle Business School  
Northumbria University

**Prof. John Blenkinsopp** started his career at the Department of Health and Social Security, then spent several years in the chemical industry as a lab technician, before moving on to HR roles within the NHS. He started his academic career here at Northumbria University (1999-2002), and subsequently held posts at Newcastle (2002-2007), Teesside (2007-2013) and Hull (2013-2016) before returning to Northumbria in 2016. He has undertaken a range of academic leadership roles including Head of Department, Assistant Dean, MBA Programme Director, PG Programmes Director, and Subject Group Leader.



**PROF. DR. FARID A. SOBHANI**

Professor  
School of Business & Economics  
United International University  
Bangladesh

**Prof Dr Farid Shobani** is a Visiting Professor at ARI-Universiti Teknologi MARA, Malaysia Secretary General for Federation of Bangladesh Human Resource Organizations, Dhaka Founder Chairman, Bangladesh Society for Human Resource Management, Chittagong Research Coordinator, Australian Academy of Business Leadership, Sydney and he served as Dean in Daffodil International University and International Islamic university Chittagong.

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## PANELISTS

### **“Governance and Accountability for SDGs: Insights on Financial Crime**



**DR. HENDRA SUSANTO**

Audit Board Member  
Republic of Indonesia

**Dr. Hendra Susanto** is a Member of the State Audit Board since 2019 till present. Previously, he was the Head of IB Auditorate at the Main Auditorate of Indonesia State Finance.

### **Moderator**



**DR. MORRISON HANDLEY-SCHACHLER**

Edinburgh Napier University  
United Kingdom

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## **ABSTRACTS**

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**ICFC 02**

## AUDIT QUALITY AND AUDIT BEHAVIOUR

**Halil Paino**

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### ABSTRACT

This study advances auditing research in by examining the specific factors that contribute to reduction and impairment of audit quality through the audit behaviour including audit firm and audit team factors. All registered audit managers were included in a survey. The results showed evidence of audit quality reduction acts such as superficial review of documents and acceptance of weak client explanation. The findings produced some consistent evidence that it is not an emphasis on meeting budgets but contextual factors such as organisational commitment, professional commitment, leadership structure and leadership consideration that lead to dysfunctional behaviour. Budget attainability was significantly related to under-reporting of time (URT). The perceived level of premature sign off (PMSO) varied across different levels of budget attainability but was not significantly different. Therefore, PMSO may be less dependent and affected by other factors that yet to be explored.

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**ICFC 03**

**PROFESSIONAL AUDIT JUDGEMENT  
DURING THE PANDEMIC**

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**ABSTRACT**

Professional judgement in auditing is the application of education, expertise, and skill set within the framework of applicable legislation or International Auditing Standards (IAS). Professional audit judgement is a big issue and causes enormous losses to the business world and creates moral problems within the working environment. This research aims to examine and provide empirical evidence about the effects of audit quality, independent report and going concern on audit judgement. This research uses a survey method carried out at the Big Four Audit Firms in Malaysia involving 370 respondents. The test result shows that audit quality has an effect on audit judgement. Likewise, the auditor's independent report and going concern have an effect on audit judgement. This research can provide more knowledge, especially for audit firms when considering policies to improve the quality of audit in an effort to improve audit judgements. Data collection methods in this research are carried out through quantitative method via questionnaires. The analysis tool used is Multiple Linear Regression. The finding from this study supports previous studies that maintain tighter standards of auditing can increase both audit fee and audit quality, as well as also lead to lower social welfare and restrict auditors' exercise of professional judgement. The results also show that professional audit judgment is positively influenced by independent report and going concern. However, the study has its limitation where the sample coverage is small and this limitation can be covered by other researchers in the future.

**Keywords:** Auditor's Professional Judgment, Covid19 Pandemic, Audit Judgment.



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## ICFC 04

### FINANCIAL REPORTING RISK AND AUDIT PRICING

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#### ABSTRACT

Financial statement fraud cases misled users such as investors and creditors. Therefore, the main objective of this study is to identify the association between five ratios of financial reporting risks to predict fraud. Consequently, this study also investigates the impacts of fraud detection on audit fee. Thus, sample of 10 of fraudulent companies and sample of 40 non fraudulent companies are being identified to achieve the objective. Stepwise logistic regression was being employed. The results clearly indicate that changes in sales, receivables and allowance for doubtful debts have significant effect of fraud detection. However, fraud detection gives no or little impact on audit fees.

**Keywords:** Reporting Risk Assessment; Audit Pricing.

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## ICFC 06

### **EXPLORING THE DIGITAL TRANSFORMATION AND MATURITY FOR ACCOUNTABILITY AND TRANSPARENCY OF ISLAMIC INSTITUTIONS**

**Siti Navillah Zulkifli**

*Accounting Research Institute, Universiti Teknologi MARA, Malaysia*

#### **ABSTRACT**

The digital disruptions seem to force Islamic Institutions to choose between innovation and extinction. This proposal examines the governance of Islamic Religious Institutions, specifically JAKIM, in terms of accountability and transparency. Previous studies pertinent to the framework that can assist digital transformation and digital maturity of Islamic institution in Malaysia are still scarce in terms of halal governance, and more research is strongly recommended in this field. This study follows an approach described by Yin (2003): a single case study to investigate the reasons for efficiencies and inefficiencies of digital transformation strategy at JAKIM and to propose a digital transformation and maturity framework for effective governance of the Islamic institutions. This study will be conducted in two stages. The first stage involved interviews as a technique to collect data. Interviews will be conducted with the Chief Executive Officer and all the Heads of Departments in JAKIM. The second stage of the study will evaluate the implementation of proposed Digital Transformation Maturity Framework. Previous research on the digital transformation framework for Islamic institutions has been insufficient, as the majority of frameworks view digital transformation in isolation from digital maturity.

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## ICFC 07

### PRELIMINARY STUDY ON WEBSITE DISCLOSURES FOR SUSTAINABILITY REPORTING OF ISLAMIC RELIGIOUS INSTITUTIONS

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### ABSTRACT

Public sector organizations play an essential role in supporting the government's commitment to sustainable development. These organizations are expected to disclose more social and environmental information than private companies due to public contracts. Malaysian State Islamic Religious Councils (SIRCs) is one of the government agencies responsible for distributing and disseminating adequate and accurate information to various stakeholders, especially the public. These SIRCs frequently organize sustainability-related activities as part of their corporate social responsibility agenda and have a vast potential to contribute by disseminating sustainability-related information on their websites. However, the extent of sustainability website reporting by the SIRCs remained largely unaddressed. Drawing from the literature, this preliminary study proposes a website disclosure index for sustainability reporting by the SIRCs in Malaysia. A content analysis on three SIRCs websites representing three regions in Malaysia have been performed. The proposed website disclosure index may assist in formulating policies to encourage the use of SIRCs' websites to report sustainability information to the public. This study provides valuable input in supporting the government's aspiration to develop future strategies for achieving Sustainability Development Goals (SDGs) and adds to the limited literature on the website sustainability reporting by the public sector.

**Keywords:** Sustainability Reporting, Website Disclosure, Content Analysis, Religious Institutions, Disclosure Index



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## ICFC 08

### CYBER SECURITY STRATEGY FOR CORPORATES

**Kiranmai J Kiranmai<sup>a</sup>, Dhamaraju Sai Satish<sup>b</sup> and V Manasi<sup>a</sup>**

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### ABSTRACT

Cybersecurity issues are becoming a day-to-day struggle for every business across the globe. Studies estimate that Cybercrime across the world costs \$10.5 Trillion annually by 2025 while the worldwide information security market is forecasted to reach \$170.4 billion in 2022. It is observed that 95 percent of the cybersecurity breaches are caused by human error. More than a billion passwords got exposed in data leakages, many websites were hacked, DOS attacks, ransomware attacks, etc increased a thousand times during the pandemic. Most of the Cyber assets can be protected with techniques, strategies and awareness. The present paper attempts to highlight the corporate cyber security challenges in the present time and would also discuss some case studies. The paper also provides insights on phishing, endpoint security, etc. The paper among other issues will focus on remedies to overcome from cyber-attacks caused by virus or Malware.

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## ICFC 09

### ASSESSING THE RELATIONSHIP BETWEEN INCOME INEQUALITY, GROSS DOMESTIC PRODUCT AND CORRUPTION: EVIDENCE FROM HIGH AND LOW-INCOME COUNTRIES

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### ABSTRACT

Corruption Perception Index for 2019 indicated that most low-income countries were listed below 50 scores indicating a high rate of corruption, while most developed countries were above 50 scores, reflecting a low rate. Past studies argued that income inequality and economic growth significantly impact corruption. This paper attempts to further investigate the link between gross domestic product (GDP), income inequality (GNI), and corruption perception Index (CPI) by categorizing the sample countries into high and low-income countries and also into regions. Based on 12 years of data collected from 2010 to 2021 among 155 countries, the data were analyzed using regression. This study yields some expected findings supporting well-established variables and concludes that GDP and income inequality (GNI) strongly correlate with the corruption index. However, further analysis shows that the impact of GDP and GNI on CPI varies among low and high-income countries and also among regions. This study also finds out that the countries with the highest CPI are not the countries with the highest GDP and GNI. Similarly, countries with the lowest CPI is not the country with the lowest GDP/GNI.

**Keywords:** Government Size, GDP, GNI, Corruption Perception Index

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## ICFC 11

### RISK MANAGEMENT PRACTICES AND ENTERPRISE RESILIENCE OF INDONESIAN STATE-OWNED ENTERPRISES: THE MEDIATING ROLE OF LEADERSHIP CAPABILITIES

**Purwatiningsih Lisdiono<sup>a</sup>, Jamaliah Said<sup>b</sup>, Haslinda Yusoff<sup>c</sup>, Ancella A. Hermawan<sup>a</sup>,  
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### ABSTRACT

Businesses face challenges in today's uncertain, interconnected business climate. Uncertainty is among the most significant challenges to the resilience of companies, but it may also present an opportunity. Enterprises must make efforts to be resilient, such as applying proactive mitigation and handling risk. This research examines the influence of Risk Management Practices (RMP) on Enterprise Resilience (ER) among Indonesian State-Owned Enterprises (SOEs) and explores the role of Leadership Capabilities (LC) in mediating the relationship between RMP and ER. The Indonesian SOEs will serve as the units of analysis for this research considering their vital role in the Indonesian economy and limited study on resilience RMP in SOEs in an emerging market. The study used online surveys of SOEs' board of directors. The study found that RMP significantly influences ER. LC mediates the relationship between RMP and ER. This study could provide theoretical, methodology, and practical contributions.

**Keywords:** Enterprise Resilience, Risk Management Practices, Leadership Capabilities, Soes, Emerging Market



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## ICFC 12

### **THE RELATIONSHIP BETWEEN FINANCIAL RISK, OPERATIONAL RISK AND STRATEGIC RISK ON SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) PERFORMANCE IN KLANG VALLEY, MALAYSIA**

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Kuala Lumpur, Malaysia*

## ABSTRACT

This study was conducted to identify the relationship of risk management with SME performance. This study was conducted on 100 respondents from 10 SMEs in Selangor. The selection of respondents is purposively. The research instrument used was a questionnaire in the form of a Likert Scale. The analysis of the study was done using Special Package for the Social Statistics (SPSS) Window version 25 software. Frequency, percentage and mean scores were used to analyze the data obtained. Researchers also used the value of Pearson correlation coefficient to show the risk management dimension with SME performance. The researchers divide the level results into three, namely low / negative, medium / average and high / positive. Overall, the findings of this study indicate that the financial and operational risk management dimension is low relative to SME performance while strategic risk management is negatively related to SME performance. Through these findings, the researchers have answered the objectives and hypotheses of the study. Furthermore, regression analysis also has been used in order to examine the relationship between two or more variables of interest.

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## ICFC 13

### DIRECTOR'S PERSONAL LIABILITY FOR CORPORATE BRIBERY IN MALAYSIA: SIGNIFICANT FEATURES

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#### ABSTRACT

Bribery in business is a significant subject of international treaties. In line with Goal 16.5 of Sustainable Development Goals 2030 to substantially reduce corruption and bribery, the United Nations Global Compact tenth principle on anti-corruption states businesses should work against corruption. For Malaysia, one of the responses to this call is the introduction of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act). Section 17A(3) of the Act imposes deemed liability (DL) on a director if the company is liable for the corrupt conduct of persons associated with the company. The director faces a maximum sentence of 20 years subject to the due diligence defence and no consent or connivance on his part. While this provision is in line with efforts to ensure that the board take a step to ensure corporations toe the line and minimise, if not prevent, corrupt behaviour, there are criticisms against this approach. This article examines the features of the DL provision, specifically on the reverse burden of proof and its constitutionality in Malaysia and the available defences. The article juxtaposes the discussion on international development with the aim of highlighting the faultiness/advantages of Malaysian law.

**Keywords:** Deemed Liability, Director, Company, Reverse Burden of Proof

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## ICFC 15

### **RELATED PARTY TRANSACTIONS AND EARNINGS MANAGEMENT PRACTICES IN MALAYSIA: THE MODERATING EFFECT OF AUDIT QUALITY**

**Mohd Taufik Mohd Suffian<sup>a\*</sup>, Zuraidah Mohd Sanusi<sup>b</sup>, Ancella Anitawati Hermawan<sup>c</sup>  
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### **ABSTRACT**

This study examines the effects of related party transactions on company's earnings management practices with the moderating effect of audit quality in Malaysia. By utilising the data from 646 companies for a total of 3,230 firms-year observations in Bursa Malaysia for five years that were active from 2013 until 2017, the panel results show that related party transactions proxy by number of transactions and value of transactions have positively significant related with earnings management practices. On the other hand, audit quality (through audit fee and type of auditor) was found to be ineffective to mitigate the earnings management practices. However, audit quality was found to be effective in moderating the relationship with related party transactions on earnings management practices, through type of auditor. Nevertheless, it was found to be ineffective through audit fee. This result contrasted the Agency Theory Type II that concerns the problems between majority and minority shareholders. It is an essential resource for any market participant since it provides a reduced volume of information asymmetries between managers, investors, regulatory agencies, society and other stakeholders.

