ONLINE INTEGRITY DISCLOSURE: BENCHMARK FOR GOOD GOVERNANCE?

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ABSTRACT

The objective of the paper is to determine the extent of integrity framework information disclosure on Malaysian local authorities' websites using the coercive isomorphism tenet. The content analysis on 149 Malaysian local authorities' websites had been conducted. The integrity framework disclosure index consists of 47 items that had been used to examine the level of integrity information disclosure on the websites. The level of integrity framework disclosure on the websites was low, possibly due to the low level of coercive pressures on the integrity initiative implementation. The findings would assist in helping the regulatory authorities and policy makers to strengthen their mechanisms in upholding integrity. There is little published research that examines the level of integrity framework disclosure in developing countries, such as Malaysia. This research used the institutional theory of isomorphism mechanism, namely, coercive to enhance the understanding of integrity framework disclosure and add to the pool of literature.

Keyword*: integrity framework, disclosure, websites, local authority, institutional theory

INTRODUCTION

The term 'public sector integrity' has always been associated with corruption and lack of accountability. 'Public integrity' means the use of commonly accepted public values and norms in the government agencies' daily operations (Maesschalck, 2009). Transparency International (2016) defined integrity as "behaviours and actions consistent with a set of moral or ethical principles and standards, embraced by individuals as well as institutions, that create a barrier to corruption'. 'Public sector' refers to the government and its dispensed components, for example, the police, military, public infrastructure, education and healthcare systems that use public monies for providing services and improving the quality of life of the citizens without any profit motives.

As stated by Said et al. (2016), integrity has been discussed in many areas of research, such as ethics, management and psychology. According to Maesschalck (2009), integrity is a foundation of good governance, and integrity management has received greater attention by many countries. In addition, integrity management is a prerequisite for legitimizing public-sector activities, which is a subset of integrity framework. The integrity framework is a systemic and comprehensive approach that consists of instruments, processes, and structures for advancing integrity and combatting corruption in government agencies. Maesschalck (2009) classified the key components of an integrity framework into three main pillars: instruments, processes (planning, implementing, evaluating and adapting) and structures (i.e. the organisational aspect of integrity management). Maesschalck (2009) also organised integrity instruments into four main functions: determining and defining integrity; guiding towards integrity; monitoring integrity; and enforcing integrity. The framework assists policy makers and managers in public organizations in two ways: 1) it provides a vibrant technique to support policy implementation, 2) it provides the basis to develop data for implementing integrity instrument, which in turn creates impact on the organizations.

Within an organization, an integrity system is vital in ensuring accountability and transparency. Accountability is always associated with good governance due to the importance of government agencies in conducting public matters, managing public monies and complying with

laws and regulations (Said et al., 2015). A transparent risk management framework, accompanied by a well-defined set of accountabilities, clearly outlines the execution of ethical values, codes, roles, and responsibilities, which are aligned to good governance (Maizatul et al., 2016). Good governance is important to ensure that the standards are in full force. In addition, good governance is a guideline that spells out clearly the responsibilities of public officials and bodies (Said et al., 2016). On the other hand, good corporate governance plays a key role in maintaining corporate integrity and managing the risk of corporate fraud, combating against management misconduct and corruption (Agyei-Mensah, 2017). Transparency is one of the mechanisms used to improve the governance system. In the private sector, transparency mechanism allows disclosure of information, which enables the evaluation by investors on the organizations' allocation of resource management (Agyei-Mensah, 2017).

One way to improve communication regarding the integrity framework is via disclosure. Further, disclosure is an essential element in achieving good governance (Midin et al, 2017). It is crucial for organizations to communicate their anti-corruption practices (ACP) to all members of organizations (Coonjohn and Lodin, 2011) including both internal and external stakeholders (Joseph et al., 2016). It is asserted by Independent Board Base Anti-Corruption Commission (IBAC, 2015) that, to be effective, the council's[1] integrity framework should be accessible, relevant and consistent with other policies. In this paper, local authorities are used as the sampled organization due to resources and responsibilities entrusted to them, which indicates the importance "to operate efficiently and effectively and continuously seek to improve their capacity to prevent corrupt conduct" (IBAC, 2015, p.3). There are three types of councils in Malaysia, namely, city councils, municipal councils and district councils. These criteria are based on the Secretary General Circular, Ministry of Housing and Local Government No 4/2008 and issued on 1 July 2008 (Ministry of Housing and Local Government, 2008).

