

ARI Update 2015



Accounting Research Institute

Driving Research in Islamic Financial Criminology



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ACKNOWLEDGEMENTS

Many individuals within and outside the Accounting Research Institute contributed to this report. Assoc Prof Dr Zuraidah coordinated the production of this report and wrote, compiled, or edited its various parts assisted by the research assistants. ARI's administrators and executive officers helped compile information. Other staff contributed updates to the other appendixes.

DISCLAIMER

Any opinions and conclusions expressed herein are those of the author(s) and do not necessarily represent the views of the Accounting Research Institute or other organizations. All results have been reviewed to ensure that no confidential information is disclosed.



About ARI

The Accounting Research Institute (ARI) was initially formed as a special interest group in 2002. It is an initiative with the aim to pave the pathway for a systematic and robust research in accounting in areas such as the practice and theory of financial accounting, financial criminology, corporate governance, management accounting, financial reporting, public sector accounting, taxation and accounting information system.

Over the years and through thick and thin, ARI has advanced from merely a special interest group

and becomes a research centre before soaring up to be the research institute that it is now.

In November 2009, the Ministry of Higher Education had recognised ARI as one of the Higher Institutions' Centers of Excellence (HiCOE). Being a HiCOE, ARI has eight (8) centres of excellence under its wings.

These research centres were co-established through strategic alliances with various national and international professional bodies and related agencies. The research centres are:

- ❖ **CIMA-UiTM Asian Management Accounting Research Centre (AMARC)**
- ❖ **UiTM-MICG Corporate Governance Research Centre (CGRC)**
- ❖ **UiTM-ACCA Financial Reporting Research Centre (FRRC)**
- ❖ **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)**
- ❖ **UiTM-GLC Government Linked-Companies Research Centre (GLCRC)**
- ❖ **Islamic Accounting & Mu'amalat Research Centre (IAMRC)**

The research institute aspires to establish strategic alliances with at least five top-notch global research centre's and championed by respective research centers and SIGs. While the institute continues to contribute its expertise in the accounting field, ARI at present is focusing on research in its niche area of Islamic Financial Criminology conforming with the government's aspiration of making Malaysia, the global hub in Islamic Finance.



MISSION

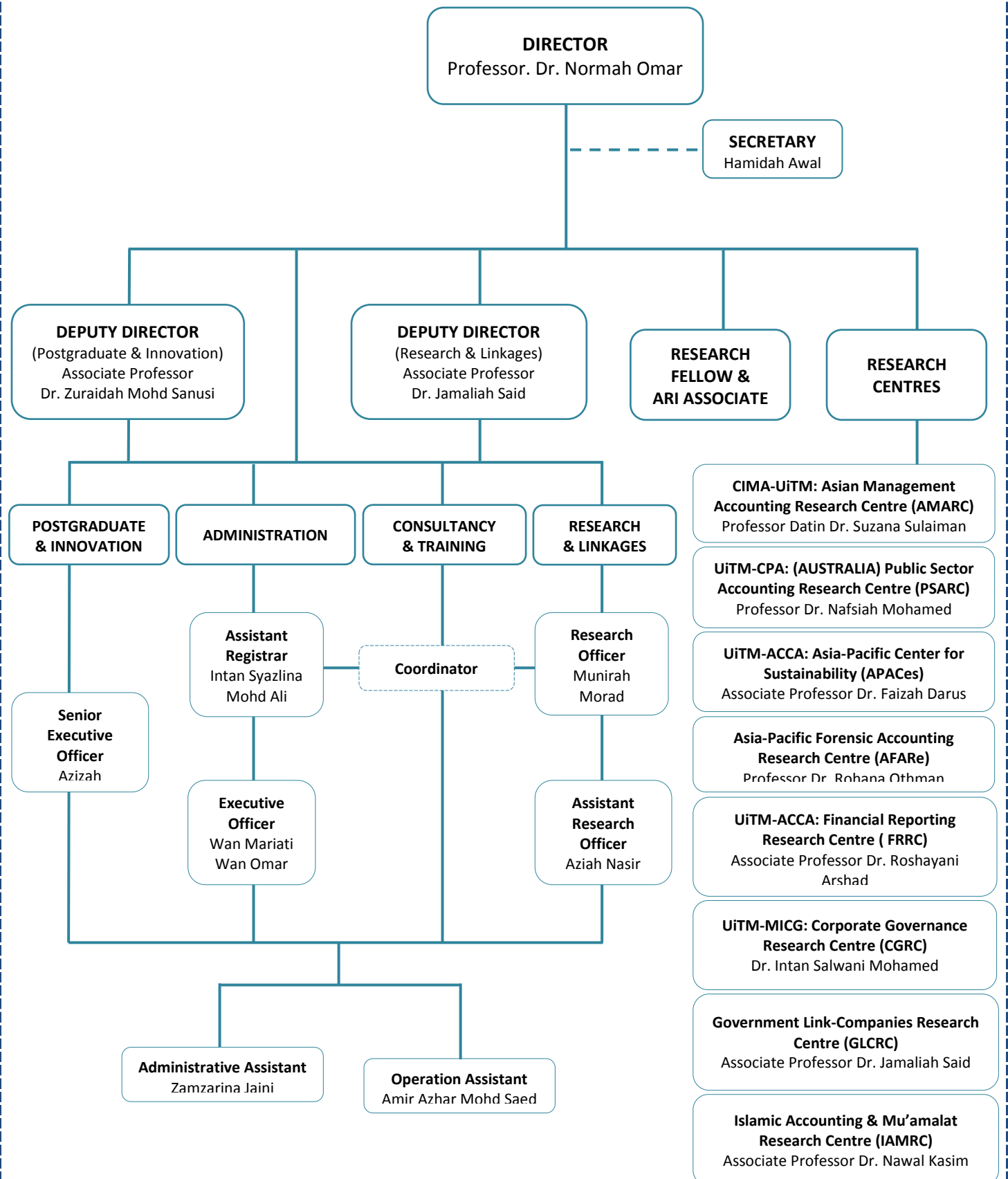
To enrich **knowledge** corpus in the areas of Islamic Finance and Financial criminology through **quality research, innovation and consultancy,** mainstreaming **talent excellence, empowering community outreach,** and promoting **financial sustainability** that are impactful for the society.