**Keywords:** Related Party Transactions, Earnings Management Practices, Audit Quality



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## ICFC 16

### SYNTHESIS AND SYSTEMATIC REVIEW OF NEWS AND MACC PUBLICATIONS ON ANTI-CORRUPTION EDUCATION IN MALAYSIA

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## ABSTRACT

The misuse of authority for one's own benefit is known as corruption, and the repercussions are harmful to the nation. Mega-scandals like Tabung Haji, 1MDB, FELDA, MARA, SRC International, and the Sabah Water Department strengthen Malaysia's reputation as a kleptocracy (National Anti-Corruption Plan, 2019- 2023). Nevertheless, Asia's low-corruption nations include Singapore, Hong Kong and Japan. They were very free of corruption, as evidenced by their rankings of 4<sup>th</sup>, 12<sup>th</sup> and 18<sup>th</sup> on the corruption perception index (CPI) for 2021. (Transparency International, 2022). Malaysia, on the other hand, is rated as being severely corrupt, coming in at number 62 on the CPI, a downtrend trending since 2018 (Transparency International, 2022). The Malaysian government has launched a number of initiatives, laws, and regulations in the battle against corruption (Muhammad and Gani, 2020). However, preventing corruption requires more than just identifying criminal flaws and prosecuting offenders. The prevention strategy is essential because corruption in this nation has become a social illness that has spread to the workplace and the political system. Any campaign against corruption won't be successful in the long run unless it covers all facets of society. Prior research has focused on the use of laws and regulations to prosecute corrupt individuals, but has overlooked the ability of education to change the culture of corruption. Given the lack of research on this issue, it is puzzling as to what extent Malaysia has delivered anti-corruption education in the public education system. As a result, the purpose of this study is to investigate the state of anti-corruption education in Malaysia in public education system by performing a systematic review of anti-corruption news in Malaysia.

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## ICFC 18

### WAQF INTEGRATED INCOME GENERATING MODEL (WIIGM) FOR ENHANCING SUSTAINABLE DEVELOPMENT GOALS (SDGS): AN EVALUATION OF BEHAVIOURAL INTENTION

**Siti Sara Ibrahim<sup>1</sup>, Dalila Daud<sup>2</sup>, Amir bin Shaharuddin<sup>3</sup> and Khusnul Hidayah<sup>4</sup>**

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Indonesia

## ABSTRACT

This study aims to examine how beliefs and expectations on collaboration for investment, technology advancement and governance can lead to sustainable income generation that can influence the community to accept the proposed Waqf Integrated Income Generating Model (WIIGM). The study had empirically examined the beliefs and expectations on the proposed WIIGM model which was adapted from the Theory of Reasoned Action (TRA). Data was collected from 366 respondents selected via convenience sampling. Questionnaires were distributed online of which responses were then analysed using PLS-SEM 3.0 for hypothesis testing. The study found that collaboration for investment and governance significantly contributes to sustainable income generation in Waqf operation and management which eventually results in the community's trust and acceptance of the WIIGM model. Technology advancement also shows a significant in the Waqf industry but is still operating in a conventional way and require more effort to be enhance into the Waqf operation through WIIGM model. Further studies on this variable may establish findings from other perspectives. This paper adds value to existing literatures regarding the potential of a new Waqf integrated income generating model. This research is an innovative study that empirically examines the potential of a new Waqf integrated income generating model in building the trust of the community towards Waqf Institutions. This study is significantly important for practitioners and policymakers in evaluating the potential roles of Waqf based on the belief and trust of the community.

**Keywords:** Waqf, Belief, Expectation, Sustainable, Income Generation

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## ICFC 19

### STRENGTHENING ACCOUNTABILITY AND GOVERNANCE OF CROWDFUNDING FOR PUBLIC UNIVERSITIES

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#### ABSTRACT

The reduction in government funding requires public universities to seek different forms of funding for their activities, and crowdfunding has become an essential enhancement to public university funding sources. This research aims to evaluate the strengthens of accountability and governance of crowdfunding for public universities. The aim of this research is to determine the level of adaptation of crowdfunding mechanisms and the sustainability of the crowdfunding as an alternative platform to fund public universities in Malaysia. This study adopts a qualitative approach. It reviews and analyses authentic data in relevant literature and documents on the crowdfunding. The significance of this study is that a new contribution through exploring the viewpoints of strengthening accountability and governance of Crowdfunding. To increase public confidence in crowdfunding, it must be well-governed, with strict criteria to ensure proper accountability and transparency to reduce the possibility of corruption and prevent fraud. From the strengthening of crowdfunding mechanism, it can be concluded that the governance system developed here will include methodologies and standards for evaluating the sources of funds, protecting the givers, evaluating projects qualified for funding, and reinvestment of contributions, where applicable.



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## ICFC 20

### INFLUENCE OF PRESSURE, OPPORTUNITY, RATIONALIZATION, AND CAPABILITY ON THE LIKELIHOOD OF CORRUPTION OCCURRENCE AMONG ENFORCEMENT OFFICERS IN MALAYSIA

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### ABSTRACT

This paper seeks to examine the influence of fraud diamond theory elements comprises of pressure, opportunity, rationalization, and capability on the possibility of corruption occurrence among the enforcement officers in Kelantan, Malaysia. This study developed and collected 128 questionnaires from respondents among enforcement officers in Royal Malaysian Custom Department and Immigration Department of Malaysia in Kelantan. The findings revealed that only rationalization is statistically significant and positive correlated to the possibility of corruption occurrence while pressure, opportunity, and capability is statistically insignificant to the possibility of corruption occurrence among enforcement officers in Kelantan. This study is expected to provide new insight to regulators, and policymakers in enhancing the regulation and enforcement in order to combat the likelihood of corruption occurrence among enforcement officers all around Malaysia. To date, there has been relatively little empirical study on corruption occurrence. Hence, this study contributes to bringing that to light. The study is limited to only enforcement officers in Kelantan State, in particular enforcement officers in the Royal Malaysian Customs Department and Immigration Department of Malaysia at the border of Malaysia. Enforcement officers in Kelantan were selected due to the limitation of the physical access to the respondents due to pandemic of Covid-19 Standard Operating Procedure (SOP). Immigration Department of Malaysia is responsible to control the entry and exit points of Malaysia while Royal Malaysian Custom Department is responsible to collect revenue, facilitate trade and enhance legal compliance to protect stakeholders and security interest as well as Malaysia's economic. As this research found out that rationalization is highly influenced the tendency of corruption occurrence, it would be beneficial if the government or authority can tighten the criteria in appointment for future enforcement officers. The government should take into consideration on individual ethical values before offering him or her a post. This is because individual's ethical values are influences by their behaviour and what is thought to be right and wrong. Hence, by considering this perhaps it would reduce the tendency of corruption occurrence among enforcement officers in the future.

**Keywords:** Corruption Occurrence, Pressure, Opportunity, Rationalization, Capability and Fraud Diamond Theory.

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### SUSTAINABILITY DEVELOPMENT GOALS, STRATEGIES AND CHALLENGES FACED BY SOCIAL ENTERPRISES IN MALAYSIA

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#### ABSTRACT

This paper aims to reveal which sustainability mission is targeted by Social Enterprises (SEs) and how SEs balance their economic and social activities. Furthermore, this paper also explores the challenges faced by the SEs in ensuring the sustainability of their supply chain. The researchers developed a questionnaire to collect data about the targeted sustainability development goals (SDGs), strategy and challenges faced by SEs during the Covid-19 pandemic. We then posted the online questionnaire to the selected SEs via social media. We also obtained and verified the information on sustainable development goals targeted by SEs from their annual reports and websites. These data collection techniques deal with some drawbacks of using a single data collection method. The finding indicates that SEs dedicate their effort to achieving at least one of the SDGs commissioned by the United Nations. The key challenge faced by the SEs is balancing social and economic activities. However, SEs lack funds and support, limiting their ability to sustain themselves. This situation worsens because of the inability of SEs to harmonise their stakeholders' interests. The study results have implications for policymakers as they contribute to the debate on the sustainability of SEs.

**Keywords:** Covid-19 pandemic; Social Enterprise; Sustainable Development Goals; Sustainability

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### TOP MANAGEMENT SUPPORT, MONITORING ACTIVITIES AND EMPLOYEES' COMMITMENT ON ANTI-CORRUPTION MANAGEMENT SYSTEM: A MODERATED – MEDIATION ANALYSIS

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Malaysia*

### ABSTRACT

This study examines the role of top management and employees in combating corruption through the implementation of the Anti-bribery Management System (ABMS). A newly constructed questionnaire was used to assess the suggested conceptual framework. We provide new evidence from the analysis of the responses of 640 government servants from four government agencies in Malaysia who have experienced in anti-corruption practices. The findings show that top management commitment would be able to enhance the ABMS implementation through monitoring practices. Moreover, it was detected that the employees' commitment would strengthen the relationship between monitoring and the ABMS implementation. These findings support the reformational attitude theory, where top management could influence further employees' action. Employees' reaction depends on their commitment, which represents emotional attachment and obligation to support ABMS implementation. This study is valuable because it can explain the relationship between top management and employee commitment in a model as crucial factors to implement anti-bribery strategies. This study points out aspects that the public sector should emphasise implementing ABMS and preventing corruption from occurring successfully.

**Keywords:** Management Commitment, Corruption, Bribery, Government, Attitude Theory



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## AUDIT COMMITTEE AND EXTERNAL AUDITORS IN GOVERNMENT-LINKED COMPANIES: DO THEY PLAY THEIR ROLES TO MITIGATE EARNING MANAGAMENT?

**Memiyanty Abdul Rahim<sup>a</sup>, Anis Shafiqah Khir Shuhaimi<sup>b</sup>, Azizan Zainuddin<sup>c</sup>**

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### ABSTRACT

Accounting scandals of 1Malaysia Development Berhad in Government-Linked Companies (GLCs) in Malaysia had brought in negative consequences not just to the company but also to the stakeholders of the company. Hence, this study is conducted to observe the possibility of corporate governance monitoring mechanisms from Audit Committee and External Auditors Perspective in mitigating earnings management in GLCs in Malaysia. This study employed quantitative research technique by using secondary data collection method. The data on corporate governance monitoring mechanisms were taken from annual reports of 38 GLCs listed in Bursa Malaysia for three years. This study uses discretionary accruals as the proxy of the earnings management. The discretionary accruals were quantified by Modified Jones in 1995 and obtained via Thomson Reuter's database. The data analysis was done via SPSS software. The results showed that four out of five corporate governance monitoring mechanisms variables have an insignificant influence on earnings management of GLCs listed in Bursa Malaysia. The external audit fee is the only variable of corporate governance monitoring mechanism that has influence on earnings management.

**Keywords:** Corporate Governance, Monitoring Mechanism, Earning Management, Government-Link Companies, Discretionary Accruals

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**GOVERNANCE FACTOR AFFECTS TAX AVOIDANCE WITH  
BOND RATING AS MODERATION**

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**ABSTRACT**

The purpose of this research is to see how executive incentives, foreign ownership affect tax avoidance with bond rating as a moderating variable. For the 2015-2020 period, the sample comprised of 17 banking companies listed on the Indonesia Stock Exchange (IDX). This study employs secondary data with purposive sampling. The hypotheses were investigated using descriptive statistics and multiple regression analysis methods in this study. The findings reveal that the study's executive incentives have no effect on tax avoidance on tax avoidance, while foreign ownership and bond ratings have a negative impact. Tax avoidance is weakened as a result of reducing the bond rating on foreign ownership.

**Keyword:** Executive Incentives, Foreign Ownership, Bond Rating, Tax Avoidance.

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**CORPORATE REPORTING, CORPORATE GOVERNANCE MECHANISMS, AND  
TAX AGGRESSIVENESS: EVIDENCE FROM INDUSTRIES IN INDONESIA**

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**ABSTRACT**

This study empirically determines the relationship between corporate reporting, both mandatory (financial reporting) and voluntary (Corporate Social Responsibility (CSR) disclosure) reporting, three corporate governance mechanisms (board size, independent board, and CEO duality), and tax aggressiveness in Indonesia. The study uses a hand-collected dataset of 121 public companies listed on the Indonesian stock exchange from 2016 to 2020. The data were collected from annual and sustainability reports published on the IDX and the company websites. We categorize the data based on eight classifications of non-financial industries because different characteristics and business cycles may influence tax aggressiveness decisions. Using the panel OLS approach, our research found that aggressive financial reporting positively relates to most industries' tax aggressiveness. Instead, we found a negative relationship between CSR Disclosures and tax aggressiveness. The results also found that corporate governance mechanisms significantly relate to tax aggressiveness in most industries. Specifically, board size and independent board positively relate, whereas CEO Duality negatively relates to tax aggressiveness. The findings suggest that board members can influence aggressive tax decisions, particularly independent boards with tax expertise and experience.

**Keywords:** Aggressive Financial Reporting, Corporate Social Responsibility, Corporate Governance Mechanisms, Tax Aggressiveness



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## ICFC 26

### **BOARD STRUCTURE AND MAQASID SHARIAH PERFORMANCE INDEX: A SYSTEMATIC LITERATURE REVIEW OF CURRENT RESEARCH**

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### **ABSTRACT**

This study is a literature evaluation on the relationship between the *Maqasid Sharia* Performance Index and Board Structure. This paper includes the idea and terms of *Maqasid Sharia*, along with research findings on Islamic banking performance and board structure. This study used a Systematic Literature Review (SLR) of journal publications by using Publish and Perish and PRISMA 2020, with the result modified to suit the requirements of this literature review. The search parameters were limited to publications written in English and published between year 2000 until 2022. Articles that did not include or corroborate on Islamic Financial Institutions in relation to *Maqasid Sharia* Performance Index and they were unrelated to the board structure were excluded. To get better results, appropriate keywords are employed. The researchers' interest in evaluating *Maqasid Sharia* Performance Index and board structure increased during the length of the study period. Only the Scopus, Emerald, and WoS databases were used as data sources. This is the first study that conducts SLR on the related issue. With a 22-year publishing record, Systematic Literature Review in *Maqasid Sharia* Performance Index and Board structure can become a heritage for all those who appreciate and seek relevant studies for future research opportunities.

**Keywords:** Maqasid Shariah, Performance, Board Structure, Systematic Literature Review

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## ICFC 27

### ASSOCIATING CHAIRMAN SENTIMENT AND EARNINGS QUALITY IN BANKS' ANNUAL REPORTS: A TEXT MINING APPLICATION

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## ABSTRACT

Accounting narratives are being examined for consistency with the presence of obfuscation and earnings management behaviour. Sentiment in non-financial statement reporting has also been an important determinant influencing the likelihood of income-increasing or decreasing earnings management. However, processing unstructured data to evaluate the textual opinions and decipher emotional expression accurately is challenging. There are limited studies that explore the relationship between the usage of text in an annual report and the involvement of earnings management. This paper explores how sentiments presented in the corporate annual report relating to the firm's earnings quality. Using automated text mining, we measured the chairman's statement in the 130 annual reports of 26 Malaysian conventional banks between 2016 to 2020. We then evaluated the sentiments quantified to see the connection between the polarity of chairman's statement and the pre-calculated earnings quality index. Our analysis shows that the complexity of language and the chairman's choices of words predict the likelihood of their involvement in earnings manipulation activities.