One of the consequences for the lack of integrity is corruption. Transparency Perception Index (2016) stated that corruption adversely impacts societies in many ways - political, economic, social and environmental. Organizations lose their rightfulness when they are abused

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1   In this paper, local council and local authority is used interchangeably.

for personal interest in a self-governing system. Corruption diminishes a nation's prosperity from the economic point of view. From the social perspective, corruption weakens the people's confidence on the institution and its leadership under the political system.

Several initiatives have been implemented by the Malaysian government as part of its reform initiatives; this includes combatting corruption and promoting integrity in society. Malaysia incorporates an integrity system as one of the important mechanisms in developing a concrete foundation for the country's present and forthcoming economic prosperity (Said et al., 2016). Malaysia is selected as a case study because it aims to become a fully developed nation by 2020. Good governance is one of the pre-conditions to achieve a high-income nation status. Since the 1980s, several reform initiatives have been introduced to promote a good governance system in Malaysia. Among the major institutions set up are the Anti-Corruption Agency, the Public Accounts Committee and the Malaysian Institute of Integrity (Siddique, 2010). The Government Transformation Program (GTP) was started in 2010 with the objective to increase effectiveness in public service delivery and to improve accountability for outcomes. In the GTP agenda, corruption fighting is included in the National Key Results Areas (Pemandu, 2015). The Malaysian Anti-Corruption Commission (MACC) has held talks with the Ministry of Higher Education to introduce studies on integrity and prevention of corruption as a module in the curriculum for higher education (Bernama, 2017). In addition, other initiatives that have been introduced to provide service excellence, improve accountability and inculcate positive values are "Client's Charter's", "Integration of Islamic Values", "Excellent Work Culture", and "Code of Work Ethics" (Said et al., 2015; Kapeli and Mohamed, 2015; Maizatul, et al., 2016). The Malaysian Government Transformation Program (GTP) has also triggered the establishment of Integrity Unit (Ismail et al., 2016). In June 2014, Prime Minister Directive was released that gives mandate of establishment of Integrity and Governance Committee to all departments in the ministries and states. The lack of positive values in management has resulted in adverse consequences, for example, despair, exploitation of power, and conflict. Therefore, organizations need to foster and uphold positive values. The Malaysian government has regularly demonstrated a movement to internalize the Islamic values in its management systems and has instituted numerous Islamic standards in relation to administrative policies (Ishak, 2016).

However, despite all the public sector's reform initiatives, the sector is still subject to condemnations and complaints due to (among others) deficient performance and ineffective accountability (Maizatul et al., 2016). These formal measures are criticized to be inadequate in reducing prohibited transactions and wrongdoings by the society (Siddique, 2010). As reported in the Auditor's General Report, examples of officers' negligence are:- not adhering to rules and regulations, and not having adequate monitoring and project management skills, which in turn resulting in a huge wastage amount of public fund (Said et al., 2015). Similarly, these initiatives still do not improve corruption cases in the country (Kapeli and Mohamed, 2015). Several causes for the failure of anti-corruption effort implementation are: (1) poor implementation and subsequent consolidation; (2) low political will to fight corruption; (3) deficiencies of the existing institutions; and (4) defects of the country's political systems, cultures and institutions (Kapeli and Mohamed, 2015). The failure of systematic and effective property management has caused the federal government to face several problems that burden both the government and public (Said et al., 2016). In addition, combating corruption has been identified as one of the key challenges for Malaysia to develop into a full-pledged developed country by 2020. The corruption infringes the agreement between citizens and government servants, which in turn has severe implications for an effectual government (Pillay, 2004). Until July 2016, the total number of arrests in Malaysia already comprised 588 cases with 296 cases involving public sector officials. The statistics showed that 41% of the total corruption offenders involved government officials (Ismail et al., 2016). These corruption cases were possibly contributed by the lack of awareness and appreciation on institutional mechanisms, such as the National Integrity Plan (Abdullah & Abdullah, 2016), which signifies that a possibility of poor communication regarding the integrity framework at the organizational level. Hence, due to the critics relating to the PSR initiatives in combatting all unethical practices, Joseph et al. (2017) suggested that all these institutional mechanisms need to be assessed.