VISION

To become a **renowned global research centre** in **Islamic Financial Criminology** that optimizes values to society while maximizing our talent potentials



ARI Organisational Structure



MESSAGE FROM THE VICE CHANCELLOR



Assalamualaikum,

The publication of **ARI Updates 2015** by the Accounting Research Institute (ARI) is a portrait of a well-deserved commendation for ARI's efforts and steadfastness at pursuing academic visibility through information sharing. Indeed, it takes sheer diligence and dedication to ensure sustainability *vis-à-vis* the documentation of ARI's achievements and ventures, many of which traversed the uncharted path, namely, in the realm of academic and professional accounting.

The series of **ARI Updates** is a special medium through which accomplishments of fellow academics are acknowledged. The consistency and quality of its publication aptly provide a window that visualises the significant role it plays in diverse capacities, as a Higher Institutions' Centre of Excellence or HICoE, as the country's sole research centre under the social sciences, and as a scholastic entity that leads in research into Islamic financial criminology.

In fact, since 2010, when it was granted the prestigious status as HICoE by the Ministry of Higher Education (MoHE), ARI has spread its wings even further, soaring higher in the world of scholarship and accounting, and beyond the shores of Malaysia. Indeed, I am gratified by ARI's outstanding performance, which has carried the good name of UiTM to a formidable level that we can all be proud of.

Particularly, I am most pleased to know that the year 2015 has been witness to yet more international accolades for ARI—firstly, as recipient of the *Islamic Financial Criminology Research Body of the Year Award*, under the world-renowned ACQ Global Awards 2015, and secondly, as Special Winner for *Pioneering Research in Islamic Financial Criminology*, at the Global Islamic Finance Awards (GIFA) in Dubai, the United Arab Emirates (UAE). The GIFA Award this year follows its stellar performance as *Best Islamic Finance Education Provider 2014*, in the preceding year.

To Prof. Normah Omar, and everyone she leads in ARI—my heartiest congratulations for the prowess and perseverance to be among the best, and thus, be exemplary for the rest.

Prof. Emeritus Dato' Dr. Hassan Said
Vice Chancellor

MESSAGE FROM THE DEPUTY VICE CHANCELLOR (RESEARCH & INNOVATION)



Assalamualaikum,

It is my pleasure to congratulate the Accounting Research Institute (ARI) for the publication of **ARI Updates 2015**. The earnestness and consistency in which ARI documents its activities, programmes and achievements in this annual publication, is reflective of the institute's commitment to live up to its culture of excellence, namely, in the advancement of research and consultancy in accounting, and in other related areas.

Indeed, it is no easy feat to maintain the standards expected of a HICoE, but ARI has proven its prowess yet again, as can be seen through the collection of writings and reports in this edition of **ARI Updates**. For this, and for its other initiatives in related areas of expertise, I believe ARI deserves our acknowledgement and endless support, especially so from fellow academics and scholars. Of particular interest to me, is its success at making it into the global domain as a forerunner in Islamic financial criminology.

In maintaining its status as a credible research entity, thus attaining recognition beyond national boundaries, ARI has also elevated the stature of our university as home to world-class research, while at the same time taking the helm in the field of accounting. Given the diligence and dedication of the team in ARI, under the stewardship of Prof. Normah Omar, I have no doubt that this institute will soar even higher to carve a niche as a global leader in accounting.

Congratulations once again to ARI for a job well done. You have made us all proud for having made it into the ranks of renowned research outfits in the international arena.

*Prof. Ir. Dr. Hj. Abdul Rahman Omar
Deputy Vice Chancellor (Research And Innovation)*

MESSAGE FROM THE DIRECTOR OF ARI



Assalamualaikum,

On behalf of the Accounting Research Institute (ARI), it is with great pleasure and excitement to present our ARI Updates for 2015.

Reflecting the name that it carries, this year has been yet another outstanding and rewarding year for ARI as The Global Islamic Finance Awards (GIFA) awarded ARI the special winner of "Pioneering Research in Islamic Financial Criminology." ARI has also received another international recognition upon receiving the ACQ Global Awards 2015 – "Islamic Financial Criminology Research Body of the Year". The awards emphasize the high impact that we are making in the area of Islamic Financial Criminology, which consistently outperform other benchmarked international institutions.

I would like to take this opportunity to congratulate all ARI fellows, researchers and supporting staff for a job well-done. With this accomplishment and recognition, I hope ARI fellows and researchers will be more driven towards pursuing new cutting-edge research in the area of Islamic Financial Criminology with international collaborators in line with our aspiration of becoming an international global reference center by the year 2020.

In the year 2015, ARI continues to foster its unique partnership with the international community through various international networking and research collaborations, signings of memorandum of understandings (MoUs). This includes the co-hosting of international conferences and training with other leading international universities to maintain our international presence. It is ARI's aspiration that these strategic alliances with other leading academic institutions will put ARI on the world map both in the Asia-Pacific region and internationally.

In closing, I would like to express my personal gratitude to Vice Chancellor of UiTM and his top management team for giving their undivided support and endorsement towards ARI. I am looking forward to a positive outlook in the near future, where ARI will be more successful and progressive in its undertaking. To our industry partners and research collaborators, thank you for your aid and encouragement in furtherance ARI's research agenda and helping out to build a better community.

Thank You.

Prof Dr Normah Omar
Director

SPECIAL NOTE

Driving a New Knowledge Frontier: *Islamic Financial Criminology*

Alhamdulillah, this five years has (2010-2015) been outstandingly successful for ARI. Reflecting ARI's growing research reputation internationally, ARI was recognised as one of the Higher Institutions' Centre of Excellence (HICoE) in 2010 and has since upheld its stance while making its mark worldwide.

It was indeed a great, and momentous endeavour for all of us at ARI. As I see it, we have grown from being a "generalist" during our first few years of formation (in the early 2000s) to a "specialist" in our newfound research niche Islamic Financial Criminology (IFC).