**Keywords:** Sentiment Analysis, Annual Reports, Earnings Quality, Text Mining, Chairman Statement

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**RE-ASSESSMENT OF SHARED VALUE FOR ISLAMIC BANKING: A  
PERSPECTIVE OF THE THEORY OF FINANCIAL INTERMEDIATION.**

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**ABSTRACT**

This study investigates the profit-sharing contracts in Islamic banking using a dynamic model. The aim of the study is to analyze the extent of the adoption of profit-sharing contracts in Islamic banks creates value. This study employs *Economics value added* as a technique of value creation measurement and utilizes the Malaysian Islamic banks panel data from 2005-2020. The findings reveal that there is no indication that the adoption of profit-sharing contracts on the liability side significantly creates positive value to Islamic banks. The results indicate that Islamic banks utilize a lower cost of capital, as deposits accounts constitute a large amount of current and saving accounts. However, the study found that funds allocated in Securities investment using Profit sharing contract is significant and create positive value, but funds allocated in Financing that based on Profit sharing contracts results a reduction in the value of Islamic banks. Hence, the findings suggest that Islamic banks need to adopt profit-sharing contracts that are able create value to their stakeholders.

**Keywords:** Profit-Sharing Contracts, *Economics Value Added (EVA)*, Value Creation



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**IMPACT OF INTERNAL AUDIT EFFECTIVENESS ON  
 EMPLOYEE PERFORMANCE: A CASE OF A BUMIPUTERA  
 ACADEMIC INSTITUTION**

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**ABSTRACT**

Internal audit is one of the controls used to govern the administration of a business organization. Through internal audits, employees would be exposed to things they should and should not do. In addition, internal systems and procedures can also be monitored and evaluated through internal audits. Thus, an internal audit should be effective in achieving its intended function as a governance tool. An investigation was carried out in one of the Bumiputera academic institutions in Malaysia to determine the effectiveness of its internal audit and whether its effectiveness affects employees' performance positively. A total of 215 responses were gathered from the institution's academicians. Findings showed that the mean score of internal audit effectiveness was 2.9, which was at an acceptable level. Furthermore, regression analysis showed that internal audit effectiveness influenced employees' performance positively. The investigation of the effectiveness of internal audit is significant to the institution as its findings could become one of the indicators of good institution governance. Then, early intervention and development programs could be suitably designed.

**Keywords:** Governance; Education; Internal Control; Organizational Development

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## ICFC 30

### A PRELIMINARY ANALYSIS OF CORPORATE GOVERNANCE ADOPTION AMONG LISTED MALAYSIAN SMEs

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## ABSTRACT

This paper investigates the level of adoption of the corporate governance framework recommended for Malaysian SMEs. This research sampled 43 SMEs listed on the LEAP Market of Bursa Malaysia. Data on the current corporate governance practices of SMEs LEAP market companies are collected from the websites of Bursa Malaysia and selected companies. The data collected include board size, outside directors, women on board and CEO duality. The data are then analysed using descriptive analysis. The findings indicated that SMEs of the LEAP Market consider a smaller size of board and appointment of independent directors as the critical governance attributes that are important to strengthen the governance of SMEs. The results also suggest that SMEs' compliance with corporate governance recommendations is minimal and inadequate, specifically with board composition and transparency practices. Although the present study is only descriptive, it adds knowledge to corporate governance literature and practices, especially on SME governance.

**Keywords:** Board Composition; Corporate Governance; LEAP Market; SMEs

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## ICFC 32

### PROJECT MANAGEMENT FRAMEWORK FOR DEVELOPING WEBSITE USING ADDIE MODEL TO ADAPTING NEW NORMAL COVID 19

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Indonesia*

#### ABSTRACT

The COVID-19 pandemic has forced many companies to change their business models in order to adapt to new habits, from conventional to digital-based. This order to National Education Museum (Museum Diknas UPI) where affected by Covid 19. Visit restrictions become a serious problem for Museum Diknas UPI, due to visits have decreased significantly especially the implementation of restrictions on activities by the government. Then it is necessary to make changes in the business model for Museum Diknas UPI, especially website development that has been a priority. In this website development project, authors try to using ADDIE model framework that have been use for instructional learning model in many years. ADDIE model consist of Analysis, Design, Development, Implementation and Evaluation. From the results of this study, the authors tried to create a special ADDIE model framework for site development project management

**Keywords:** Website Development, Digital Museum, Addie Model, Project Management, Framework



### ICFC 33

## THE IMPACT OF DOUBLE CROSSOVER MOVING AVERAGES STRATEGY ON TRADERS RETURN IN NASDAQ COMPOSITE INDEX

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### ABSTRACT

Traders need to choose their trading styles to maximize their return in the stock market. There are many indicators in technical analysis (TA), in which one of them is moving averages (MA). Chart analysis can be difficult to quantify, tested and most of the time argued by traders, but MA indicator is precise and non-debatable. Trading timeframe is crucial in TA. Traders focuses on minor to secondary trend compared to investors who focuses on primary trend. We adopt Dow Theory for this study as a trend should be in effect until it gives a definite signal for a reversal. We aim to examine the impact of selected moving averages double crossover method on traders' profits based on swing trading before and during lockdown periods. We use the Nasdaq Composite Index by entering at golden crossover and exiting at dead crossover, for a four-year period respectively from 2018 to 2021 as our sample study. By using profit factor, we back tested three types of double crossover moving averages that are i) EMA5 crossover EMA10, ii) EMA5 crossover EMA20, and iii) EMA20 crossover EMA50. The results supported the first hypothesis that the minor trend strategy is more profitable than the secondary trend strategy during lockdown period. It also supported the second hypothesis that the long position is more profitable than the short position in minor trend strategy during lockdown period.

**Keywords:** Technical Analysis, Double Crossover Moving Averages, Swing Trading, Lockdown

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## ICFC 34

### EMPIRICAL STUDY ON THE FINANCIAL LITERACY AMONG WORKING SINGLE WOMEN TOWARDS THEIR RETIREMENT PLANNING

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### ABSTRACT

Heavy financial burdens faced by Malaysians have had a detrimental impact on their financial affairs. Moreover, the COVID-19 pandemic has caused many to struggle with various financial issues. High living costs are causing people to take more prudent steps in their daily expenditures. This difficult situation has caused the society to make poor decisions in financial related problems, which eventually led them to make irrational financial decisions and jeopardized their retirement planned. Studies conducted in Malaysia show that there are still many who fall victim to financial fraud and eventually, bankruptcy. This situation is mainly due to the low level of financial literacy among the community. Past studies have shown that 35 percent of men are more financially literate compared to 30 percent of women globally. High financial literacy can contribute to global economic growth and sustainable development, aside from improving social well-being. An increase in the level of financial literacy will be able to reduce socio-economic gaps and inequalities which still exist nationwide. This study aims to identify the causes that contributed to financial literacy on retirement planning among working single women in private sector by using the OECD framework and theory of planned behavior as a bases of discussion. This study applied a qualitative approach through 5 interview sessions with informants who work in Selangor. Data were collected through semi-structured interviews and were then interpreted using thematic analysis. The findings of this study revealed that the elements of awareness, exposure and the goal settings describe the causes that contributed to the retirement planning of working single women.

**Keywords:** Financial Literacy; Theory Of Planned Behavior; OECD Framework, Single Women

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## ICFC 35

### THE INFLUENCE OF PROFESSIONAL SKEPTICISM ON FRAUD PREVENTION AND DETECTION AMONG ACCOUNTING STUDENTS

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## ABSTRACT

The main purpose of this study is to examine the relationship between an Accounting Student's professional skepticism characteristics and fraud detection in Malaysia. There are six independent variables adopted from Hurr's Professional Skepticism framework which are used to analyse the relationship of those framework with fraud detection, which are questioning mind, searching for knowledge, suspension of judgement, interpersonal understanding, self-confidence, and self-determination. Fraud prevention and detection were measured based on higher education perspectives specifically in plagiarism issue. Purposive sampling was used to collect data for this study, which involved distributing questionnaires to 120 students in Selangor. Pearson correlation and multiple linear regression to examine the relationship between the six characteristics of professional skepticism (questioning mind, suspension of judgment, searching for knowledge, interpersonal understanding, self-determining and self-confidence) and fraud detection were used to analyse the data. The result of this study shows that higher level of skepticism would cause higher level of fraud prevention and detection in accounting students. This study has implications for an accounting students in improving their professional skepticism characteristics in order to make a substantial positive difference in world's rising financial reporting fraud.



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## ICFC 36

### **DETERMINANTS OF FINANCIAL STATEMENT FRAUD USING FRAUD THEORY: A CONCEPT PAPER**

**Yuztitya Asmaranti<sup>1\*</sup>, Norziana Lokman<sup>2</sup> and Rahayu Abdul Rahman<sup>2</sup>**

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<sup>2</sup>Accounting Research Institute, Universiti Teknologi MARA, Malaysia

### **ABSTRACT**

This is a conceptual paper of a future study based on the review of literatures related to determinants of financial statement fraud using fraud theory. Financial statements serve as a primary source of information for a broad range of market participants and other stakeholders, making their validity and reliability critical. The validity and reability of the financial statement prepared by the firm are the core issues to maintain the trust and confidence of market participants and stakeholders. The financial statement should record all accounting transactions appropriately and be free from any misleading information. Despite a downward trend in the number of Financial Statement Fraud (FSF) cases, the median loss from FSF increased. Management of companies committed financial fraud by producing misleading financial statements relating to the company's profit. There is a severe impact of producing financial statement fraud which can tarnish the company's reputation and credibility from the eye of stakeholders. Therefore, it is necessary to determine factors that contribute to FSF. Numerous studies examine the effect of fraud factors (based on Fraud Triangle Theory, Fraud Diamond Theory, Fraud Pentagon Theory and Fraud Hexagon Theory). The paper aims to investigate the fraud factors that affect FSF.

**Keywords:** Fraud Diamond Theory, Fraud Hexagon Theory, Fraud Pentagon Theory, Fraud Triangle Theory.

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# **MODERATION EFFECT OF SITUATIONAL SUPPORT AND MEDIATION EFFECT OF INFORMATION SEARCH IN THE RELATIONSHIP BETWEEN COMPETENCY AND AUDITORS' PERFORMANCE**

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## **ABSTRACT**

Competency of the auditor is essential that required knowledge, specific skills and techniques to determine auditor reliability in conducting audit tasks. The competency of auditor, situational support and information search have been revealed the cause and consequence that could assist in audit tasks to enhance auditor performance. The cause and effect have been substantially discovered in the situational support and information search that could assist in audit tasks by auditors. Based on evidence from external auditors, this study examines the direct and interaction effects of audit competency and situational support factors in enhancing auditor performance and the mediation effect of information search on the relationships. The result indicates that audit competency and situational supports play a bigger role in the efficiency and effectiveness of auditors' performance. Results of additional analysis also provide evidence of information search as a mediator to influence the audit competency to auditor performance and situational support as moderator in auditor performances. This study contributes to the understanding of the importance of audit competency, information search and situational supports from the organization and technical support for the auditor to perform their task efficiently and effectively.

**Keywords:** Auditing; Auditor performance; Competency; Situational support; Information search.

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## ICFC 38

### EARNINGS MANAGEMENT AND BANKS PERFORMANCE TO FUTURES DIRECTIONS: A MARKOV MODEL APPROACH

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### ABSTRACT

The body of academic research that examines the effectiveness and productivity of banks has grown substantially over the past three decades, gaining steam in the wake of the recent financial crisis. In the past, there was a relatively low level of interest in banks' risk-taking behaviour; however, this interest, which typically focuses on how such behaviour is connected to monetary policy, has experienced exponential growth in recent years. The most recent widespread economic crisis has directly affected measuring credit risk, which will continue to be a top priority in the banking industry. A new earnings quality measurement based on a hidden Markov model is proposed and validated by the authors of this study. Earnings fidelity is a metric that measures how accurately a company's earnings signals reveal the actual state of the company's economy. It measures this accuracy as a percentage. We use a Markov chain Monte Carlo procedure to estimate the variable within the context of a Bayesian hierarchical model that considers the possibility of cross-sectional heterogeneity. Earnings fidelity positively correlates with the forward earnings response coefficient, which indicates that this relationship is positive.

**Keywords:** Earning Management, Bank Performance, Risk-Taking, Corporate Governance, Markov Model.



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## ICFC 39

### MEASURING THE INFLUENCE OF RELIGIOSITY ON ENTREPRENEURSHIP: A RISK-MITIGATING APPROACH TO ISLAMIC MICRO-EQUITY FINANCING

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#### ABSTRACT

This paper presents the findings of an empirical study that measured the mediating impacts of religiosity on the relationship between Shariah rules and Shariah knowledge on the entrepreneurial exercises of underprivileged Malaysian Muslims. A survey was conducted in the Selangor district among 330 members of Amanah Ikhtiar Malaysia (AIM). A structured questionnaire was instrumented to conduct the survey. The structural equation modelling (SEM) technique was applied to analyse the data. Findings showed that religiosity has a significant positive mediating impact on entrepreneurship. That implies Malaysian Muslim micro and small entrepreneurs seemingly adhere to Islamic religious principles they apply in entrepreneurial activities. Assumingly, religious Muslims will better perform in business activities since Islamic religious principles motivate them to do hard work with honesty and integrity and encourage rendering good services. The outcomes of this study will help microfinance practitioners formulate policies while introducing new financial products to enrich their product portfolio. It may open new opportunities for further research as well.

**Keywords:** Micro-Enterprise, Microcredit, Religiosity, And Poverty

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## ICFC 40

### Mapping of Whistleblowing And Fraud Reporting Research: A Forty-Years Bibliometric Analysis

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#### ABSTRACT

This research aims to identify influential cited works in whistleblowing and fraud reporting studies. Furthermore, this research provides thematic insights in transparency and accountability initiatives as well as consequences for academics and practitioners. This paper presents a bibliometric analysis from the Scopus database in the 1982-2022 period. Microsoft Excel is used for frequency analysis, VOSviewer for data visualization, and Harzing's Publish or Perish for citation metrics. The analysis examines 12,791 citations of 200 whistleblowing-related articles using citation and co-citation analyses. The most frequent keyword has a total link strength of 1,683, with a strong link to "whistleblowing system," "accounting and fraud," and "company." The highest-ranking journal was the Journal of Business Ethics, with 50 publications and 6,599 citation counts. Tara Shawver from King's College is the most prolific whistleblowing writer, with a total of 16 articles. This study uses network visualization analysis tools to profile the centrality features of these articles' keyword clusters. Whistleblowing antecedents are also investigated using the effect size test to determine the magnitude of each antecedent. This is the first study to review whistleblowing and fraud reporting publications indexed in the Scopus science database.