All internal and external members of organizations need to be informed about integrity initiatives, for example, anti-corruption practices (ACP) (Coonjohn and Lodin, 2011; Joseph et al., 2016). One effective way to share the integrity initiative information is via the organization's website. The Ministry of Urban Wellbeing, Housing and Local Government has

implemented ***e-Pihak Berkuasa Tempatan (e-PBT)*** in Malaysia under the Smart Local Government Governance Agenda (SLGGA) as part of the public-sector reform agenda. Under this program, all local government agencies are facilitated with websites, which enables the agencies to disclose and communicate relevant information. It is maintained in this paper that the integrity framework information disclosure on the local authorities' websites is necessary in enhancing good governance, which is in line with the public-sector reform agenda. This could be possibly explained using the coercive isomorphism under the institutional theory.

In line with the public-sector reform agenda and various institutional efforts undertaken by public sector agencies in Malaysia, the following research questions are formed:

1. What is the extent of integrity framework information disclosed on the Malaysian local authorities' websites?

2. What are the external forces under coercive isomorphism that explain the extent of integrity framework information disclosure?

The corresponding objective of the paper is to determine the extent of integrity framework information disclosure on Malaysian local authorities' websites using the coercive isomorphism tenet. This paper is significant for the following reasons. Firstly, there is little published research which examines the level of integrity framework disclosure in developing countries, such as Malaysia. The findings could assist in helping regulatory authorities and policy makers to strengthen their mechanisms in upholding integrity. Secondly, this paper considers the institutional theory isomorphism mechanism, namely, coercive to enhance the understanding of integrity framework disclosure and add to the pool of literature. The remainder of this paper proceeds as follows. Section 2 presents the literature review. In Section 3, the theoretical framework is explained, followed by the research methodology in Section 4. Section 5 provides the analysis of results and discussions. Concluding comments are presented in Section 6.

LITERATURE REVIEW

This section covers disclosures of anti-corruption in the private sector, integrity and governance in the public sector and website reporting. Indisputably, the information on anti-corruption practices (ACP) could be made available on an organization's website. Gordon and Wynhoven (2003) examined top 100 non-financial enterprises' websites to understand corruption, management, and reporting practices. It was found that 43% reported anti-corruption information on their websites. Transparency International (2009) analysed the ACP disclosures by the Forbes Global 250 companies related to overall organizational practices. It was concluded that firms frequently report high-level strategic commitments to anti-corruption efforts. ACP disclosures benefit the companies in achieving their organizations' goals, increasing public awareness, enhancing accountability, and promoting learning organization (Hess, 2009). Besides, by disclosing ACP, it signifies the firms' responsibilities and awareness on the adverse consequences for their image, uprightness and acceptability by the society in the event they are exposed to an indignity situation, for example, corruption (ACCA, 2008).

ACCA (2008) assessed the implementation, reporting and anti-corruption measures on the largest 50 Australian public companies, and found that many companies' reports of bribery and corruption were superficial and incomplete. Only a few ASX50 companies reported on the countering bribery and corruption in detail. It was found that most of the disclosures lacked detailed information – i.e. inadequate public communication on anti-corruption programs and lack of anti-corruption procedures.

A study was carried out to determine the extent of anti-corruption information disclosures in annual reports for Malaysia's and Indonesia's companies that demonstrate organizational commitment towards combatting corruption. The findings found that ACP in both countries was still at its infancy stage, which was similar to other studies of voluntary disclosures in Malaysia. The finding also revealed that the disclosures of anti-corruption codes of conduct and whistle-blowing practices were the most reported items (Joseph et al., 2016).

Disclosure is an essential element in achieving good governance. The deficient performance and ineffective accountability are the common criticisms faced by the public-sector organizations (Tooley et al., 2010). As asserted by Bakar et al. (2011), in promoting greater transparency and accountability, it is not possible to achieve the objectives of performance measurement if their development is not being disclosed. Likewise, in this paper, it is not possible to enhance the transparency and accountability of government agencies if the integrity framework is not disclosed.