We have successfully mobilised our diverse research centres – Asian Management Accounting Research Centre (AMARC), Financial Reporting Research Centre (FRRC), Corporate Governance Research Centre (CGRC), Public Sector Accounting Research Centre (PSARC), Asia-Pacific Sustainability Research Centre (APCeS), Asia-Pacific Forensic Accounting

Research Centre (AFARE) and Islamic Accounting and Muamalat Research Centre (IAMRC) to realign their research focus towards Islamic Financial Criminology.

When we were first assigned with Islamic Financial Criminology as a HICoE



research niche agenda, it was just a concept which comprised two main domains – Islamic Finance and Financial Criminology. We

deliberated among ourselves, engaged with professionals within the Islamic Finance Sector and the Financial Criminology experts and found that Islamic Financial Criminology is indeed a new knowledge frontier, and ARI can certainly champion it.

In tandem with the government's aspiration to make Malaysia a global Islamic Finance Hub, ARI's research in Islamic Financial Criminology is not just timely, but extremely crucial to support a sustainable Islamic Finance Industry. Fundamentally, research in Islamic Financial Criminology focuses on three important aspects: (i) Identification of new Islamic Finance products as well as innovating existing products; the current focus is mainly on Islamic banking (ii) Development of suitable governance structure for the Islamic Finance Industry, which should include shari'ah compliance and audit; and (iii) Establishment of anti-financial leakages mechanisms – i.e. financial fraud prevention and anti-money laundering programs. In doing its research in Islamic Financial Criminology, ARI HICoE develops four research clusters, namely (i) Islamic-based Business Model in Enhancing Good Governance and Wealth Creation; (ii)

Corporate Integrity, Ethics , Anti-Corruption and Risk Management; (iii) Anti-Money Laundering and Anti-Fraud Mechanisms to Mitigate Financial Leakages; and (iv) Methodologies in Financial Fraud Detection and Prevention.

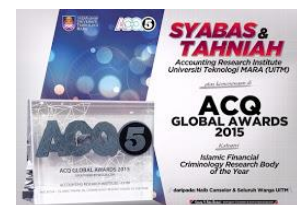
Through the four research clusters, ARI has produced some “early-win” research output. Firstly, Islamic Microfinance research project which was initially embarked in Tanjung Karang through the Amanah Ikhtiar Malaysia (AIM) *Sahabat* is now replicated in Kuala Terengganu and Paka. ARI has successfully linked the entrepreneurs with Mydin Holding Berhad, who acts as both supplier of raw materials and buyer of their finished goods. We have helped microcredit entrepreneurs to increase their income and quality of life through Islamic microfinance initiative.

Secondly, through a smart collaboration with the Malaysian Institute of Integrity (IIM), ARI has developed an instrument which measures corporate integrity at workplaces. To date, organizations that have successfully used the instrument include Celcom Berhad, TNB Berhad, Amanahraya Berhad, KPJ Group of

The years 2015 have produced some commendable results for ARI again was awarded Global Islamic Finance Awards (GIFA 2015 – Bahrain) as “Pioneering Islamic Financial Criminology Research 2015”. At the end of 2015, ARI received another prestigious international award from industry-based online magazine Acquisition Finance Magazine (ACQ) which is based in the United Kingdom – ACQ Awards 2015 for “Islamic Financial Criminology Research Body of the Year”. For both awards in 2015, ARI niche research agenda *Islamic Financial Criminology* has been recognized globally as a new knowledge frontier for the Islamic Finance Industry. I wish to thank all of you – research fellows, research associate, UiTM top management, Institute of Research Management and all our staff for all your hard work, dedication and commitment. Insyah Allah, lets pray that we can bring ARI HICoE and Universiti Teknologi MARA to greater heights in years to come.

Companies, UDA and MARA group of companies. Corporate Integrity Questionnaire is now made available online by IIM.

Thirdly, ARI has forged university-industry collaborations with enforcement agencies such as Royal Malaysia Police, Royal Malaysia Customs, Inland Revenue Board, Registry of Societies, Companies Commission of Malaysia, Financial Intelligence and Enforcement Department of Bank Negara Malaysia, Compliance Officer Networking Group and Institute of Banks in Malaysia to conduct research and conferences related to financial crime and money laundering. One yearly landmark conference co-organised by ARI with these agencies is the International Conference on Financial Crime and Terrorism Financing. The conference is attended by between 500- 1000 industry players both at the national and international levels.





Consultation
& Training



Publications



Inventions &
Innovations

MILESTONES

2010-2015



Postgraduate



Partnerships



Research

2010

MOVING ON WITH ISLAMIC FINANCIAL CRIMINOLOGY

The Evolution



By 2010, the Accounting Research Institute (ARI) is one of the six Higher Institutions' Centres of Excellence (HICoE) recognised by the Malaysian Government through the Ministry of Higher Education (MOHE). Though ARI focuses on its niche fundamental research in the area of Islamic Financial Criminology, the research centres and SIGs continues to work closely with the Faculty of Accountancy to explore new research areas.

Financial Criminology Training and a Visit to the Forensic Science Centre, Teesside University, UK

In March 2010, I went to the United Kingdom for eight days to participate in a training programme at the Fraud & Corruption Summit 2010. The training programme, which was held in London was jointly organised by the MIS Training Institute and other agencies such as the World Check and Septra Group. Keynote speeches were delivered by five renowned anti-fraud specialists: (i) Mr Stephen Harrison, Director of Enforcement, National Fraud Authority, UK, (ii) Mr Andrew Jennings, Investigative Reporter & Author, Specialising in Corruption in the Sports World (FAF) UK, (iii) Mr Ian Robinson, Director & Head of the Fraud Practice Network, UK, (iv) Ms BSO Sanga, Economic and Financial Crimes Commission of Nigeria and (v) Lady Olga Maitland, CEO Money Transfer International. International participants who came from more than fifty countries were exposed to real-life fraud and corruption cases. The training programme includes lecture, hands-on workshop, drama, forum and sharing sessions. Through case study evaluations, we learned new techniques or new world strategies for fraud prevention, detection and deterrence.



