

**UNIVERSITI TEKNOLOGI MARA**

**CHALLENGES IN CURBING  
MISAPPROPRIATION OF ASSETS  
AND CORRUPTION IN MALAYSIAN  
LOCAL AUTHORITIES**

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Thesis submitted in fulfillment  
of the requirements for the degree of  
**Doctor of Philosophy**

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## **AUTHOR'S DECLARATION**

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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## ABSTRACT

The main objective of this research is to determine the challenges that fill in as barriers in the execution and implementation of Rule 4(2)(C) of the *Public Officers (Conduct and Discipline) (Amendment) Regulations 2009* served in the Malaysian public sector. The rule, issued by the Public Service Department, specifically incorporates misappropriation of assets and corruption as punitive disciplinary offences to the public sector employees. Nevertheless, misappropriation of assets and corruption incidents remain significant. Being the motivations, by employing agency theory as the background, this research employed a combination of semi-structural interviews and open-ended survey involving 149 Malaysian local authorities. The responses from six semi-structured interviews and 199 open-ended survey were analysed, tabulated and themed, to capture the existing-experiences and being the descriptive data. The collected information enabled a comprehensive understanding on the behaviour gaps between government policy and its actual practices. Eleven main challenges were identified as the main concerning factors vis-à-vis fraud awareness: inefficient leader, attitude, weak enforcement, lack of internal strengths, ineffective training, lack of authority, opportunity due to lack of control, burden of proof due to bureaucracy, favouritism/ excessive discretions, organisational culture, and public perception. The findings also indicated that while participants were aware of corruption and misappropriation of assets occurring in their department, the matters were rarely reported. Subsequently, the perceived wrongdoing experiences of employees had become a blessed daily routine. Wherein the ambit of limitations of this study, the scope and findings contributed to the literature further insights into these holding ongoing matters of the local authorities shenanigans.

**Keywords:** Misappropriation of Assets, Corruption, Leakages, Local Authorities

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