Aziz et al. (2015) concluded that the effective integrity system placed and strategic ethical leadership will enhance the public sector's accountability. At the same time, a proper and systematic internal control will help build the confidence among stakeholders and reduce accusation against government officials on abusive of powers, for example, cronyism and favouritism. Therefore, it can be concluded that there are associations between accountability with the integrity system, internal control system, and leadership qualities.

Said et al. (2015) found that about 87.3% of the departments and agencies in Malaysia are practising accountability. However, the emphasis on accountability factor differs across the service schemes. The government is on the correct pathway to restore the public trust. Nevertheless, more actions still need to be undertaken to improve awareness on the public-sector accountability by transforming into a reliable and efficient sector. Said et al. (2016) found that in the Malaysian public sector, strategic planning, audit and fraud control are determinants of integrity practice. The factors must be given significant attention to improve the integrity system in order to increase the efficiency of the public sector. Beside effective governance, to dent on corruption, corporate ethics and integrity systems should be institutionalised. The creation of Integrity Unit led by the Certified Chief Integrity Officer (CIO) is perceived to have a direct relationship with the level of ethics and integrity in Malaysian public sector organizations (Sajari et al, 2016).

In reducing the occurrence of corruption, it is important to understand the origin of corruption risk and learn about the most effective corruption prevention mechanisms. It is reported that organizations usually spend more time in detecting instead of preventing corruption. Previously, 20% of the

effort had been on prevention or deterrence, while 80% had been on detection and investigation. Currently, there is a need to change the emphasis and place 80% of the focus on prevention and deterrence (ARI, 2016), which is possibly supported by social accountability via websites.

There are several benefits of reporting on the web. One of them is the Information, Communication and Technology (ICT), which enables two-way communication between the government and citizens (Wescott, 2001). According to Wescott (2001), the strength of ICT in e-government allows an efficient and cost-effective government, convenient government services, greater accessibility, and improved accountability. E-government can eventually reduce corruption (Lupu and Laz, 2015). This can be achieved via social accountability, in which citizens are critical on issues related to transparency, for example, corruption. Through social scrutiny, digital citizens can demand for information and litigation, and request to transform such laws to become truly transparent (Mungiu-Pippidi and Dadašo, 2016). Social accountability also enables the digital citizens to magnify the outcomes of transparency regulation.

It has been highlighted that the integrity could be enhanced using technology evolution (Said et al. (2015), for example, the website. In addition, to cultivate good governance, ethics and integrity need to be exhibited in the government's activities (Maizatul et al., 2016). At the same time, the reports need to be publicly available in order to give awareness on the government's initiatives in reducing delinquency among public officials (Maizatul et al., 2016). Similarly, in the private sector, communicating on anti-corruption strategies to the public complements a company's actual engagement in anti-corruption initiatives. The disclosure can increase the awareness of anti-corruption measures among stakeholders, and sequentially give credibility to the company's anti-corruption engagement, as it permits its stakeholders to scrutinize the company's initiatives. It was asserted that the reporting on a firm's engagement with corruption process can be explored and examined by using the institutional theory (Barkemeyera et al., 2015), which drives the development of objective in the current paper.

A guide to the integrity systems in Victoria, Australia has been developed by the Independent Broad-based Anti-Corruption Commission (IBAC) and agencies in Victorian Public Service. The focal point is on the

main integrity agencies with the public sector's wide responsibilities. The guide helps the government agencies staff and the community at large to understand Victoria's integrity system. The guide can be used to identify and remedy misconduct and corrupt conduct. Risk assessments, policies, procedures and a good organizational culture are all essential elements of integrity framework that can help a council minimize corruption risks. An effective integrity framework must also include mechanisms to help the councils detect possible corrupt conduct within their operations at the earliest possible stage. Another essential element of corruption prevention is ensuring the community to have access to, and awareness of, a council's ethical standards. Making this information public helps the community hold the council employees to account and defers external stakeholders from attempting to engage the council employees in corrupt conduct. Six Victoria councils were assessed on the integrity system based on the guide developed by IBAC (IBAC, 2015). All six councils in Victoria published the information about their protected disclosure procedures on their websites and in their annual reports. One council published a range of other policies on its website, including its risk-management framework, staff code of conduct and policies in relation to fraud prevention, compliance and enforcement, as well as reimbursement of expenses. The same council issued media releases in relation to grants and donations, which helped to raise public awareness and ensure transparency. Another council published its staff code of conduct and a range of other policies online because they were considered as 'contracts with the community'. Making those documents public reminded the staff that they would be held accountable by members of the community if they did something wrong.