While in London, I also took the opportunity to visit the Teesside University at Middleborough, located on the North East side of the United Kingdom. At that time, Teesside University was just being named as "University of the Year" by the Times Higher (THE). One of the most prominent research centres at Teesside University is the Forensic Science Research Centre (FSRC). FSRC is jointly managed by renowned forensic science researchers/professors and forensic investigators. What is unique about the centre is its close collaboration with the police department in the UK. In fact I was told that the crime rate within the Middleborough area is one of the lowest in the country. Besides being equipped with different types of forensic laboratories, the centre has also built two crime scene houses. The university has converted two student residential houses into CSI laboratory. The Crime Scene House is divided into several "locations" such as living room, child room, garage, kitchen, bedroom, attic, bathroom, storage area, dark room etc. Students are readily exposed to different "real-life" situations involving different kinds of crimes. Even lectures are held within the crime scene houses.



In addition to the normal crime scene investigation, FSRC dedicates one specific department to handle cases involving financial criminology. The centre has a dedicated computer laboratory that keeps relevant financial databases used in financial investigations.

2011

Driving Research in Islamic Financial Criminology



COLLABORATIONS & STRATEGIC ALLIANCES WITH UNIVERSITIES & PROFESSIONAL BODIES (RESEARCH, PUBLICATIONS, CONFERENCE, STAFF & STUDENT EXCHANGE)



31

INTERNATIONAL

10

NATIONAL

SPECIAL AWARD FOR OUTSTANDING PAPER BY FELLOW AND STUDENTS



Awarded to:
Ms. Razana Juhaida Johari
Associate Professor Dr Zuraidah Mohd Sanusi
Professor Dr Rashidah Abdul Rahman
Professor Dr Normah Omar

Certificate of Recognition for outstanding paper titled "The Influence of Moral Intensity, ethical Orientation and Client Important on Auditor's Ethical Judgements"

1st International conference on Accounting, Business and Economics (ICABEC 2011)



Awarded to:
Associate Professor Dr Zuraidah Mohd Sanusi
Dr Zunaida Sulong Unisza
Mohamad Shahril Isahak

Outstanding Paper Award Certificate in Recognition of the Scholarly paper entitled "External Agency Monitoring Mechanisms and Earnings Management Towards Improvement of Financial Reporting Quality"

International Management Conference 2011



Awarded to:
Ms. Razana Juhaida Johari
Assoc. Professor Dr Zuraidah Mohd Sanusi
Prof. Dr Rashidah Abdul Rahman
Prof. Dr Normah Omar

The article "Understanding of Jones' Moral Intensity Construct: Ethical Decision Making for Public Accountants"

MIA Articles of Merit Award PATB 2010

CONSULTANCY AND TRAINING

5 Projects

Milestones 2010-2015

2012

CREATING A NICHE IN ISLAMIC FINANCIAL CRIMINOLOGY



Milestones 2010-2015

MOVING BEYOND NUMBERS

FRAUD METHODOLOGY CLUSTER

ANTI-MONEY LAUNDERING CLUSTER

ESTABLISHMENT OF RESEARCH CLUSTERS

CORPORATE INTEGRITY SYSTEM MALAYSIA (CISM) CLUSTER

ISLAMIC FINANCE AND SHARIAH GOVERNANCE CLUSTER



Islamic Accounting & Financial Criminology Conference (IAFCC)

International Conference on Financial Criminology (ICFC)

International Seminar on Governance & Financial Criminology (ISGFC)

International Conference on Governance, Management & Financial Criminology (ICGMF)

International Conference on Financial Criminology & Terrorism Financing (IFCTF)

International Conference on Islamic Finance, Mu'amalat & Financial Criminology (IFMFC)

International Conference on Corporate Governance (ICCG)

2013 Outcome:

PhD Colloquium during ICCG

Milestones 2010-2015

2014

**CREATING COMMUNITY
IMPACT & GOING GLOBAL**



The winner of "BEST ISLAMIC FINANCE EDUCATION PROVIDER 2014" at Global Islamic Finance Awards (GIFA) 2014

7

Memorandum of Understanding (MoU) signed with various international universities & institutions

5

"Best Paper Awards"
3 International level & 2 National level

21

Award for "Invention & Innovation"
10 International level & 11 National level

71

Indexed Conference Proceedings

61

Indexed Journals

4

International Conferences organized

12

Ph. D Graduates

Milestones 2010-2015

2015

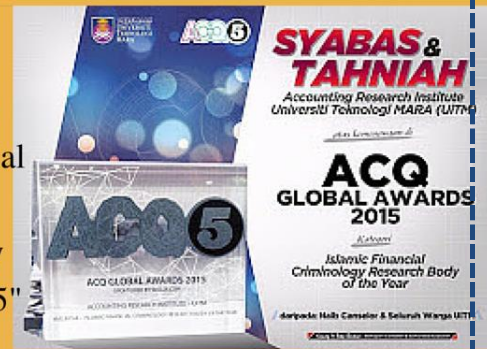
**Pioneering Islamic Financial
Criminology Research**



GIFA 2015
Winner of
"Pioneering
Islamic
Financial
Criminology
Research 2015"

ACQ Global
Awards 2015

"Islamic Financial
Criminology
Research Body
of the Year 2015"



8

Postgraduate
students

36

Awards for
"Invention &
Innovation"

40

Indexed
publications

5

International
Conferences
organized

10

Series of
Trainings &
Workshops

25

Research
Grants
awarded

GLOBAL ISLAMIC FINANCE AWARDS (GIFA)



Global Islamic Finance Awards (GIFA) are the first of their kind of awards and emerged as the most respectable market-led awards in Islamic banking and finance. GIFA is based on an objective proprietary methodology developed by Edbiz Consulting, these awards recognize and celebrate success and contributions of individuals and institutions in the Islamic financial services Industry.

Objective of GIFA

The objective of GIFA is to highlight the best practices in Islamic banking and finance and celebrate success of governments, institutions and individuals in Islamic banking and finance, with an ultimate objective of promoting social responsibility, adherence to Shari'a authenticity and commitment to Islamic banking and finance.