**Keywords:** Bibliometric Analysis, Whistleblowing, Fraud Reporting, Vosviewer, Harzing's Publish Or Perish

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## ICFC 41

### INVESTIGATING THE RELATIONSHIP BETWEEN CARBON PERFORMANCE, EARNINGS MANAGEMENT AND THE EFFECT ON INDUSTRY

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## ABSTRACT

This research aims to investigate the relationship between carbon performance and earnings management. This study use panel regressions as empirical-quantitative research methodologies and examines the financial years 2010–2021 of firms listed on the Bursa Malaysia. As independent variables, carbon performance proxies are included, as are two earnings quality metrics, accrual-based earnings management (ABM) and real earnings management (REM). Our findings are consistent with the previous study on sustainability performance, indicating that carbon performance decreases ABM while increasing REM. This study adds to previous research since it appears to be the first to look at the link between carbon performance and earnings management in the Malaysian capital market. The findings have far-reaching ramifications for regulators, business practice, and research. Managers may employ carbon methods to greenwash policies because other stakeholders are unlikely to notice this shift in earnings management.

**Keywords:** Earnings Management, Carbon Performance, Earnings Quality, Greenwash



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## ICFC 42

### KNOWLEDGE AND PERCEPTION OF BANGLADESHI UNIVERSITY STUDENTS ON FACTORS DRIVING FINANCIAL CRIMES

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## ABSTRACT

Financial crimes are now a global concern that is increasingly complex, digital, and international. Fraud, counterfeit, gouge, insider trade, money laundering, economic spying, product piracy, corruption, and embezzlement are financial crime. Educated people associated with the financial sector usually perform those activities. It is essential to investigate the knowledge and perception of tertiary level business students on factors that drive financial crimes by well-educated people. Knowledge and perception can help the authorities enforce essential measures to provide ethical and proper education to the business graduates. However, no literature on the knowledge and perception of business graduates are available. Thus, this study aimed to investigate Bangladeshi University students' knowledge and perception of factors that drive financial crimes. Data were collected using a structured questionnaire from randomly selected Bangladeshi Universities through Google form. From March 25 to May 29, 2022, responses of 227 respondents were recorded and analyzed through spss and excel. It is evident that among the respondents, 65.2% faced financial crimes, among which 25.6% fraud, 22.4% advanced free of fraud, and 30.1% corruption and bribery. Unemployment, poverty, economic conditions of the country, inadequate national policy on financial operations and security, lack of knowledge on financial criminology and ethics, the advent of computer technology and internet, lack of IT literacy of consumers and general public, failure to implement financial security policy and prosecution of financial criminals are the key factors leading to financial crimes. These findings would help the education system and concerned authorities to improve education quality to make the graduates more responsible and ethical.

**Keywords:** Knowledge; perception; factors; financial crimes

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## ICFC 43

### HALAL TOURISM: AN EMERGING ERA FOR BANGLADESH TOURISM

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## ABSTRACT

The purpose of this study is to state the concept of Halal Tourism and its influence on the Muslim Travel market. In addition, it tries to investigate the current practices and the influencing factors in the Muslim Travel industry, particularly in Bangladesh. To meet the objectives of the research, a diverse range of literature concerning Halal Tourism and hospitality is critically reviewed. The study reveals that most of the tourism-based countries have already made pioneer steps in Halal Tourism by creating different opportunities and attractions for Muslim Tourism and being one of the major Muslim adherent countries Bangladesh also has an enormous chance to achieve a good score in Halal Tourism. However, it has not created a good foothold in this industry though it has a great opportunity and growth options to be competitive in the Muslim Travel Market. Bangladesh is also experiencing significant obstacles in becoming a Halal Travel destination. By adopting appropriate actions, these obstacles are expected to be removed in the future.

**Keywords:** Halal Tourism, Muslim Travel Market, Tourism destination, Bangladesh.

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## ICFC 44

### COMMERCIAL BANKS AND FINANCIAL STABILITY: EVIDENCE FROM BANGLADESH

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#### ABSTRACT

This paper is an attempt to study the financial stability of commercial banks in Bangladesh. The analysis covers a balanced panel data of commercial banks, for the period of 2010-to 2019. Banks play a crucial role in bringing stability and economic development through their expected contribution to proper financial resource mobilization across the economy. Despite the importance, there is little focus in recent literature that provided empirical evidence on how the global financial crisis affects the bank stability and efficiency in Bangladesh. Thus, this paper aims to examine the effect of the global financial crisis and other factors on the efficiency of Bangladesh commercial banks. This paper focuses on firm-specific factors, size, and operational efficiency, which significantly contribute to stability, compared to industry-specific and macroeconomic determinants of stability. The study finds that crisis along with bank size, capital adequacy ratio, asset quality, return on asset, return on equity and real interest rate have a significant effect on bank stability in Bangladesh. In order to keep the sound financial development of Bangladesh, banks operating in the Bangladesh banking sector have to consider all the potential technologies which could improve their profit efficiency levels, since the main motive of banks is to maximize shareholders' value or wealth through profit maximization.

**Keywords:** Bank Efficiency; Commercial Banks; Financial Crisis; bank size; Capital Adequacy Ratio; Asset Quality.



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## ICFC 45

### EVALUATING THE FACTORS INFLUENCING SHARE PRICE VOLATILITY OF GENERAL INSURANCE COMPANIES LISTED IN DHAKA STOCK EXCHANGE

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#### ABSTRACT

The study's goal is to determine what causes the share prices of Bangladeshi general insurance firms, particularly those listed on the Dhaka Stock Exchange (DSE) Ltd., to fluctuate. Because the price of DSE shares fluctuates regularly, investors are left perplexed while trying to make an investment choice. Thus, this research explores the relationship between share price and many essential variables, including earnings per share, dividends per share, and business size, as well as two additional variables, financial investment and net operating cash flow per share. This study examines 35 general insurance businesses publicly traded on the DSE from 2016 to 2020, totaling 175 observations. The hypothesis was tested using STATA 13 software by using a panel data set in a regression model with fixed effects using Driscoll and Kraay's standard errors. The study's empirical results show that the share prices of general insurance companies are highly affected by Earnings per Share (EPS), Net Operating Cash Flow per Share (NOCFPS), and FI (Financial Investment). This study will add to the body of knowledge about the factors affecting share prices in a developing economy such as Bangladesh.

**Keywords:** Dhaka Stock Exchange (DSE); General Insurance; Share Price Volatility; Investors

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## ICFC 46

### THE CORRUPTION SCANDAL THAT ROCKED A NATION: THE CASE OF MALDIVES MARKETING AND PUBLIC RELATIONS CORPORATION (MMPRC)

**Fathimath Rasheed<sup>1</sup>, Jamaliah Said<sup>2</sup> and Norziaton Ismail Khan<sup>3</sup>**

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### ABSTRACT

This paper tries to link the corruption scenario in the Maldives with the elements of Organizational Fraud Triangle Theory (OFTT). Maldives is a small nation suffering the consequences of systemic corruption which has resulted in the loss of over US\$340 million, during the past five years. The biggest corruption scandal to hit the country is the corruption of Maldives Marketing and Public Relations Corporation (MMPRC), where US\$79.37 million were embezzled through corruption. This paper explores this scandal by reviewing the MMPRC Special Audit reports published by the Auditors General's Office in 2014 and 2016 and MMPRC Case Investigative Report published by Anti-Corruption Commission (ACC) in 2017. The paper explores how the perpetrators have committed the corruption and smoothly embezzled the money and then reviewed through the lens of OFTT where the elements within the organization, which lead to the corruption are discussed. The findings reveal that the funds were embezzled in three ways; by siphoning funds received to MMPRC as acquisition cost, through a bizarre foreign exchange scheme and by granting loans to private companies. The findings also reveal that all the elements of the organizational fraud triangle have loopholes, creating an immense opportunity which was exploited by the perpetrators.

**Keywords:** Corruption, Maldives, MMPRC, Organization Fraud Triangle Theory

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**ICFC 49**

**THE INFLUENCE OF INTERNAL GOVERNANCE ON SOCIAL  
PERFORMANCE OF NON-PROFIT ORGANIZATIONS**

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**ABSTRACT**

In nonprofit organizations', social performance is often the main concern of stakeholders whether the organization's performance is indeed aligned with their social mission. This issue has become more critical in recent years as more nonprofit organizations play a growing role in a country's social and economic well-being. To better understand the social performance of nonprofit organizations, a study on the factor that leads to them should be conducted. Moreover, empirical study on the connection between internal governance and social performance, particularly nonprofit organizations, is very limited, especially in developing countries like Malaysia. Thus, this paper examines the relationships between internal governance represented by internal control and organizational structure on social performance. The current study also analyses the mediating role of the monitoring process to see whether it can explain the relationship between internal governance and social performance or not. Survey questionnaires were employed as a means of data collection and distributed to 300 nonprofit organizations purposively selected and screened based on the list from Company Limited by Guarantee (CLBG). Structural Equation Modelling (SEM) analysis was done based on 73 useful responses received from the respondents. Based on the study, it was found that only internal control and monitoring process significantly and positively affected social performance. On the other hand, the organizational structure did not have significant effect on social performance. It is hoped that the study can contribute to the improvement of the performance of nonprofit organizations in Malaysia and encourage the development of research in nonprofit organizations.

**Keywords:** Internal Governance; Social Performance; Internal Control; Nonprofit Organizations.



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**ICFC 50**

## IMPACT OF EMOTIONAL AROUSAL ON FINTECH CHATBOT USE BEHAVIOUR: THE MEDIATING ROLE OF ATTITUDE

**Mohammad Rokibul Kabir\*<sup>1</sup>, Farid A. Sobhani<sup>2</sup>, Md Minhazul Islam<sup>1</sup>**

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### ABSTRACT

Digitalization of banking and financial activities has changed the concept of customer services in the financial industry. Customers nowadays want quick and hassle-free services for their financing activities. Hence, there is a certain demand to introduce fintech-chatbot that can replicate human-like services but at a faster rate and efficient manner. This study, thus, employs the social response theory (SRT) to discover the fintech chatbot use behaviour (CUB) to better explain why it might be adopted swiftly and broadly for obtaining commercial benefits and customer satisfaction. This study explains the role of emotional arousal in explaining CUB while examining the mediating role of attitudes (ATFC) toward fintech chatbot. Again, the way Social Interactivity Cues and Social Sharing Signs and Language cues influences emotional arousal is evaluated in this research. Primary data collected through questionnaire survey with the fintech chatbot users in Bangladesh as the respondents are used in this study. The impacts of the exogenous constructs on the endogenous constructs were examined using the Structural Equation Model (SEM). There were five direct and one mediating hypotheses in the research and all of those were accepted. This study will guide the policymakers to concentrate on certain issues to make fintech chatbot widely accepted.

**Keywords:** Attitude; Emotional Arousal; Fintech-chatbot Use Behaviour; PLS-SEM; Social Response Theory

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## ICFC 51

### WAGE THEFT SUSCEPTIBILITY IN THE AIRLINES INDUSTRY: MALAYSIAN SCENARIO

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## ABSTRACT

The crime of wage theft occurs when an employer fails to provide appropriate endowment of wages to the employees as mandated by the federal, state, and local laws. Wage theft is associated with neglected employees' wellbeing, and in most cases, employees are scared to report the violations as they are risking themselves of demotion, immediate firing, harassment, blacklisting and other repercussions. The airlines industry is among the most susceptible to wage theft, and the Covid-19 pandemic has further pressured for cost savings that triggered airlines operators to cut wages cost. This study examines factors contributing towards wage theft susceptibility in the Malaysian airlines industry, focusing on employee awareness, gender differences and employer coercive power. A questionnaire was used to gather responses from 127 employees from three airlines operators, and the data was analysed using SmartPLS. The results significantly prove that employees are more exposed as a victim of wage theft if their awareness on this matter is lacking. The results also demonstrate significant relationship between employer coercive power and wage theft susceptibility. However, there is no significant difference for the employees to fall victim to wage theft regardless of their gender. The study highlights that issues relating to compliance with law and justice will always be highly problematic, for myriad reasons. The findings indicates that power imbalances, social and cultural factors often exacerbate employees' susceptibility to exploitation and theft.

**Keywords:** Wage; Theft; Airlines; Awareness; Coercive Power

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## ICFC 52

### **THE EFFECTS OF LEGITIMISATION FACTORS ON CORPORATE FINANCIAL PERFORMANCE IN ENVIRONMENTALLY SENSITIVE INDUSTRY: MEDIATING ROLE OF CORPORATE ENVIRONMENTAL RESPONSIBILITY**

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#### **ABSTRACT**

The overall objective of this study is to present a treadmill of production and a legitimacy-based examination of the interconnectivity of capitalism, ecological degradation, and CER. It also examines the impact of legitimisation elements on corporate financial performance (CFP), with the moderating effect of CER. This quantitative study employs environmentally sensitive industries, including palm oil, construction, consumer products, and industrial products, as its sample population. The research was conducted using the content analysis method on the CER information of 252 companies over a four-year period (2016, 2017, 2018, and 2019), with a total of 1,008 annual reports analysed as the unit of analysis. The CER disclosures were evaluated based on quantity and quality, utilising the developed CER index that was adapted from the SRG2015 by Bursa Malaysia and the G4 by the Global Reporting Initiative. According to the treadmill of production and legitimacy theories, data show that CER is the feedback of treadmill accelerations in a capitalist economic system. As a result of the environmental degradation caused by capitalism, economic agents typically utilise CER as a legitimacy tactic. Also, it was found that the quality of CER information has a big effect on how well a business does financially.



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## ICFC 53

### THE ORIGIN OF CORPORATE ENVIRONMENTAL RESPONSIBILITY

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### ABSTRACT

This conceptual paper aims to provide a theoretical analysis pertaining to the interconnectedness of ecological degradation and corporate environmental responsibility and their structured origins in the capitalist economic system. This study used a theoretical analysis via multiple theoretical perspectives, including the theories of political economy, treadmill of production, positional economy of consumption, stakeholder, institutional, and legitimacy to interpret that capitalism is the primary ground behind the issuance of corporate environmental responsibility and its link with ecological degradation. Capitalist economic system is the origin of corporate environmental responsibility. It boosts the treadmill of production acceleration, thus escalates ecological degradation. As an agent of capitalism, companies tend to utilise corporate environmental responsibility to gain, maintain, or repair their environmental legitimacy in order to fulfil the expected social contract. This conceptual paper contributes to the literature, particularly on how capitalism acts as the origin of corporate environmental responsibility and ecological degradation.

**Keywords:** Corporate Environmental Responsibility, Ecological Degradation, Treadmill of Production, Capitalism, Planetary Boundaries.