Maizatul et al. (2016) assessed nine factors that influence the status of current good governance practices in the Malaysian government agencies. Out of these nine factors, risk management was mostly practiced by public sector organizations. Fraud control was the least practiced in the public sector of Malaysia. It was concluded that the public perception on public sector accountability must be improved by undertaking several measures. In another study, Macaulay et al (2014) examined specific local government integrity systems within Britain and identified the key components of each and the relationships between these components of the local government integrity systems. The comparative analysis of the English, Welsh and Scottish LIS revealed there were similarities between the values adopted in

each code of conduct, and boundaries in each system. There were also key differences in the way that values informed and led integrity. The values were enforced in Scotland but did not take place in England. The Welsh LIS appeared to have strong enforcement on the code. Based on the literature, there is little work conducted on the integrity framework disclosure by local authorities.

THEORETICAL FRAMEWORK

Institutional theory has been used to comprehend diverse organizational and individual practices (Dacin et al., 2002). Isomorphism is a procedure that coerces one component to correspond to another component in the populace that deals with same circumstances (DiMaggio and Powell, 1983). The isomorphism concept also applies to when organizations incline to adopt similar practices.

The institutional theory can be closely tied to the legitimacy theory, in which organizations struggle to coincide with societal norms and values when responding to the rapid changes in social and formal forces and expectations (Deegan, 2007). Larger organizations have greater concern on legitimacy to gain the society's acceptance and incline to exhibit fabrications about their social activities. As stated by Luoma and Goodstein (1999, p. 556), "large organizations are more visible and hence subject to greater attention from external constituencies, such as the state, media, professional groups and the general public". Both internal organizational factors and external stakeholders' influence (Lodhia, 2008) are two main sources of legitimacy. Under the institutional theory, the isomorphism mechanisms are coercive, mimetic and normative. The integrity framework disclosures on Malaysian local authorities' websites were examined using the coercive isomorphism.

According to DiMaggio and Powell (1983, p. 149), the pressures can be "exerted by other organizations on which an organization may be dependent, as well as cultural expectations in which the organizations operate". The coercive mechanism basically coins from political influence, regulations, laws, and public at large (Amran and Devi, 2008). It was expounded that coercive exertion can be by presses, inducements or invitations to join

the conspiracy. Coercive exertion is a result of both formal and informal forces by other organizations which the organization is dependent on. The organization's formal structure is "highly institutionalized and functions as myths" (Meyer and Rowan, 1977, p. 344). The commitment of internal and external stakeholders will be improved by integrating external formal structure (Meyer and Rowan, 1977). Integrity framework disclosure is an example of the strategic behaviour in adhering to the institutional environment (Oliver, 1991).