Methodology of GIFA

The decision on the winners for GIFA developed by Edbiz Consulting is based on an objective proprietary methodology. Each year, GIFA nominations are announced in the second or third quarter and remain open till the end of the third quarter of the year, or later if no clear winners emerge.

At the heart of the selection methodology is the comprehensive research undertaken by Edbiz Consulting. There are two ways nominations are determined. The first is where nominations are accepted from industry players who would like to be considered for a GIFA in a particular category. This is the case for "Self Nominations." The second is where the research team recommends to the Nominations Committee the names of the institutions and individuals, which their research supports for a GIFA. This is known as "Edbiz Nominations." Each category may have up to five nominations. Edbiz nominees are informed by Edbiz Consulting of their nominations. After rigorous performance analysis of nominees they make final recommendations to the Awards Committee. The GIFA Awards Committee attempts to ensure complete transparency based on four main terms that shown in the graph.



Selection Criteria

On top of GIFA's Selection Criteria are:



The above three factors receive 100 points in total: Social Responsibility (33); Shari'a Authenticity (33), and Commitment to Islamic Banking & Finance (34).

Scoring Formula

The following exponential formula is used to evaluate the nominations. The nominee in a given category, obtaining the highest score wins.

$$\text{SCORE} = [\alpha_0 + \sum_{i=1}^4 \alpha_i X_i] e^{\beta_0 + \sum_{j=1}^3 \beta_j Y_j}$$

where α_i and β_j are the weights assigned to X_i and Y_i variables, respectively.

X_1 (Innovation) = Number of new products in case of the institutions / individuals and number of new features in case of the products

X_2 (Quantity and Quality) = $X_{21} + X_{22}$

X_{21} = Number of products

X_{22} = Quality of products (i.e., plain vanilla, complicated, sophisticated etc.)

X_3 (Cross Border Products / Transactions) = 1 if the product in question is a cross border transaction; 0 otherwise. In case of institutions, actual number of cross border products and transactions is used

X_4 (Promotion of the Growth of the Industry) = Number of conferences, seminars, and other events attended / sponsored; other forms of patronage of the industry like membership of the Islamic finance bodies like AAOIFI, IFSB etc is also included

Y_1 (Social Responsibility) = Amount contributed to social causes

Y_2 (Shari'a Authenticity) = 0.33 for AAOIFI compliancy; 0.25 for national body compliancy; and 0.2 for Shari'a board compliancy

Y_3 (Contribution to Islamic Banking & Finance) = 0.34 for stand-alone fully-fledged Islamic financial institutions; 0.25 for independent subsidiaries of Islamic financial institutions; 0.20 for an Islamic window with adequate segregation of business and operations (e.g., through Islamic branches); 0.15 for Islamic windows without dedicated Islamic branches.

Flashback on previous GIFA ceremony

To date over 120 awards have been issued in about 40 categories. The winners have come from 16 countries so far, with Malaysia winning the maximum number of awards (42 in number and 35% of the total). Accounting Research Institute, UiTM bagged the Best Islamic Finance Education Provider award in 2014. Best Islamic Finance Qualification, Best Zakat Distribution Program and Best Research in Islamic Financial Criminology awards of 2015 achieved by Universiti Teknologi MARA.





The ACQ Global Awards are the single largest program of their kind in the market.

Since 2006, the ACQ GLOBAL AWARDS have been celebrating achievement, innovation and brilliance in their annual awards. Anybody can make that claim, but ACQ really is different. We boast a legitimately independent nomination process, most importantly, our award winners, are chosen by the industry itself.

The ACQ Global awards rise above the status of participation certificate and actually represent an endorsement of outstanding work. It recognises smaller market participants as well as larger firms adapting international models to unique geographies. The ACQ Global Awards set out to recognise the achievements of those who are responding most successfully to the demands being placed on them in the new post-recession business environment. Hosted by ACQ magazine & the ACQ5 news portal, the Awards are divided into COMPANY, PRACTICE AREA, INDIVIDUAL and FIRM-WIDE categories within the public & private sectors.

Award Eligibility

Organisational participation include private companies, publicly listed companies, multi-national subsidiaries, non-government organisations, educational institutions, franchise systems, partnerships, educational institutions, government departments, government agencies, local government and statutory bodies operating in both locally and internationally. Initiatives can include but are not limited to projects, programs, processes, services, systems, technologies, developments, ventures and undertakings.

Award Assessment

Entries are assessed utilising a robust and dynamic framework to ensure that the assessment process is pertinent and objective. The ACQ Annual Award Framework (AAA Framework) is utilised as a structured model of assessment that enables the participating organisations to be benchmarked against world class performance standards.

ARI-ACQ Global Award Winner

Along with other market leader and large corporation, Accounting Research Institute has been awarded with ACQ Global Award in the category of Islamic Financial Criminology Research Body of the Year in 2015. This recognition greatly reflects ACQ's strong effort to promote and advocate leading academic research in Islamic Finance globally. This award reinforces ARI's reputation as a prominent research centre and ARI aspires to continuously support the prosperity of Islamic Finance and aims to become a reference centre for global research.