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## ICFC 54

### MECHANISMS OF FRAUD PREVENTION WITHIN INDONESIAN GOVERNMENT LINKED COMPANIES

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#### ABSTRACT

This study aims to analyze the existence and effectiveness of fraud prevention mechanisms in Indonesian government-linked companies (GLC). With the data obtained from the questionnaire results distributed to fraud investigators of all public GLCs registered in Indonesia and analyzed using descriptive method and Cronbach's alpha coefficient estimation. The results show that external audit of financial statements and management's review of internal control ranked the most important fraud prevention mechanisms in terms of perceived survival rate within the organization. Meanwhile, ad hoc audits are the most effective and ranked at the top of the list. Overall, this study provides important information for practitioners and organizations to identify the most effective fraud prevention

Keywords: Fraud, Fraud Prevention mechanism, Government Linked Companies, Indonesia

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## ICFC 55

### **DETERMINANTS OF ARTIFICIAL INTELLIGENCE (AI) TECHNOLOGY ACCEPTANCE: EMPIRICAL EVIDENCE FROM MALAYSIAN SHARED SERVICE INDUSTRY**

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United Nations Development Program (UNDP), Global Shared Services Centre, Malaysia.

## ABSTRACT

Using the Theory of Planned Behavior (TPB) and the Unified Theory of Adoption and Use of Technology (UTAUT), this study aims to evaluate the technology acceptance of artificial intelligence (AI) among heads of finance and accounting units in the shared service industry. A cross-sectional study of 75 heads or representatives of the Shared Service Industry in the Finance and Accounting departments was conducted using a structured questionnaire. The findings indicate that performance expectancy, attitude, skill, and technical capability all influence AI technology acceptance. In contrast, there is no significant relationship between AI technology acceptance and effort expectancy, social influence, nor facilitating conditions. The findings provide insight on the key areas that must be emphasized when firms employ AI, specifically in finance and accounting.

**Keywords:** Artificial Intelligence (AI), Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Condition, Attitude, Skill, and Technical Capability



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## ICFC 56

### IMPACT OF TECHNOLOGY-BASED ACCOUNTING ON AUDIT PERFORMANCES: THE MEDIATING ROLE OF AUDIT TECHNOLOGY FIT

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#### ABSTRACT

As a strong governance instrument, auditing plays an important role, and audit performance promotes good governance. The primary goals of auditing are to obtain solid proof that no material misrepresentation in financial accounts is made. Hence, examining the accounting records in the right manner is of utmost importance. Companies nowadays use different software based accounting systems. Thus, it is essential to examine whether the use of such technology in accounting can ensure better audit performances. Specifically, based on Task-Technology Fit (TTF) model, it aims at explaining whether technology-based accounting characteristics (ATYC), audit tasks characteristics (ATC) and facilitating conditions (FC) have an impact on audit performances (AP). It also assesses the function of audit technology fit (ATF) as a mediator. PLS-SEM is used in this study to describe the causal relation. A standardized questionnaire is used to obtain primary data for this study from Bangladeshi accounting and auditing professionals. There are four direct and two mediating hypotheses. The results of the research indicate that all the hypotheses are confirmed. Again, ATF has partial mediating role in mediating the relationship between i) ATYC and AP ii) FC and AP. The study dives into the ecosystem of technology-based accounting and auditing solutions. As a consequence of its novel contributions to revealing the influence of ATYC, ATC and FC on AP, as well as the mediating role of ATF, this study can assist policymakers in making decisions about the adoption of technology-based accounting for better audit performances.

**Keywords:** Technology-based Accounting; Audit Performances; TTF; PLS-SEM

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## ICFC 57

### GOOD UNIVERSITY GOVERNANCE AND WHISTLEBLOWING SYSTEM: THE ROLE OF INTERNAL AUDIT

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## ABSTRACT

The internal audit function is a crucial aspect in the implementation of good university governance. The international paradigm of the role of internal audit in corporations is shifting. The internal audit does not only act as a watchdog but also as a consultant and catalyst. One aspect that becomes the task of internal auditors is to conduct whistleblowing in the event of fraud. The research aims to identify the role of internal auditors of universities in Indonesia as a whistleblower for fraud as seen from the various regulations that govern and the audit charter established. The research used descriptive analysis by taking the ten best state universities in Indonesia in 2018. The results of this study indicate that the position and role of internal auditors in Indonesian higher education are in accordance with international standards listed in the audit charter of each university. However, the role and function of internal auditors as a whistleblower for fraud have not been implemented optimally. This is because the supervision and inspection processes conducted by internal auditors have not led to the five internal control pillars recommended by COSO. The audit carried out so far is still a compliance audit and is still based on financial management risk so it still does not fully lead to fraud prevention. Other factors such as the failure of internal controls and the absence of a supervisory body make recommendations and suggestions from internal auditors possible to not be followed up by management.

**Keywords:** Internal Auditor, Higher Education, Fraud, International Professional Practices Framework (IPPF)

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## ICFC 58

### IMPLEMENTATION OF WHISTLEBLOWING SYSTEM BASED WEB-BASED IN THE ORDER TO MITIGATING THE RISK OF FRAUD BY REGIONAL INSPECTORATES

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## ABSTRACT

This study aims to replicate and implement a digital or web-based anti-fraud system, namely the whistleblowing system (SiDAK) which is used by government internal auditors (regional inspectors) to receive complaints of fraud in the government environment. This research is based on testing the behavior of the government's internal auditors who will implement the whistleblowing system. The whistleblowing model uses the independent variable of the reporting channel (hotline) and the group pressure variable, while the dependent variable is the whistleblowing intention. The research method was carried out in two stages: 1) testing the whistleblowing model using the Focus Group Discussion (FGD) method and interviews involving the subject of government internal auditors in West Manggarai Regency and Ende Regency, East Nusa Tenggara Province (NTT) and 2) designing a digital-based whistleblowing system that will be implemented 2 (two) the Inspectorate. The FGD process and interviews will be conducted in West Manggarai Regency which is famous for Labuan Bajo and Ende Regency which is a traditional icon that is still thick. The results of the FGD and interviews are a whistleblowing model that considers the behavioral aspects of government auditors. The results of the whistleblowing system will be implemented in regional inspectorates in 2 (two) districts. The research output is the copyright of the digital-based or web-based Fraud Complaint System (SiDAK).

**Keywords:** Anti-Fraud Strategy, Whistleblowing System, Web-Based, Corruption



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**ICFC 59**

**IMPLEMENTATION OF E-RISK BASED INTERNAL AUDIT  
IN THE FRAMEWORK OF IMPLEMENTATION EFFECTIVENESS AUDIT  
PROCESS BY REGIONAL INSPECTORATES**

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**ABSTRACT**

This research is a continuation of previous research which identified the level of understanding of the government's internal auditors on risk, and the problems faced in carrying out a risk-based audit. The second year of research aims to design and implement a risk-based audit and implement a digital risk-based audit system (SASANDO). The research method used is a qualitative design with case studies at the NTT Provincial Inspectorate, West Manggarai Regency Inspectorate, and Ende Regency Inspectorate. The data needed is the condition of risk in one OPD office as an auditee which is obtained by interviewing and observing operational activities as well as tracing secondary data. The results of interviews and observations are then processed into risk mapping and a risk mapping flow chart is drawn up, identification of controls, preparation of audit programs, and risk-based audit reporting. Interviews were conducted in Focus Group Discussions (FGD) attended by representatives from auditors to identify risks in one OPD. The results of the FGD are then processed in a digital information system and after the system design is complete, information system trials and improvements are carried out. The research outputs are Copyright on Information Systems, and draft publications in reputable international journals.

**Keywords:** Risk-Based Audit, Digital Information System

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## ICFC 60

### THE EFFECT OF LIQUIDITY, LEVERAGE AND COMPANY SIZE ON FINANCIAL DISTRESS WITH PROFITABILITY AS INTERVENING VARIABLES: A LESSON LEARNED FROM INDONESIA

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## ABSTRACT

This study aims to analyse the effect of liquidity, leverage, and firm size on financial distress with profitability as an intervening variable. This study used secondary data in the form of quantitative financial reports and was obtained from [www.idx.co.id](http://www.idx.co.id) and [www.ojk.go.id](http://www.ojk.go.id). The sample in this study is an insurance company published on the Indonesia Stock Exchange (IDX) from 2014 to 2019. The sampling technique used is purposive sampling with predetermined criteria. The sample size is 12 companies with an observation period of 6 years. There are 16 companies investigated. The analytical technique used is path analysis using the EViews 9 application. The results of this study indicate that liquidity has a significant effect on profitability. At the same time, leverage and firm size do not affect profitability. Moreover, liquidity, leverage, firm size, and profitability do not affect financial distress. The causal step test shows that profitability can only mediate the effect of liquidity on financial distress. Meanwhile, profitability cannot mediate the leverage and firm size variables on financial distress.

**Keywords:** Liquidity, Leverage, Firm Size, Financial Distress, Profitability, Indonesia

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## ICFC 61

### SUSTAINABILITY OF STATE-OWNED ENTERPRISES DURING COVID-19 PANDEMIC CRISIS: EVIDENCE ON THE IMPACT OF PHILANTHROPY ACTIVITY ON CORPORATE CITIZENSHIP FROM INDONESIA

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#### ABSTRACT

The economic impact of the health crisis due to the Covid-19 Pandemic was significant. A focus on corporate citizenship and philanthropy in Indonesia during the Covid-19 pandemic is examined, as is the role of State-Owned Enterprises (SOEs) in helping the government combat the pandemic from a philanthropic and corporate citizenship perspective. The study also examines the factors that influence the number of philanthropic funds a company raises and discloses. With a total of 62 SOEs from nine industries, this study employs a variety of methodologies. Companies' websites and reputable online news sources are used to gather information. The results revealed that Indonesian SOEs are banding together to fight the Covid-19 pandemic through philanthropic efforts. Covid-19 philanthropic activities are carried out by 95% of SOEs. Many SOE employees show their support for the activities of the Covid-19 consortium. Covid-19 opportunities are widely used in the business plans of many Indonesian firms. The amount of money donated to philanthropic endeavors is influenced by the profit and size of the company. The findings of this study have theoretical implications for improving the alignment theory of corporate citizenship in times of crisis and practical implications for assisting governments and businesses in dealing with crises.

**Keywords:** Philanthropy, corporate citizenship



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## ICFC 62

### ROLES OF COMMUNICATION AND ETHICS IN ADDRESSING PHENOMENOLOGY OF WORSHIP DURING THE COVID-19 PANDEMIC

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### ABSTRACT

On 31 December 2019, WHO was informed of cases of pneumonia of unknown cause in Wuhan City, China. The world has been profoundly affected by the global virus pandemic called Covid-19. The Covid-19 pandemic that occurred in Indonesia had a significant impact on various aspects of life, including the socio-religious aspect. Indonesia is a country that has a diversity of religions, cultures and ethnicities. Since the enactment of Large-Scale Social Restrictions (PSBB), followed by policies on working from home, studying from home, and worshipping at home, there has been a new social order in implementing religious rituals. Every religious community has religious rituals, both routinely and specifically on the momentum of religious holidays. Some of these religious rituals are carried out individually, and some are carried out together. The phenomenon of worship during the Covid-19 pandemic is interesting to study in more depth. In Indonesia, where the majority of the population is religious, the description of life experiences during the pandemic, especially regarding matters of worship, becomes relevant to analyze because it will be related to many things. One of them is the next government policy in dealing with the pandemic through religious communities. This paper aims to examine in depth the role of communication and ethics in tackling the phenomenology of worship during the covid-19 pandemic. The theory that will be used in this research is phenomenology. Phenomenology was chosen to assist in the effort to describe the research results, which departed from the mindset of subjectivism, not only looking at a visible symptom but also trying to explore the meaning behind the phenomenon. This study is qualitative, and data will be collected using a literature review and interviews. The results show that the worship phenomenon during this pandemic is understood in many ways, based on the meanings of religious people. For Muslims, regular worship during a pandemic is an obligation that each individual must do and does not have to be done in a congregation in a mosque or prayer room. At the same time, for Christians, it is a ritual.

**Keywords:** Communication, Ethics, Phenomenology, Indonesia, Covid-19

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## ICFC 63

### ENHANCING RESOURCE MANAGEMENT ACCOUNTABILITY DIRECTED TOWARDS LONG TERM PERFORMANCE OF NON-PROFIT ORGANISATIONS

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## ABSTRACT

Non-profit organisations possess the wealth of expertise in helping the government to address a range of social issues. To continue providing these services, they must be able to sustain in the long term. While resource based-view literature had identified strategic resources for competitive advantage, there is a lack of research on resource dependency perspective for non-profit organisations in managing their resources that are impacted by their dependence on external environment. Hence, the objective of this study is to determine the factors that affect effective long-term performance of nonprofit organisations. The population of the study comprised of 219 non-profit organisations registered with Companies Commission of Malaysia. Data for the study is based on primary (web site) and secondary (reports). The study revealed that long-term performance of non-profit organisation is influenced positively by relationship resources, financial resources, collaboration capability and strategic response capability. The combination of these factors help non-profit organisation achieve long-term and effective performance efficiently and it enable the organisation to remain relevance when facing the rapid unprecedented challenge. The findings provide implication for practitioners to respond to the external environment and also facilitate development of sound succession plan for non-profit's sustained operation, strategic resources and capabilities involvement is essential.

**Keywords:** Resource Management; Accountability; Long Term Performance; Non-Profit Organisations

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## ICFC 64

### FINANCIAL RATIOS, FINANCIAL STATEMENT FRAUD RISK AND MODERATING ROLES OF CORPORATE GOVERNANCE: EVIDENCE FROM MALAYSIAN FEDERAL STATUTORY BODIES

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## ABSTRACT

The purpose of this study is to examine the relationship between financial ratio indicators and financial statement fraud risk of the Malaysian federal statutory bodies. This quantitative analysis examined 2019 annual reports and audited financial statements' secondary data. 58 audited financial statements from the 2019 Auditor General Report list were sampled. The F-Score approach measures financial statement fraud risk as dependent variable. Profitability, leverage, and liquidity ratio were selected as independent factors. The examinations also determine the moderating effect of the corporate governance measures, by the audit committee, on the financial ratios and financial statement fraud risk. Using the Partial Least Squares Structural Equation Modelling, this research found no significant association between profitability ratio, leverage ratio, and liquidity ratio and financial statement fraud risk of Malaysian federal statutory bodies. By adding audit committee financial knowledge to the model, these three correlations with financial statement fraud risk improved, however the value recorded is insignificant. Future study may incorporate financial and non-financial factors. Combining quantitative and qualitative research may give a larger exposure and uncover new corporate governance variables for forecasting financial statement fraud among Malaysian federal statutory entities.