RESEARCH METHODOLOGY

Malaysian local authorities were selected because Malaysia is a very fast-growing country in transforming from a developing country to achieve its target to become a fully developed nation by 2020, as stipulated in Vision 2020. To facilitate the progress of achieving Vision 2020, Malaysia has an integrity system in place as a concrete foundation for the country's present and forthcoming prosperity (Said et al, 2016). The levels of integrity disclosure in this study were examined using the content analysis of websites of all 149 local authorities in Malaysia (see Table 1) based on the Integrity Framework Disclosure Index (IFDi) instrument by Joseph et al. (2017). Due to rapid changes of the information on the websites, the data collection was only confined to one month, i.e. January 2017. The score awarded is '1' if the item presents, and '0' if otherwise. The IFDi categorised integrity disclosures into 13 sub-themes comprising 50 items. The Integrity Framework Disclosure Index (IFDi) was developed based on the following: i) the Malaysian government circular – "*Pekeliling Ketua Setiausaha Kementerian Perumahan dan Kerajaan Tempatan (KPKT) Bil. 1 Tahun 2008, Penggredan Sistem Penarafan Bintang Pihak Berkuasa Tempatan (SPB-PBT)*", ii) the IBAC and the Public Sector Integrity Management Framework for Republic of South Africa, iii) analyses of hard copies of the integrity policies of several councils available from the websites or the Internet, namely, Sibu Municipal Council, Ampang Jaya Municipal Council, Subang Jaya Municipal Council, and Sabak Bernam District Council, and iv) analyses of the websites of two local authorities in each of 10 states (excluding the Federal Territory, Perlis and Penang). The final IFDI instrument consists of 13 categories and 47 items. The categories include: 1) Definition of Integrity; 2) Objectives; 3) Integrity Policy; 4) Integrity

Commitment; 5) Elements in Code of Ethics; 6) Scope and Responsibility; 7) National Integrity Plan; 8) Strategic Action Plan; 9) Strategic Integrity Approach; 10) Vision; 11) Mission; 12) Integrity Reporting Channel, and 13) Type of Activities.

The population and sample of this research comprised Malaysia's city, municipal and district councils viewed from the website http://jkt. kpkt.gov.my/index.php/pages/view/15. Table 1 shows the breakdown of local authorities in Malaysia under study. The state with the most number of local authorities was Sarawak with twenty-six (26), followed by Sabah with twenty-four (24), Johor and Perak with fifteen (15) each, while the least were Perlis and Federal Territory with one each. In terms of district council, Sarawak and Sabah also had the most counts with twenty and twenty-one, respectively. The number of local councils commensurates with the size of the state.

Table 1: Sample and Population of the Local Authorities in Malaysia

States	City Council	Municipal Council	District Council	Total
Johor	1	6	8	15
Kedah	1	3	7	11
Kelantan	0	1	11	12
Malacca	1	3	0	4
Negeri Sembilan	0	3	5	8
Pahang	0	3	8	11
Penang	1	1	0	2
Perak	1	4	10	15
Perlis	0	1	0	1
Selangor	2	6	4	12
Terengganu	1	2	4	7
Sabah	1	2	21	24
Sarawak	3	3	20	26
Federal Territory	1	0	0	1
Total	13	38	98	149

RESULTS AND DISCUSSION

Table 2 presents the scores and percentages of integrity disclosures by the type of local authorities in Malaysia based on the IFDi instruments. At a glance, the results revealed that Johor disclosed the highest level of integrity information with an overall score of 128 items, followed by Kelantan (89) and Selangor (71). The percentage of IFDI score was calculated by taking into consideration the total number of local authorities under each state, that is the number of score divided by the total number of local authorities multiplied by 47 IFDI items. An in-depth analysis of the same table revealed the IFDi scores were all below 20%, which was considered as "poor". The highest score was found in Malacca with 18%, followed by Johor (17.07%) and Kelantan (14.83%).

Table 2: Integrity Framework Disclosure Index (IFDi) Score

States	City Council		Municipal Council		District Council		Overall Score		
	Score	%	Score	%	Score	%	Score	%	Rating
Johor	13	26.00	59	19.67	56	14.00	128	17.07	Poor
Kedah	7	14.00	4	2.67	19	5.43	30	5.45	Poor
Kelantan	Na	Na	0	0	89	16.18	89	14.83	Poor
Malacca	18	36.00	18	12.00	Na	Na	36	18.00	Poor
Negeri Sembilan	Na	Na	2	1.38	1	0.40	3	0.75	Poor
Pahang	Na	Na	4	2.67	7	1.75	11	2.00	Poor
Penang	0	0	1	2.00	Na	Na	1	1.00	Poor
Perak	0	0	2	1.00	12	2.40	14	1.87	Poor
Perlis	Na	Na	3	6.00	Na	Na	3	6.00	Poor
Selangor	10	10.00	57	19.00	4	2.00	71	11.83	Poor
Terengganu	0	0	2	2.00	4	2.00	6	1.71	Poor
Sabah	1	2.00	2	2.00	1	0.10	4	0.33	Poor
Sarawak	4	2.67	12	8.00	11	1.10	27	2.08	Poor
Federal Territory	0	0	Na	Na	Na	Na	0	0	Poor