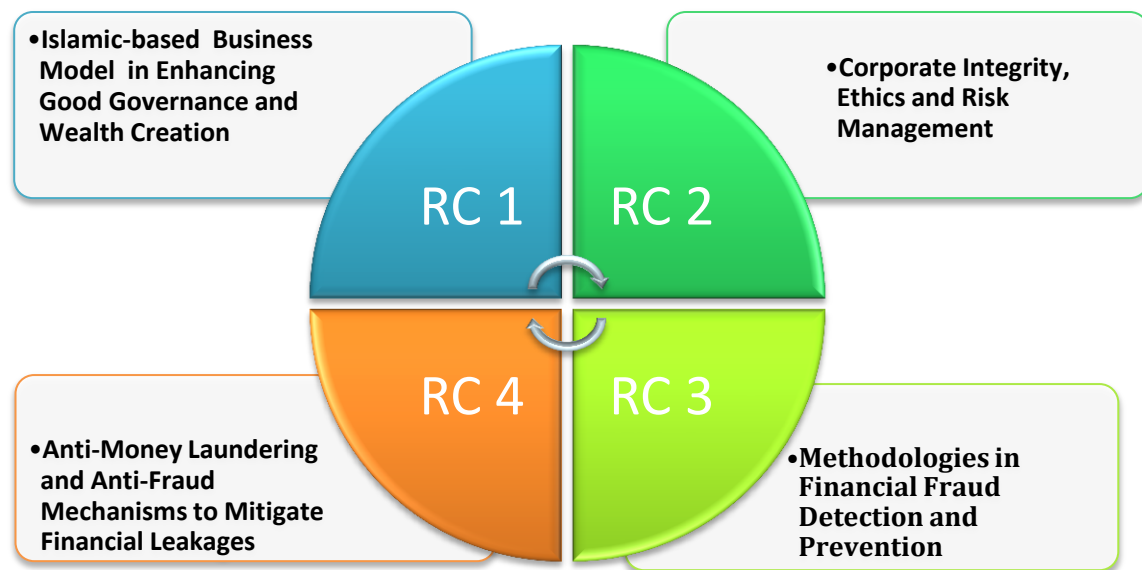


RESEARCH CLUSTERS

ISLAMIC FINANCIAL CRIMINOLOGY: ARI'S RESEARCH CLUSTERS 2015-2018

IFC as a concept encompasses two main domains namely *Islamic Finance* and *Financial Criminology*. ARI believes that in developing a sustainable Islamic Finance Hub, Malaysia must continue to introduce new Islamic finance products as well as be mindful of the potential risks of financial crimes that could retard the growth of the Islamic Finance sector.

RESEARCH HIGHLIGHTS



Cluster 1: Islamic-based Business Model in Enhancing Good Governance and Wealth Creation

Towards becoming a global Islamic financial hub, an Islamic-based business framework can be explored and expanded to transform dynamic existing businesses that were incorporated using conventional capitalistic approach into Islamic-based organizations to address the socio-economic injustice within the nation, and consequently to transform the nation into a high-income status by creating wealth equitably to the ummah with ethical and moral values.

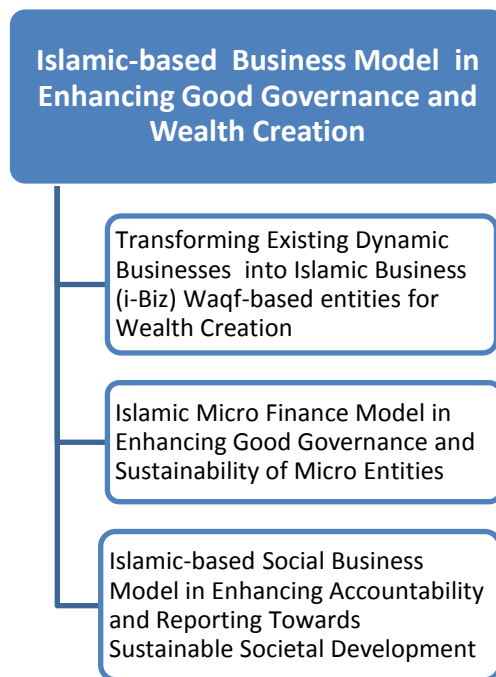
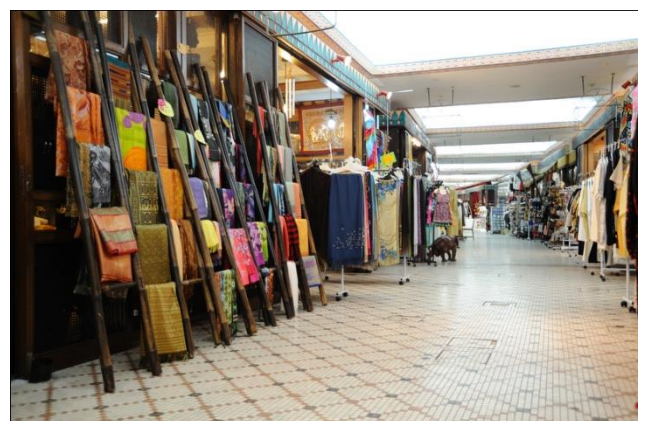


Figure 1. Islamic-based Business Model in Enhancing Good Governance and Wealth Creation





2015 OUTPUT



Research Projects

- Transforming dynamic businesses into waqf-based entities (i-biz)-towards islamic governance and mitigation of financial leakages for wealth creation
Assoc Prof Dr Faizah Binti Darus, Tan Sri Muhammad Ali Hashim, Dato' Prof Dr Mustaffa Mohamed Zain
- Governance framework for islamic-based social business
Assoc Prof Dr Roshayani Binti Arshad, Norliza Omar, Dr Aida Maria Ismail, Nur Hayati Abd Samad
- Modern corruption under islamic perspectives
Assoc Prof Dr Halil Bin Paino, Khairul Anuar Bin Abdul Hadi, Azlan Bin Md Thani, Dr Syahrul Ahmar Ahmad
- Social impact assessment for waqf-based social business
Assoc Prof Dr Abd Halim Bin Mohd Noor, Zunaidah Abd Hasan, Dr Shafinar Ismail
- Monitoring the quality of life of women entrepreneurs towards the enhancement of the islamic microfinance model
Dr Salwana Binti Hassan, Dr Abul Bashar Bhuiyan, Assoc Prof Dr Nawal Kassim, Dr Geeta Subramaniam, Dr Mahmudul Alam, Nor Azlina Abd Rahman, Dr Ruhaini Muda
- Modelling zakah distribution efficiency by integrating maqasid syariah in maslow theory
Dr Maheran Binti Zakaria, Dr Intan Marzita Saidon, Nik Zam Nik Wan, Dr Noor Marini Abdullah