**Keywords:** Financial Statement Fraud Risk; Profitability Ratio; Leverage Ratio; Liquidity Ratio; Audit Committee Financial Expertise



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## ICFC 21

### THE INFLUENCING FACTORS OF EMPLOYEE FRAUD IN MALAYSIAN FINANCIAL INSTITUTION: THE APPLICATION OF THE FRAUD PENTAGON THEORY

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## ABSTRACT

Employee fraud issues are commendable of discussion in the current global economy. According to PwC (2020), 68% of fraud is committed by employees in Malaysia, and 35% of it were committed by collusion with external parties. This indicates a tighter control is required to reduce the cases. In addition, the financial institutions are known to be susceptible to fraud cases, due to its nature of directly handling a huge amount of cash. Due to the rapid changes of technological development and increased in organized crime, fraudsters focus on financial institutions as their target. Thus, the adoption of a strategic approach is required to prevent, detect and combat employee fraud occurrences. The research aim is to examine the influencing factors of employee fraud in Malaysian financial institution. The research utilise the data obtained from questionnaire that polled public attitudes regarding the influencing factors of employee fraud occurrences by adopting the Fraud Pentagon Theory. The data was analysed to evaluate and determine the perception of employees working in financial institutions on the influencing factors of employee fraud occurrences. The research suggested that elements in the Fraud Pentagon Theory, namely pressure, opportunity, rationalization, capability and arrogance have significant positive influence on the employee fraud occurrences in the Malaysian financial institution.

**Keywords:** Employee Fraud, Prevention, Fraud Pentagon Theory

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**ICFC 66**

## **ELECTRONIC PAYMENT FRAUD IN THE NIGERIAN BANKING INDUSTRY**

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### **ABSTRACT**

This study examined the trend in electronic payment system fraud in the Nigerian banking industry. The study evaluate the level of electronic payment system fraud in terms of volume and value lost to fraud in the Nigerian banking industry. The study employed descriptive research design during the 2013-2020. Descriptive statistics was used in the analysis and the study found that there is a significant increase in electronic fraud in terms of value and volume (frequency of occurrences) of fraud in the Nigerian banking industry during the period under review. The volume of fraud committed through electronic payment system has substantially increased from the year 2013 through 2020. Similarly, the analysis indicated that the actual value loss to fraud via electronic payments channels was lower in 2015 and 2016, and higher in 2013 and 2020. Specifically, volume of electronic fraud increased from an average of 122 cases in 2013 to 19,603 cases in 2020, while the total value lost to fraud increased from average of NGN0.077 billion in 2013 to NGN7.08 billion in 2020. The study recommends that regulators (Central Bank of Nigeria) should redesign the security framework of the Nigerian banking industry to avoid loss of customer funds and confidential information. The study also recommend that the Nigerian banking industry should adopt the international best practices on the cyber security system to safeguard customers' money and ensure public confidence in the banking system.

**Keywords:** Mobile Banking, E-Fraud, Cyber Attack, E-commerce

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**ICFC 67**

**THE MODERATING IMPACT OF HOTEL SIZE ON MOTIVATIONAL  
FACTORS AND ENVIRONMENTAL MANAGEMENT SYSTEM TOWARDS  
SUSTAINABLE DEVELOPMENT GOALS IN HOTEL INDUSTRY IN  
MALAYSIA**

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**ABSTRACT**

The launch of the sustainable development goals is intended to create some consensus and a global sense of purpose for sustainable development. It is natural for hotel establishments in developing countries to incorporate the sustainable development goals agenda into their actions in order to mitigate significant environmental impacts accumulated from their overall business activities, which would end up contributing to environmental disharmony. The term sustainability has been broadly used and become crucial in discussing environmental and business issues. Environmental issues have received much attention in Malaysia as the rapid development of industries especially tourism has contributed to environmental pollution. In this regard, various efforts have been made to prevent and reduce the effects of damage to the environment, including environmental management system. By adopting the environmental management system, the undesirable effects toward environmental degrading hopefully can be minimized and the tourism and hotel industry can be improved and contributed to the sustainable development goals. The purpose of this study was to extend the understanding of how motivational factors affect the adoption of environmental management system towards sustainable development goals among Malaysian hotels. The sample of this study was based on questionnaires collected from 56 of 4- and 5-star hotels in the Central Region of Malaysia including Selangor, Kuala Lumpur and Putrajaya. This study employed the Least Square Partial Structural Equation Modeling. The study found that both the motivational factors (government incentives and customer demand) do not influence the adoption of environmental management system among Malaysian hotels. Further analysis revealed that different sizes of hotel do affect the adoption of environmental management system. The study expands the literature on how motivational factors simultaneously affect the adoption of environmental management system in an emerging market like Malaysia. Further, this study also provides new evidence that the size of the hotels does influence the effect of motivational factors on the adoption of environmental management system.

**Keywords:** Environmental Management System, Sustainable Development Goals, Motivational Factor, Hotel



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## ICFC 68

### EXPLORING THE CORRELATION BETWEEN FINANCIAL RISK, OPERATIONAL RISK, STRATEGIC RISK, AND THE PERFORMANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) IN KLANG VALLEY, MALAYSIA

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## ABSTRACT

All business is not without risk. Challenges in the business environment and the dynamic preferences of consumers demand business organizations to monitor and manage their risks proactively. Early detection of risks may enable business organizations to reduce threats and thus minimize unfavorable consequences. This study was conducted to explore the correlation between financial, operation, and strategic risks and SME performance. 100 respondents from 10 SMEs in Selangor were selected based on purposive sampling technique. Data was collected via a questionnaire, and was then analyzed through descriptive, and correlation analyses. Correlation analysis showed that only financial and operational risks management practices had significant positive correlation with performance. In addition, strategic risk management had negative correlation with performance albeit not significant.

**Keywords:** Financial Risk, Operational Risk, Strategic Risk, Smes

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**ICFC 69**

## DIGITAL TRANSFORMATION AND DIGITAL MATURITY LEVEL FOR HALAL SUPPLY CHAIN GOVERNANCE AT JAKIM

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### ABSTRACT

Digitalisation has significantly influenced society and business ecosystem, particularly the interactions between customers and businesses, adherence to new business regulations, and exploiting digital technology opportunities (Gimpel et al, 2018). The expeditious permeation of digital usage into society around the world has made the digital transformation a priority for the sustainability of most organizations. According to Trujillo and Perez (2021), digital transformation is both a catalyst for and a precedent to sustainability. This shows why organisations must enhance their digital capabilities and consider the economic, environmental, and social consequences of their actions in order to survive the digital revolution, meet market expectations, and develop smart, inclusive societies (Trujillo & Gonzalez, 2021). Previous studies pertinent to the framework that can assist digital transformation and digital maturity of an organization are still scarce as the majority of frameworks view digital transformation in isolation from digital maturity. More research is strongly recommended in this field. This proposal examines the governance of Islamic Religious Institutions in Malaysia, specifically Department of Islamic Development or *Jabatan Kemajuan Islam Malaysia* known as JAKIM, in terms of accountability and transparency.

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## ICFC 70

### PERFORMANCE EVALUATION OF INDONESIAN STATE-OWNED COMPANIES IN CORPORATE GOVERNANCE AND MANAGERIAL DIVERSION PERSPECTIVE

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### ABSTRACT

SOEs are often associated with a lack of performance and are politically used for specific purposes. Despite implementing the corporate governance mechanism, it is unclear whether the mechanisms are effective. Thus, this study examines the relationship between the implementation of corporate governance and the company's performance of Indonesia's SOEs. The study used a quantitative method based on secondary data on SOEs' financial statements for eight years, from 2012 to 2019. The primary measurement for the independent variable is the CGC score, and the dependent variable is a return on assets. Additionally, the regression model also consists of variables representing managerial diversion variables and control variables. With goodness of fit ( $R^2$ ) of 0.7690 from the model, the GCG score is negative. The relationship between performance and GCG score is inversely proportional. The influence of independent variables representing managerial diversion variables is the education of the board of directors (BOD) and the board of commissioners (BOC). BOD education has a positive effect on performance, and BOC education has a negative impact on performance. The paper provides empirical evidence to SOEs stakeholders on how CG implementation impacts the company's performance. Additionally, the paper gives insights into Indonesia's SOEs on managerial diversion and their governance problem in the context of an emerging country. The paper offers new insights into agency theory and institutional theory regarding the state of Indonesian SOEs.



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## ICFC 71

### INTERNAL CONTROL IN MITIGATING E-PROCUREMENT CORRUPTION IN MALAYSIAN PUBLIC ORGANIZATIONS

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## ABSTRACT

Public procurement is a powerful driver of the development of every country, and the goal is to secure value for money for economic growth. It is playing a crucial role for the government in spending the public funds and expected to contribute back to the societies by providing sufficient public facilities and good development. Almost every year, Malaysia spends at least RM150bn for procurement, which is 25% of the gross domestic product. Therefore, with a huge amount spent, all procurement regulations, procedures, and processes must be clear and transparent. Over 30% of Malaysia's public procurements' value was lost due to corruption. As a result, the government lost millions of ringgits when the delivered products did not follow specifications, and the price was too high. This study explores the lessons learned from Malaysia's internal control of the E-Procurement process. This qualitative study uses a literature and document review from the Malaysian Anti-Corruption Commission (MACC). The study found that the internal control of the E-procurement process in Malaysia is still weak in terms of the pre-acquisition phase, phase of the procurement process, procurement implementation phase, and procurement claim phase. There is corruption in this four-phase process, such as the chairman or committee member sabotaging tender offer documents from other contractors. Thus, the government of Malaysia needs to improve the internal control of the E-procurement process. Therefore, the contribution of this study is the Malaysian government must fight corruption, increase transparency, and achieve Malaysia's vision of being a corrupt-free nation by the year 2023, especially in E-procurement.

Keywords: Internal Control, E-Procurement, Public Sector, Malaysia

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## ICFC 72

### **E-BANKING FRAUD MITIGATION IN MALAYSIA: THE INFLUENCE OF RISK MANAGEMENT PRACTICES, SECURITY CONTROL SYSTEMS AND CUSTOMERS' EDUCATION**

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### ABSTRACT

Fraud in banking sector continues to be a major concern in developed and developing countries. One such concern issues is from the Association of Certified Fraud Examiners, which warns that 36.6% of fraud incidents occur in the banking sector and 17.8% occur in financial services. This study aims to examine whether risk management practices, security control systems and customer education contribute to e-banking fraud mitigation. Based on 161 valid questionnaires received, the findings revealed that the level of risk management practices and security control systems contribute to e-banking fraud mitigation. However, customer education, on the other hand, does not significantly contribute to e-banking fraud mitigation. These findings imply that banks need to provide adequate level of resources to set up strong risk management and security control systems in order to minimize e-banking fraud. Findings of this study are useful for policymakers, bank managers, industry practitioners, and academics to understand and subsequently implement strategies to mitigate e-banking fraud.

**Keywords:** E-Banking Fraud Mitigation, Risk Management Practice, Security Control Systems

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## VALUE CREATION FOR SHARIAH COMPLIANT COMPANIES FROM THE PERSPECTIVE OF MAQASID SHARIAH: A PROPOSED FRAMEWORK

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### ABSTRACT

Integrated Reporting (<IR>) conveys the Integrated Thinking (IT) process in creating value for organisations. Drawing from the framework of *Maqasid Shariah*, the paper proposes a framework for measuring value creation for Shariah Compliant Companies (ShCCs). This paper explores the measurements of value creation based on the existing literature on the performance of companies. This value is arguably consequential for <IR> and IT in an organisation that matches *Maqasid Shariah*'s framework. Finally, this issue is examined by observing the context of ShCCs in Malaysia. The findings supported the contention by Shariah Enterprise Theory, an extension of the legitimacy and stakeholders' theory. The various measurements of value creation can be classified under the broad classification of the *Maqasid Shariah* framework by Abu Zhara (1997). This paper enhances the understanding of value creation from the Islamic to meet the initial aim of ShCCs classification, that is, in fulfilling the need of Muslim stakeholders. Additionally, the proposed framework provides the value creation measurements based on a *Maqasid Shariah* framework that can be used in future research.

**Keywords:** Integrated Reporting, Integrated Thinking, *Maqasid Shariah*, Value Creation, Shariah Compliant Companies



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## THE CHALLENGES IN MONEY MULE INVESTIGATION BY MALAYSIAN ENFORCEMENT AGENCY

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### ABSTRACT

The peril of gallivanting money mules in the society whose service is primarily to cater the needs of criminals has jolted the guard of police department as law enforcement agency. This article discusses the challenges faced by them in money mule investigation. An interview with Assistant Superintendent Police (ASP) Rahmat Fitri Abdullah, Head of Commercial Crime Investigation Department for Sentul District Police Headquarter was conducted to congregate his insights, and also for the researchers to understand the above issue. The major challenges faced in criminal investigation include lack of cooperation from telcos, delayed response from banks when requested to provide crucial information, wrong public perceptions on enforcement agency's aggressiveness to fight money mule, lengthy investigation procedure, limited resources and lackadaisical attitude towards money mule threat. A slew changes that enforcement agency keen to see are concluded, including a more proactive telco regulator or bank's response to assistance request from enforcement agency and steeper involvement by media to build public awareness. The outcome from the interview provides the contemporary money mule issues from the lens of enforcement agency which insofar have been remotely highlighted or clarified.

**Keywords:** Money Mule, Police Department, Law Enforcement Agency.

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## ICFC 76

### THE EFFECT OF MONEY LAUNDERING ACTIVITIES ON THE DEVELOPMENT OF MALAYSIA

**Shahrulnaim Bin Mohd Amin**

Malaysian Anti-Corruption Commission

#### ABSTRACT

Money laundering is a global threat as criminals turn to economic activity to protect criminal activity and expand their influence. The flow of illegal money flowing in the economic system can affect the sustainability of a country's development. Malaysia is no exception to the threat of money laundering. Therefore, this article studies the impact of money laundering on the development of Malaysia. This study is an exploratory research. Whereas, the research design is a qualitative study and the approach of conducting the study is General Inductive Approach. Primary data were obtained through in-depth interviews using purposive sampling technique. A total of 13 interview informants were selected consisting of MACC officers, academicians, Deputy Public Prosecutor, executives of non-governmental organizations and financial institutions with an interest in crime prevention in Malaysia. Focus Group Discussion (FGD) was also held involving 10 participants consisting of MACC officers. The data obtained were analysed using content analysis method. The finding of this study shows that Malaysia receives positive impacts from the economic benefits when illegal money flows into the financial industry, capital markets and real estate industry. However, money laundering activities from syndicated crimes and political financing have negative impacts on Malaysia's development process. This study has implications on the concept of sustainable development through the relationship of the impact of money laundering activities on the national development process.