Na = not applicable
IFDi Scale
Poor   = 0.00 - 0.20
Fair   = 0.21 – 0.40
Satisfactory = 0.41 – 0.60
Good   = 0.61 – 0.80
Outstanding = 0.81 – 1.00

As stated earlier, integrity framework is a foundation for good governance and good integrity management and a systematic and comprehensive approach for advancing integrity and combating

corruption in government agencies (OECD, 2009). It was reported that all the government-linked companies as well as state and ministry-owned business entities including the local authorities need to have the Integrity and Governance Unit in 2014. This move is very crucial to "strengthen the community's confidence and signal the government's commitment of the necessary reforms, and to foster a culture of transparency, accountability and good regulation" MIA (2017). However, based on the result of the IFDI score as shown in Table 2, all the local authorities in Malaysia were rather very unbelievable and unpredictable as the Malaysian government has put greater emphasis of good governance and integrity management. The finding showed that the level of integrity disclosures by the local authorities in Malaysia did not correlate with the government's aims to strengthen the community's confidence and its commitment on necessary reforms, as well as fostering of a culture of e-transparency, accountability and good regulation, such as the revised Malaysian Code of Corporate Governance. Even though the Code of Corporate Governance is aimed at public-listed companies, these values are also vital for the local authorities in Malaysia because the local councils are the government's agencies, which directly deal with the public at large. The findings also suggest that all the public-sector reforms which were initially intended to prevent and combat unethical practices were not institutionalised. Another possibility of poor disclosure was contributed by the lack of awareness and appreciation on the institutional mechanisms, such as the National Integrity Plan (Abdullah & Abdullah, 2016). This suggests that there is lack of formal pressure from relevant authorities (Madi et al., 2017) that possibly explains the non-existence of coercive isomorphism in explaining the level of integrity framework disclosure on the Malaysian local authorities' websites. This is rather disappointing because many public-sector reform initiatives introduced are not properly scrutinized and enforced, which in turn affects the level of disclosure. As well, from the study, the low disclosure of integrity framework on the websites did not reflect the actual engagement of integrity initiative implementation by the councils, and did not support the legitimacy conception. Interestingly, the poor disclosures of integrity framework on the local authorities' websites in this research were consistent with the findings on anti-corruption practice disclosures in the private sector as carried out by Joseph et al. (2016).

The findings also contradicted with the aims and initiatives of the highest and reputable accounting professions in Malaysia. For example, in stressing the importance of integrity, the CEO of Malaysian Institute of Accountant (MIA), Dr. Nurmazilah Dato' Mahzan stated that *"These values are the foundation of the accountancy profession. These values impact your attitude and how you perform your work, and we want these to be embedded into the accountancy professionals as they advocate for the public at large. Integrity and accountability cultivates trust and confidence.....*" (Accountants Today, July - August 2017, p.11). In addition, she further stressed that, "*This emphasis on integrity, accountability and trust mirrors national and global initiatives*". This implies that the reputation and image of accountancy profession is essentially shaped by positive values, for example, integrity, accountability, good governance, ethics, and transparency.

Therefore, the current result demands more research and in-depth analysis to uncover the reasons behind the very low scores. Within the transparency risk management perspective in which good governance is well defined and outlines the unethical values, roles and responsibilities of public official and bodies. This may best explain the reason behind the low integrity disclosure. In addition, the very low IFDI score may also be best explained to merely comply with this set of rules by officers and governing bodies, where the disclosures by the local authorities in Malaysia were not within their jurisdiction. The local authorities were mainly the implementers and not the policy makers. Another possible reason is that; some councils face human resource constraints or lack of competent personnel to manage the websites. In addition, with regards to disclosing information on the government's websites in Malaysia, there are several bureaucratic procedures that need to be complied with. This includes "*the sensitivity of information; the compliance with the guidelines or specifications provided by the vendor (appointed by the state government); the type of language used; the approval from higher authority prior to reporting on the website, and the requirement for council to report information on the state government controlled website*" (Joseph, 2011, p.10).