Research Publications

- Altruism: its importance in sustaining microfinance development
Siti Khadijah Binti Ab Manan (Dr), Mohd Faizal Bin Kamarudin, Nor Effuandy Pfordten Mohd Saleh
- Embedding accountability into the management support system in islamic organizations
Nawal Binti Kasim (Hajah) (Dr), Norraini Nordin, Sheila Nu Nu Htay, Syed Ahmed Salman
- Performance of islamic microcredit in perspective of maqasid al-shariah: a case study on amanah ikhtiar malaysia
Salwana Binti Hassan (Dr), Jamaliah Bte Said (Dr.)(Hajah)
- Risk management of islamic microfinance (imf) product by financial institutions in malaysia
Siti Khadijah Binti Ab Manan (Dr), Muhammad Hakimi Bin Mohd Shafiai
- Shariah principles of sukuk structure in islamic capital market
Norlela Binti Kamaluddin, Siti Khadijah Binti Ab Manan (Dr), Fadzlan Sufian, Shila Nu Nu Htay

Innovation & Networking

- i-Biz Waqf Business Profiling Database System
- i-SErs to assist regulators and the public to assess Third Sector Organisations operating as Islamic-Based Social Enterprise
- MoU with the Yayasan Tuanku Mizan Terengganu
- MoU with the University of Bonton, UK
- Collaboration with the Burgas Free University
- International Conference on Islamic Economics, Governance and Social Enterprise (IConIGS) 2015



Cluster 2: Corporate Integrity, Ethics and Risk Management



Despite aggressive exertion of the Malaysian government against corruption, the issue of ethics and integrity are still rampant, and it is one of the important cause of organizational failure. To mitigate the issue of bribery, it is vital to elevate the confidence among investors by portraying a sustainable business competitive advantage yet still promote healthy competition among businesses in Malaysia. Therefore, besides effective governance, in order to dent on corruption, corporate ethics and integrity systems should be institutionalized. Nevertheless, the current practice of corporate ethics and integrity framework at corporate levels are still scarce. The lack of specific and practical instrument in fighting corruption as well as controlling business misconducts will add more severity to this issue. As such, this research cluster aims to develop corporate integrity systems to facilitate organization to assess and measure the progress in making a formal and transparent commitment to ethics and integrity business. The research cluster solicits the views of corruption investigators on the existence and effectiveness of corruption prevention mechanisms within the two sectors.

Corporate Integrity, Ethics and Risk Management

- Corporate Ethics and Integrity System: Good Governance Measures
- Corruption Risks and Mitigation Approaches in Public and Private Sectors
- Risk Assessment and Shariah Audit towards Shariah Compliance

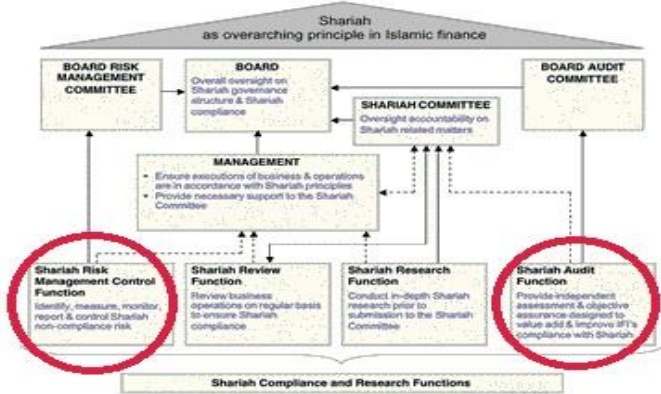
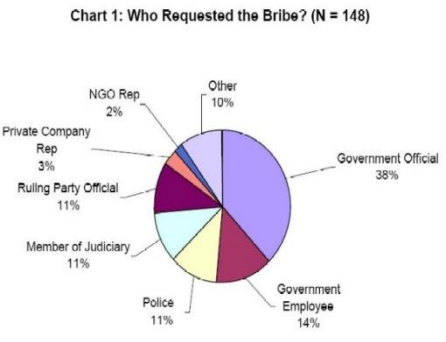
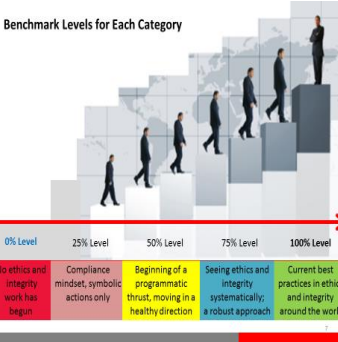


Figure 2 Corporate Integrity, Ethics and Risk Management

2015 OUTPUT

Research projects

- Identifying the elements in determining the corruption perception index
Prof Dr Nafsiah Bte Mohamed, Rosmawati Binti Haron, Rozaiha Binti Ab Majid, Siti Aisyah Binti Basri
- Corporate integrity system for public and private sector: towards improving transparency
Assoc Prof Dr Jamaliah Bte Said, Dr Razana Juhaida Binti Johari, Prof Dr Ruhaya Binti Atan, Assoc Prof Dr Nuraisyah Chua Abdullah, Dr Nor Balkish Binti Zakaria
- Funds management and internal control practices of jameq mosques in malaysia
Dr Intan Salwani Binti Mohamed, Assoc Prof Dr Roshayani Arshad, Assoc Prof Dr Norzaidi Mohd Daud, Saliza Sulaiman, Noor Hidayah Ab Aziz
- Enhancing accountability via internet financial reporting by public listed companies in malaysia: an assessment of usability
Assoc Prof Dr Mohamad Noorman Bin Masrek, Assoc Prof Dr Jamaliah Said, Dr Shuhaida Mohamed Shuhidan
- Corporate integrity among syariah compliance firms and delisted syariah compliance firms after compliance screening methodology 2013 by sac
Dr Nor Balkish Binti Zakaria, Ida Suryani Ismail, Nurul Azlin Azmi, Dr Norazida Mohamed
- Management accounting best practices model for reducing corruption in public sector
Prof Dr Ibrahim Kamal Abd Rahman, Assoc Prof Dr Jamaliah Said, Nor Azlina Abd Rahman