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## ICFC 77

### **THE NEED OF FOR FORENSIC ACCOUNTING IN CORRUPTION INVESTIGATIONS: THE MALAYSIAN ANTI-CORRUPTION COMMISSION**

**Fakhrul Syahmi Bin Abdul Rahman**

Malaysian Anti-Corruption Commission

#### **ABSTRACT**

The Malaysian Anti-Corruption Commission (MACC) is an independent and sole body that manages cases related to corruption as well as a front runner in anti-corruption initiatives in Malaysia. The role of MACC is to eradicate corruption, abuse of power and malpractices in Malaysia. Ever since, various cases have been successfully investigated and prosecuted by the agency. Recent typology is showing that the types of corruption offenses in Malaysia have evolved from petty corruption to those that are more complex and syndicated in nature. In line with the economic progress over the decades, the modus operandi of perpetrators continues to change and becoming more difficult to be discovered as they tend to be ahead of us by resorting to other advanced techniques and tactics. Thus, to ensure the comprehensiveness and effectiveness of investigation in nabbing corruption, misappropriation and abuse of power, there is a need to empower the investigation and law enforcement with assistance from financial forensic experts. There has been lack of empirical research on forensic accounting in relation to the corruption discoveries. Therefore, this study will focus on developing a framework for forensic accounting in corruption investigations in Malaysia as well as identifying whether the forensic accounting tools and approaches used by MACC are globally recognised and accepted. Since forensic accounting is not universally regulated and does not have a homogeneous theoretical basis, the issue will be addressed under qualitative content analysis, research interviews and analysis of prior literature. The data from MACC will provide rich and reliable sources for further investigation. Findings in the study point to the fact that forensic accounting plays a pivotal role to the corruption investigation. This research adds knowledge to the literature of forensic accounting and has practical implications towards corruption investigation.

**Keywords:** Forensic accounting, corruption, MACC



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## ICFC 78

### EXPLORING MALAYSIAN SMEs CHALLENGES IN MITIGATING CYBERSECURITY THREAT

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## ABSTRACT

Cyber security risks and threats have increased in recent years, causing significant economic and social losses to public and private organizations as well as individuals. There has not been much attention given to the impact of exposure of Malaysian SMEs businesses to high levels of cyber-attacks, especially those related to the post-COVID 19 eras. Hence this study took initiative to explore the main challenges in managing information security risk in remote office environment in term of process (information security risk management (ISM) i.e., risk accountability, policies), people (human capital capabilities i.e., technical skills in information security) and technology enhancement (i.e., digital technologies). It is a qualitative study which required to conduct interview from various industries consisting of local operators of SME organisations in Malaysia. The samples were selected to represent each of the sectors mainly Services and Manufacturing. The respondents are comprised of 12 representatives from their organisations either businesses owners or decision-makers. The data set is from the 12 semi-structured interviews with these respondents. Main challenges to implement the sound information security risk practices is there is no management buy-in to invest in good information security practices since there is no urgent needs to do so. Although there is an incident's but there is no significant financial implication and major business disruption that requires urgent adoption of good information security practices. Cost would be the second challenges. Most of the SMEs will rather take corrective actions on case-by-case basis upon occurrence of the incidents then invest in huge investment that did not contribute to Return on Investment (ROI). This study could provide preliminary data on the challenges faced by SMEs to minimize the information security threats. Such data could be used by MCMC and other relevant regulatory bodies to strategize action to assist SMEs accordingly.

**Keywords:** Information Security; Cyber Crime; Small and Medium Enterprise; Covid-19

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## ICFC 79

### THE WHOLE GOVERNMENT APPROACH PARALYZES SYNDICATE ACTIVITIES

**Raywel Anduroh**

Malaysian Anti-Corruption Commission

The investigation into the MyIMMs system hacking case or known as "Ops Hacks" started when the Auditor General's 2018 report revealed that the government had incurred significant losses as a result of the collection of foreign worker levy payments were made in an unorganised and dubious manner. "Ops Hacks" is a joint operation with the Immigration Department of Malaysia, Inland Revenue Board Of Malaysia and CyberSecurity Malaysia. Malaysian Anti-Corruption Commission (MACC) is the agency that leads the investigation operation of "Ops Hacks". This "Ops Hacks" operation is unique because the way the investigation is conducted involves various agencies and departments or known as the Whole Government Approach. The Whole Government Approach refers to the joint activities performed by diverse [ministries](#), [public administrations](#) and [public agencies](#) in order to provide a common solution to particular problems or issues.

By using the Whole Government Approach investigation method, officers involved in investigation operations can share expertise in their respective fields. The sharing of expertise in each field can help speed up an operation or an investigation is completed. For example, Immigration officers better understand the immigration department's MyIMMS system in operation and they can verify temporary working permit applications made irregularly/illegally. Additionally, officers from CyberSecurity who specialize in Information Technology (IT) can trace how MyIMMs system was hacked by the syndicate. Sharing of expertise can shorten the time to complete the investigation of a case.

The results of the investigation was found that a syndicate has been hacking into the Immigration Department's system (MyIMMs) to sell temporary working permit to thousands of foreign workers (without pay foreign worker levy), causing leakage to government revenue. "Investigations showed the syndicate had hacked into the system and sold passes to foreign workers for between RM2,500.00 and RM5,500.00 per pass. The syndicate had sold hundreds of thousands of temporary working permit stickers illegally to foreign workers over the years and have been raking in millions of ringgit from the illegal activities. The syndicate is believed to have been operating since 2015 by using devices such as switch and routers. These devices should be placed in the Malaysian Immigration Department Branch Office. The installation of these devices has been carried out by help of "insiders". The syndicate members were able to gain access to the



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system, they would key in names and details of foreign workers to make it look as though they had obtained the temporary working permit via the official channel. The syndicate not only hack the system but to make changes and use passwords belonging to senior officers. Besides that, hacking MyIMMs system can threaten national security. The syndicate could access the Immigration system, allowing them to “open” black list and red alert status. This would allow those in the lists to enter the country without being reported.

The lesson that may be learned from this situation is how crucial it is for government servant to apply integrity in order to prevent the leakage of national income. The immigration system (MyIMMs) is easily hackable by outsiders with the assistance of insiders. Making a pledge to be free of corruption and training that can make government officials aware of the dangers of corruption. This is to ensure that they are free of corruption and fully responsible for the tasks entrusted to them. Other than that, the enforcement of job rotation among officers in certain units, where officers who have served a year in their current unit will be transferred to another division or unit. This is one of the steps that an agency or department can take to strengthen their standard operating procedure (SOP) to prevent its officers from taking bribes. Strengthen the monitoring mechanism such that many supervisors are monitoring each subordinate officer's assignment. More frequent monitoring is required, and supervisors must be aware of every task completed by their officers.



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## ICFC 80

### **FRAUD WITHIN A STATUTORY BODY DUE TO WEAK CORPORATE RISK AND GOVERNANCE**

**Noor Syazana Bte Kami**

Malaysian Anti-Corruption Commission

The investigation encompassed a complex corporate modus operandi, which had incurred significant losses approximately USD50 million dissipated from A-parent to the WWW group of companies from 2008 until 2019 to various countries included Ireland, Switzerland, Lebanon and America. This fraudulent act was a result of the dishonesty by a former Chief Executive Officer and Chairman, Mr. X of A-parent for deceiving the board into investing USD 53 million (RM 270 million) from 2008 until 2019 in WWW investment, a global logistic system (hereinafter referred as “the System”). The whole plot of conspiracy to defraud/injure A-parent were made by Mr.X, together with Mr Y and Mr.Z, a Lebanese and American citizen who are the directors and/or officers of the WWW group of companies, the license holder for the WWW investment located in Europe countries and USA. However, until today, A-parent has never seen the System or any commercially viable product from any of the WWW Group.

The statutory body, A-parent, is the parent company of Aa-Child and Ab-Child. A-parent, Aa-Child and Ab-Child are also members of A’s Group of Companies. Mr.X was also one the former directors for these A-parent’s Group of Companies. Mr.X breached his duties of fiduciary, trust, care, skill and diligence to A-parent, AaChild & AbChild by failing to discharge his duties in accordance with his rules, instructions and regulations and act in the best interests in relation to the A-parent’s Group of Companies’ investment in the development of a global logistics system by WWW group.

Mr.X, Mr Y and Mr.Z were aware that A-parent Group would not obtain a return from the A Group’s monetary investments in the WWW Group. Based upon the documents uncovered and interviews conducted by conducted, the WWW Investment was largely coordinated and orchestrated by three key individuals.

These three individuals are Mr.X, Miss Y and Mr.Z who were instrumental in arranging the WWW Investment. Mr.X had ALL the necessary control over the A-parent Group to ensure that the WWW Investment was carried out without being monitored by other independent bodies/person. The failure of Mr.X conduct without due diligence has posed serious risks to the commercial and economic interests of the A-parent in the WWW Investment. Mr.X failed to prevent A-parent from proceeding with the execution of the agreements in the absence of sufficient warranties and conditions to safeguard the A’s interests in the WWW Investment. Mr.X failed to highlight the failed development and commercialisation of the System despite years of investment as a red flag

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and halt the transfer of further funds to WWW Group;

As a result, A-parent has LOST its investment worth USD50 Million with no single cent of return because of lack of corporate risk and governance practised in A-parent. Hence, this talk aims to evaluate how corporate risk and governance mechanisms can reduce the opportunities for corruption. By utilizing agency theory, we argue that a strong corporate governance institutional framework helps to reduce a country's level of corruption. We focus attention on three components of corporate governance mechanisms, i.e., shareholder rights, the quality of the board of directors (BoD), and appropriate legal framework standards, including transparency standards. We rely on accessible secondary data such as corporate governance codes, laws, and regulations. This condition provides a favorable environment for corruption to persist because the standards and practices are less demanding and the companies do not necessarily have to comply with the existing regulatory framework.

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## ICFC 81

### CORPORATE LIABILITY

**Asrul Ridzuan Bin Ahmad Rustami**  
 Malaysian Anti-Corruption Commission

#### ABSTRACT

Previously, the MACC has brought many corruption offenders to justice, but corruption, embezzlement and abuse of power activities still occur in commercial organizations considering that the existing systems and procedures have not been improved, instead, the offenders use new methods and mechanism by maneuvering the existing system and procedures. Corruption cannot be curbed if no legal action is taken against these commercial organizations. In 2018, the Malaysian Government has introduced a new provision which is Section 17A in the Malaysian Anti-Corruption Commission Act 2009 where the provision of this law is to punish any company and legal person involved in corrupt activities to obtain a contract from any party. This law has actually been enforced for a many years in some developed countries and there are many companies that have been punished for violating it. In relation to that, this presentation will discuss Section 17A which is the corporate liability offense and what are the consequences for the corporate organizations if they are involved in corruption and bribery. In addition, this presentation will explain the mechanism used to measure the extent to which commercial organizations have provided adequate parameters to ensure that their organizations comply with the laws that have been set.



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## ICFC 82

### THE BENEFITS OF GOOD INTELLIGENCE IN ACHIEVING SUCCESSFUL LAW ENFORCEMENT OUTCOMES IN THE FIGHT AGAINST CORRUPTION

**Deputy Commissioner Mohamad Zamri bin Zainul Abidin**  
Anti-Money Laundering Division, Malaysian Anti-Corruption Commission

#### ABSTRACT

Fighting corruption and financial crime not only involve the role of the Law Enforcement Agency (LEA)s but it is also the responsibility of all levels of societies, individuals and corporations. The crime is getting very sophisticated and involved various layering process including hiding the ultimate beneficiary ownership of the unlawful proceeds. Hence the task of the LEAs are very challenging and costly. Hence MACC has developed a list of typologies (methods and types of corruption, fraud and money laundering) to be used by financial institutions to detect and trigger a red flag and finally raised a suspicious transactions report for MACC to take action. The objective of this presentation is to understand:

1. The role of the Financial Institutions (FIs) and Designated Non-Financial Business and Professions (DNFBPs) in detecting and reporting reasonable suspicion, moved or retained the proceeds of corruption,
2. Sharing success stories where corrupt persons were prosecuted and the proceeds of corruption were confiscated, following the receipt of good STRs/CTRs from the FIs and DNFBPs,
3. Integrating best practices on how FIs and DNFBPs can effectively cooperate with law enforcement agencies on their enquiries and for these agencies to achieve better law enforcement outcomes in the fight against corruption such Private Public Partnership program,
4. Developing international Taskforce to address grand corruption issue from various jurisdictions,
5. Intelligence and financial base investigation to address complex crime such as corruption,
6. Corporate liability will be another measure to strengthen anti corruption drive in Malaysia,
7. And finally to include money laundering investigation and asset recovery as another importance strategy in fighting financial crime

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## ICFC 83

### ENHANCING SUSTAINABILITY USING DIGITAL NETWORKING RELATIONSHIP AMONG MICRO-ENTERPRISES DURING COVID-19

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## ABSTRACT

During the COVID-19 pandemic, rapid supply chain disruptions place a great deal of microbusinesses in jeopardy. Micro enterprises must rely on their networking relationships with suppliers and customers to secure their long-term sustainability. However, the dynamic of networking relationships amongst micro businesses during the epidemic is largely unexplored. Consequently, the purpose of this study is to gain crucial insights into the "new normal" management of networking relationships among micro companies for business sustainability amid the economic downturn. This study employed a qualitative methodology, with data acquired mostly through semi-structured interviews, observation, and document reviews. The selection of key informants consisted of micro entrepreneurs in day and night markets as well as those operating home-based businesses using a strategy of purposive sampling. Based on the findings, this study proposes that microentrepreneurs' business sustainability requires a change toward digitalisation and self-led support in order to develop their own effective network with suppliers and customers. This study provides current evidence on the usage of digital networking in the "new normal" approach to tackling the issues of micro-entrepreneurship's economic sustainability in times of crisis.

**Keywords:** COVID-19, Micro Enterprises, Sustainability, Digital Networking, Relationship Management

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## ICFC 84

### **EXAMINING FACTORS CONTRIBUTING TO STRATEGIC AGILITY AND SUSTAINABLE COMPETITIVE ADVANTAGE OF PRIVATE UNIVERSITIES IN INDONESIA: DYNAMIC CAPABILITY THEORY**

**Lutfi Trizki**

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#### **ABSTRACT**

Continuous volatility exacerbated by the COVID-19 epidemic has compelled global higher education institutions to scramble for ways to sustain their competitive advantages and relevance in this difficult environment (Robson & Wihlborg, 2019). As with any other business, higher education institutions were currently confronted with significant challenges. In Indonesia, according to the Association of Indonesian Private Universities (APTISI), 80 percent of private higher education institutions face financial issues. The news of unpaid lecturers and education personnel since March 2020, as well as mountainous arrears on campus, is not a fantasy of the imagination (Kompas, 2021). Higher education institutions worldwide are also grappling with the issue of competitive advantage in terms of innovation and sustainability (Ávila et al., 2017; Girdzijauskaitė et al., 2019). Sustainable Competitive Advantage is a concept that organizations embrace in order to achieve corporate sustainability and long-term performance. Dynamic skills, in this context, are inextricably linked to strategic management since they represent how firms create and preserve competitive advantages (D. J. Teece, 2007). Thus, from the perspective of private universities in Indonesia, it is vital to research whether dynamic capabilities and Strategic Agility practices may help improve Sustainable Competitive Advantage at private universities in Indonesia and what factors influence the adoption of Strategic Agility practices. With the advent of dynamic capacities and Strategic Agility practices, Sustainable Competitive Advantage in private universities will expand, resulting in sustainability and competitive advantages for private universities with superior performance. According to the dynamic capability theory, organization which possessed highest order capabilities would be able to adapt to disruptive environment better with those without one. This study aims to examine factors proposed by dynamic capability component and Strategic Agility in enhancing Sustainable Competitive Advantage among private universities in Indonesia. To find a solution, a survey of the literature on Strategic Agility was conducted, and an adequate theory of dynamic capacities was utilized to explain the enhancement of Sustainable Competitive Advantage in private universities, as well as to establish the underlying framework and other pertinent frameworks for the study. The researcher has developed acceptable research questions to address the research objectives using the given theoretical framework. The researcher employed a quantitative approach to address all of the research topics in this study, supplemented by some interviews. The purpose of this study is to examine the factors that contribute to Strategic Agility practices in Indonesian private universities through the lens of dynamic capability elements, specifically entrepreneurial leadership capability, digital transformation capability, and strategic collaboration capability.