The analysis of integrity disclosures based on 13 categories of IFDi can be seen in Table 3. Based on 149 websites of the local authorities in Malaysia, Johor outperformed the rest of the local authorities in almost all the 13 categories of disclosures with a total score of 128. The most popular

category of disclosure amongst the local authorities was on the 'Objectives of Integrity' with the score of 115, followed by 'Code of Ethics' (76), 'Integrity Policy' (55) and 'Strategic Action Plan' (43). The least integrity disclosures were 'Definition' with the score of 2 and 'Vision' with the score of 3 only. The result revealed that most of the disclosing local authorities disclosed the objective of the integrity but without disclosing their action and/or activities towards integrity initiatives.

Table 3: Disclosure by State

		JOH	KED	KEL	MEL	N9	PAH	PNG	PRK	PER	SEL	TRG	SBH	SWK	WP	TOT
1	Definition	0	0	0	0	0	0	0	0	0	2	0	0	0	0	2
2	Objectives	37	10	26	10	1	3	0	2	0	17	0	0	9	0	115
3	Policy	21	2	12	6	0	0	0	1	0	8	0	2	3	0	55
4	Commitment	0	0	1	0	0	2	0	0	1	3	0	0	1	0	8
5	Code of Ethics	34	7	16	10	0	0	0	0	1	5	1	0	2	0	76
6	Scope and Responsibility	6	2	1	6	0	0	1	3	1	5	0	0	1	0	26
7	National Integrity Plan	7	1	5	0	0	0	0	0	0	3	0	0	2	0	18
8	Strategic Action Plan	14	4	15	0	0	0	0	0	0	10	0	0	0	0	43
9	Strategic Integrity Approach	6	2	11	4	2	0	0	4	0	7	1	1	0	0	38
10	Vision	0	0	0	0	0	0	0	0	0	1	0	0	2	0	3
11	Mission	0	0	0	0	0	6	0	2	0	1	1	1	4	0	15
12	Reporting Channel/ Unit	0	0	0	0	0	0	0	0	0	6	0	0	0	0	6
13	Activities- General	3	2	2	0	0	0	0	2	0	3	3	0	3	0	18
	TOTAL	**128**	**30**	**89**	**36**	**3**	**11**	**1**	**14**	**3**	**71**	**6**	**4**	**27**	**0**	**423**

CONCLUDING REMARKS

The objective of the paper is to determine the level of integrity information disclosures based on the integrity framework disclosure index by local councils in Malaysia using the coercive isomorphism tenet.

Based on the results, the integrity disclosure scores for all local authorities in all fourteen (14) states in Malaysia were considered as poor.

As discussed earlier, the few reasons for the low website disclosures by the Malaysian councils include lack of coercive factor (lack of formal pressures from higher authorities), human resource constraint, bureaucratic factors, and risk management factors that can be placed to manage the websites. The result may not reflect the reality on the ground, nonetheless, the information obtained from the website analysis has certain significance and is worthy of reporting. In relation to coercive isomorphism, low score may be due to political influence from both Federal and State governments where the disclosure content is very much influenced and controlled by the top management and the ministry concern for some political reasons. In addition, the finding, however, does not suggest that the Malaysian local government has less integrity because there was evidence indicating that some of the integrity issues did get documented but were not reported on the websites. Integrity initiative must be investigated from all aspects including the media used for dissemination of such information, which is beyond the scope of this research.

Regarding the stakeholders' perception towards the government's effort in terms of transparency and corruption initiative, it is argued that the degree to which the stakeholders can rely on and trust good governance practices is a marker of the efficacy, transparency and sincerity processes. The ideology of accountability, being made up of compliance, transparency, responsiveness and innovation, must underpin the goals of an organization for it to be meaningful for those with a duty to account, and those to whom the account is owed. The reports on integrity initiatives and activities need to be assessed in terms of their relevance and usefulness to the stakeholders and their decision making. This requires that the information provided represents a balanced picture of the organisation's impact on society and natural environment, and that public disclosure is part of a broader framework of enhanced organisational accountability and performance improvement. Therefore, further research to uncover the reasons behind low disclosure is necessary.

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