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**RISK MANAGEMENT PRACTICES AND ENTERPRISE RESILIENCE OF  
INDONESIAN STATE-OWNED ENTERPRISES: THE MEDIATING ROLE OF  
LEADERSHIP CAPABILITIES**

**Purwatiningsih Lisdiono**

Accounting Research Institute, Universiti Teknologi MARA, Malaysia

**ABSTRACT**

Businesses face challenges in today's uncertain, interconnected business climate. Uncertainty is among the most significant challenges to the resilience of companies, but it may also present an opportunity. Enterprises must make efforts to be resilient, such as applying proactive mitigation and handling risk. This research examines the influence of Risk Management Practices (RMP) on Enterprise Resilience (ER) among Indonesian State-Owned Enterprises (SOEs) and explores the role of Leadership Capabilities (LC) in mediating the relationship between RMP and ER. The Indonesian SOEs will serve as the units of analysis for this research considering their vital role in the Indonesian economy and limited study on resilience RMP in SOEs in an emerging market. The study used online surveys of SOEs' board of directors. The data was analyzed using PLS-SEM. The study found that RMP significantly influences ER. LC mediates the relationship between RMP and ER. This study could provide theoretical, methodology, and practical contributions.

**Keywords:** Enterprise Resilience, Risk Management Practices, Leadership Capabilities, SOES, Emerging Market

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**ELEVATING FRAUD RISK JUDGMENT PERFORMANCE OF INDONESIAN  
INTERNAL AUDITORS PURWATININGSIH LISDIONO**

**Lufti Julian<sup>1</sup>, Razana Juhaida Johari<sup>2</sup>, Jamaliah Said<sup>2</sup> and Ludovicus Sensi Wondabio<sup>1</sup>**

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**ABSTRACT**

Financial scandals that were leaked and published in the mass media have ruined the public trust in the internal audit profession. The scandals made the performance of internal auditors in making fraud risk judgments questioned by the public. The internal auditors, as the third line of defense, were considered responsible for the fraud because of their daily presence in the institution compared to external auditors who were the next line of defence. In an audit process, the fraud risk judgment is not a simple process since it should be done at every stage of the audit process. It involves particular personalities and specific competencies. Auditors also often have to deal with management. Sometimes, unsuitable factors lead to an impairment of the fraud risk judgment. Therefore, there is an urgent need to study the effect of certain determinant factors on improving the fraud risk judgment to detect and prevent fraud. This study aims to examine the effects of locus of control (internal and external), information technology competency, professional skepticism, and tone at the top on Indonesian internal auditors' fraud risk judgment. This study used the Social Cognitive as the underpinning theory. The theory argued that personal and environment factors affect behavior. The auditor's behavior (in terms of the fraud risk judgment) is influenced by the personal (locus of control, IT competency, and professional skepticism) and the environment (tone at the top) factors. This study also examines the mediating effect of professional skepticism on the relationship between the determinant factors and the fraud risk judgment. The conclusions of this study are drawn based on 202 internal auditors respondents obtained from an online survey questionnaire. The data was analyzed using SmartPLS, which consisted of the assessment of the measurement model, the structural model, and the robustness of the model. This study confirms that the fraud risk judgment is significantly influenced by professional skepticism and IT competency. It also confirms that the internal locus of control and tone at the top significantly affects professional scepticism. Moreover, the study results also suggest that professional skepticism mediates the relationship between internal locus of control and fraud risk judgment and mediates the relationship between tone at the top and fraud risk judgment. This study used a holistic framework by testing the effect of the determinants on the new measurement of the state

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professional skepticism and its' effect on fraud risk judgment simultaneously. This study used a self-assessment questionnaire survey that lead to a inflated performance bias and it should be considered as a limitation in interpreting the result. This study can contribute to defining the profile of an internal auditor who has high fraud risk judgment performance; therefore, it can be used as a reference for the Human Resource Department to recruit a suitable person to handle fraud-related assignments. Furthermore, it also can be used by the profession regulation body to update the attribution and performance standard related to personal and environment factors that affect the fraud risk judgment.



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## **ETHICAL DECISION MAKING AMONG AUDITORS IN INDONESIA: EXAMINATION ON ETHICAL ENVIRONMENT OF AUDIT FIRM AND MORAL INTENSITY**

**Yanto Kamarudin<sup>1</sup>, Zuraidah Mohd Sanusi,<sup>2\*</sup> Sharifah Nazatul Faiza Syed  
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### **ABSTRACT**

Auditors' ethical behavior has become a concern globally with the continued occurrence of financial scandals. This is consistent with the finding of the Public Company Accounting Oversight Board's (the "PCAOB") where PCAOB noted an average audit deficiency rate of 12% for Big 4 firms in its 2020 inspections, which means that one in every nine audits selected for inspection exhibited serious audit problems. As a result, made regulators, researchers and other stakeholders are focusing on auditors' ethical behaviour. Ethical decision making has become considerable research topics for the past 40 years, but the majority of past study focused on the individual factors (Casalia & Perano, 2021). Casalia and Perano (2021) note that there are several potentially influential factors to the ethical decision making but they are seldom being researched such as organizational culture, moral intensity, rewards, etc. This is consistent with recommendation from other research to understand more on the impact of ethical culture/environment of audit firm on the ethical decision-making (Craft, 2013). As there is limited study on the issue, the purpose of this article is to examine the influence of ethical environment of audit firm and moral intensity on the ethical behaviour of Indonesian auditors based on Rest's model within the context of certain material audit adjustments to be recorded by an audit client. This study is also intended to examine the moderation effect of ethical environment of audit firm on the relationship between moral intensity and ethical behaviour of auditors.

The finding evidence that ethical environment does not affect ethical behavior. It is likely due to the existence of the shift in the prevailing institutional logics from the ideals of professionalism to an intense commercialism of audit profession (Bobek, Dalton, & Daugherty, 2017). Past studies find that big audit firms, in particular Big 4 firms, are commonly assumed to focus on profit and growth maximization as their main motivation (C. T. Alberti et al., 2020; Bobek et al., 2017; D. J. Cooper & Robson, 2006). Thus, ethical environment likely just reflects the requirement of the Code of Professional Ethics and the ISQC 1 with inconsistent implementation within the firm. Auditors' ethical decision making is likely affected by other consideration such as independence threat. Further, this study also notes that auditors consider

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the magnitude of the consequences, concentration of effect and temporal immediacy from the perspective of the users of the financial statements when making their ethical decision. Their consideration includes the severe of their actions in rendering unmodified audit opinion for “supposedly” other form of modified audit opinion to the users of the financial statements, how many users of the financial statements may be impacted by the wrong audit opinion issued and how this unethical action can harm the users of the financial statements. In other word, the auditors consider these moral intensities and are likely to act unethically for clients which are considered low risks and with limited users of the financial statements. Finally,

The study also notes the significant moderation effect of ETENV (ethical environment) on the relationship between MINT (moral intensity) and EDM4 (ethical behavior). In the situation where the ethical environment is weak, the higher the moral intensiy, the better the ethical behavior. However, in the situation where the the ethical environment is strong, the moral intensity only slightly affect ethical behavior. This is consistent with past studies that moral intensity can moderate the relationship between certain antecedents with ethical decision making (e.g., Latan et al., 2017; Anderson & Burchell, 2019).

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### REGULATIONS OF DIGITAL CURRENCIES IN MALAYSIA

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### ABSTRACT

Digital currency began in 2009 under a pseudonym called Satoshi Nakamoto that could either be represented by a programmer or a group of them which introduced the world into a new age of blockchain technology and the decentralization of digital currencies. Cryptocurrency, or digital currency, became regulated in Malaysia through the enactment of the Capital Markets and Services Order 2019, where all digital currency and digital tokens meeting the criteria stipulated in the order will be prescribed as securities for the purpose of the securities law in Malaysia (D'Cruz & Surin, 2021). Over the recent years, the crypto markets have seen positive demands from both retail and merchant markets as investors are becoming more receptive towards the ideology towards incorporating digital assets such as Bitcoin into their investment portfolios as retail markets have traded more the MYR16 billion worth of cryptocurrencies within the year 2020 to 2021 (Lee, 2022).

One of the major financial crimes that can be conducted through the usage of cryptocurrency would be money laundering as mentioned above due to the combination of anonymity and being able to obscure the source of proceeds, together with the ability to circumvent international borders and regulations, advanced fraudsters are taking full advantage of the underdeveloped regulations of digital currencies. The lack of discussing what are the present and future implications of harm that digital currency can cause is one of the research gaps that are not being raised/ discussed. Many researchers (Azhar, 2022) are proposing that Malaysian governments took the minimalistic approach and that they argue for a closer look and consider putting clearer regulatory responses (Zulhuda & Sayuti, 2017). However very few research (Hanafi & Rahman, 2019) is actually specifying what are the required and/or specific regulatory responses should be which is why one of the objectives of this research is to suggest the best control measures and awareness towards regulatory framework on digital currency to provide a guidance and also promoting the awareness towards consumers. Thus, this research is trying to highlight the need of proper regulation needed for digital currency to ensure that consumers are aware and protected before taking risks and ensures that mitigating steps have been considered before allowing it to fully enter the Malaysian digital economy.



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The methodology used for this research is analytical with a qualitative approach where the objective is the regulations of digital currency in Malaysia, to further expose the risks that consumers are taking by investing in them. Interview methodology would be the primary source of data collected as it would help explain and provide a better understanding towards the current review of digital currency regulations in Malaysia from a more reliable standpoint. Secondary data are also being obtained from peer-reviewed journal articles, theses/ dissertations and conference paper reviews that addresses the critical gap of digital currency and also what is lacking in the regulations that are not being addressed. This is important to note as the research is based on digital currency and the lack of regulation that circumvents around it due to the core reason that technology is constantly upgrading and improving itself, secondary data analysis allows an extensive review on the current trends and changes that follows.

Malaysia has strongly and openly welcomed digital currency into its financial benefits that has brought into the country's economy. However, it needs to be reiterated that digital currency which has emerged about a decade ago, and it is still not monitored by a specific authority in any certain country (Wan Muhamad Fokri et al., 2021) and especially in Malaysia. The blockchain technology grants unique risks that could bring into the financial ecosystem which is why it is important to first understand the components of the technology. Karim and Munir (2018) gave the simplified definition of a 'block' where it means that it contains four major components, hash functions, a summary of the included transaction, time stamp and proof of work into the creation of the secure block. Hashemi, Joo et al (2019) journal article provided the opinion that due to the reason of its unique characteristics of blockchain technology is of the impossibility of manipulation by a central authority or other which is why it offers no concern for manipulation of records on blockchain technology.

**Keywords:** Cryptocurrency, Digital Currency, Regulation, Malaysia

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## ICFC 90

### PROFESSIONAL SKEPTICISM DETERMINANTS IN DETECTING MONEY LAUNDERING AMONG THE INVESTIGATORS

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## ABSTRACT

This study aims to examine the behaviours of investigating officers in detecting money laundering based on professional scepticism determinants. This study employed Hurtt's Professional Scepticism Framework to measure an individual's level of professional scepticism. A total of 200 questionnaires were used for data collection via Pearson correlation and multiple linear regression to examine the relationship between the six characteristics of professional scepticism (questioning mind, suspension of judgment, searching for knowledge, interpersonal understanding, self-determining, and self-confidence) and detection of money laundering. Based on the observation, questioning mind, suspension of judgment, and self-confidence possessed a strong linear relationship and significantly influenced the detection of money laundering. This study also proved that the investigating officers have a higher level of professional scepticism in detecting money laundering. The study focuses on investigating the level of scepticism among the officers because there are limited studies on investigating these officers. The results may vary due to the different contexts and work environments. This study also suggested agencies improve their guideline and standard of investigation in detecting money laundering. The suggestions could provide and increase the knowledge of investigators regarding professional scepticism apart from improving their scepticism towards money laundering detection.

**Keywords:** Professional Scepticism, Investigating Officers, Money Laundering Investigation

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## ICFC 92

### DIGITAL HALAL SUPPLY CHAIN MATURITY FRAMEWORK FOR HALAL ECOSYSTEM GOVERNANCE

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#### ABSTRACT

Supply Chain 4.0 is the enhanced supply chain version incorporating various Industry 4.0 technologies like IoT, AI, cloud, and big data. The expeditious permeation of digital usage into society worldwide has made digital transformation a priority for the sustainability of most organisations. The halal products industry has experienced significant expansion worldwide, among Muslim and non-Muslim consumers, as halal certification has developed from a religious identity mark to a guarantee of food safety, hygiene, and reliability. Malaysia gains from domestic demand and future export opportunities by taking advantage of the rising demand for consumer goods in other Muslim markets. Digital has a massive enterprise-wide influence. Leveraging digital transformation and digitising halal supply chain management will help to give Malaysia a competitive edge to dominate the regional and global Islamic digital marketplace. Digital supply chain management methods are becoming extremely relevant as economic operations globalise and organisations incorporate and integrate digital tools into their existing processes. Digital halal supply chain management lies the opportunity for less scrupulous businesses and individuals to prosper through cutting corners, cronyism, or flat-out corruption. Technology only determines transformation to a certain extent. Its ultimate success depends on reengineering numerous essential business activities, processes, and models, each of which contributes to the advancement of digital maturity. The ability of an organisation to change to compete effectively in an increasingly digital world is referred to as digital maturity. Previous studies on the framework that can facilitate digital halal supply chain maturity are still scarce. More research is strongly recommended in this field.

**Keywords:** Halal Ecosystem, Digital Halal Supply Chain, Digital Maturity Level



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