Research Publications

- Assessment of the practices of internal control system in the public sectors of malaysia
Mohamad Azizal Abd Aziz, Jamaliah Said, Md Mahmudul Alam
- Public accountability system: empirical assessment of public sector of malaysia
Jamaliah Said, Md. Mahmudul Alam And Mohamad Azizal Bin Abd Aziz
- Do corporate governance mechanisms influence environmental reporting practices? Evidence from an emerging country
Haslinda Yousoff, Faizah Darus, Sharifah Aminah Ab Rahman

Innovation & Networking

- The corporate ethics and integrity system can be applied to the organizations to achieve the highest level of corporate integrity within an organization
- Corruption Risk Assessment System and Financial Trend Monitoring System can be used by Public and Private sectors.
- Risk assessment and Shariah audit framework will be a guideline to compliment the existing mandatory audit in Islamic organizations in terms of Shariah compliance activities.
- 2nd International Public Sector Conference (IPSC) 2015, Indonesia



Cluster 3: Anti-Money Laundering Mechanisms to Mitigate Financial Leakages

Notwithstanding this noble goal, Malaysia needs to recognize a key problem area which could potentially impact negatively on the satisfactory achievement of this goal; i.e. the high prevalence of leakages due to fraud. Organizations especially corporations, risk financial loss or suffer a tainted reputation or witness their sustainability adversely affected when the management, employees and external third parties commit fraud. The scenario becomes worse when measures and controls are absent or inadequate, thus depreciating the organization's competitiveness or even endangering its position in the market. The latest trend of fraud involves money laundering offences. It is a truism that effective AML/CFT systems would be able to assist corporations and other entities in detecting the proceeds of financial crimes and terrorism financing and prevent the perpetrators of such crimes from enjoying the proceeds of their crimes. With the mounting pressure for regulatory compliance, the increasing incidence of financial crimes and the growing complexity of fraud and money laundering schemes, it is imperative that corporations, NPOs, and wakaf organisations should upgrade their systems, streamline their processes and improve efficiencies within their organisations.

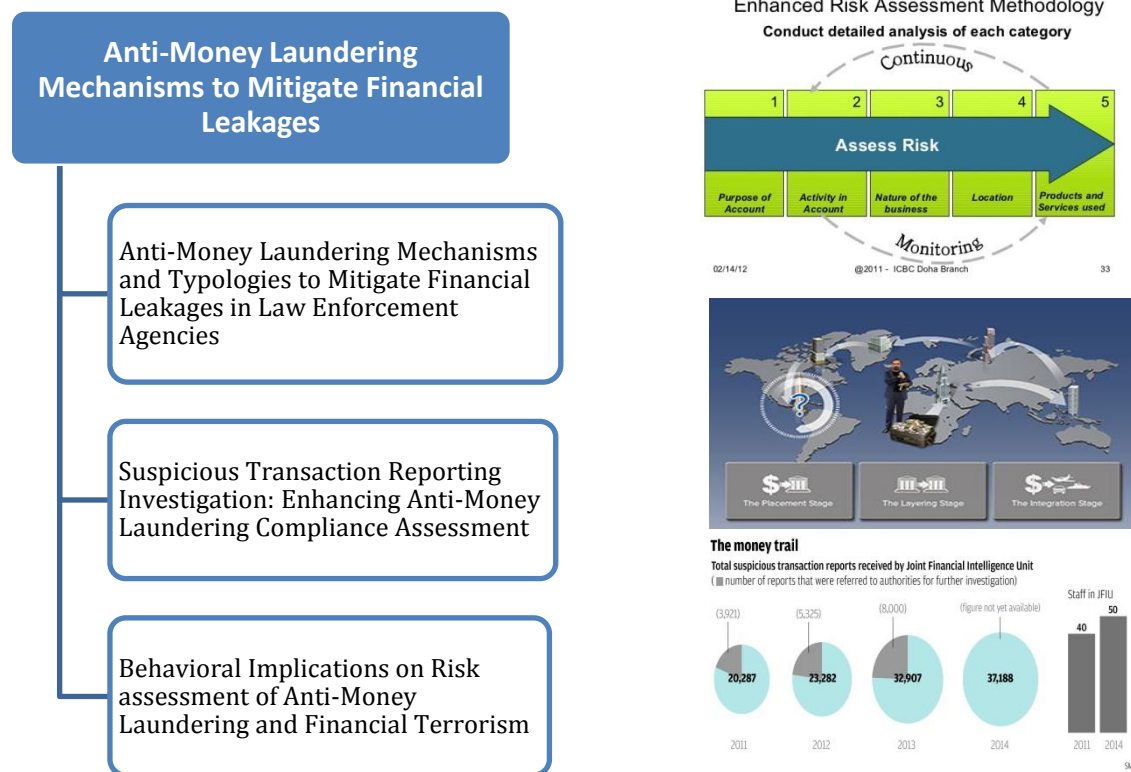


Figure 3 Anti-Money Laundering Mechanisms to Mitigate Financial Leakages

2015 Research output :

Research projects

- Effectiveness of anti money laundering act implementation in the Malaysian enforcement agencies
Prof Dr Rohana Bt Othman, Assoc Prof Dr Zaiton Binti, Nooraslinda Binti Abdul Aris, Safawi Bin Abdul Rahman, Siti Suharti Binti Sukir
- Fraud and money laundering risks among income tax payers in Malaysia
Assoc Prof Zuraidah Binti Mohd Sanusi, Assoc. Prof Dr Amrizah Kamaluddin, Assoc. Prof Dr Rohaya Mohd Noor, Prof. Dr Takiah Iskandar, Dr Norazida Mohamed, Yusarina Mat Isa
- The influence of competency, organizational commitment and professionalism in detecting the prevalence of money laundering activities among customs officers: Case of cross border movement
Prof Dr Normah Bt Haji Omar, Assoc Prof Dr Zuraidah Mohd Sanusi, Assoc Prof Dr Zaiton Hamin, Dr Md Shamimul Hassan, Dr Mohd Saiyidi Mokhtar Mat Roni

Research Publications

- Effectiveness of AML-CFT regime of Malaysian Enforcement Agencies
- Money Laundering Risk Assessment by Investment Bankers
- Money Laundering Risk Assessment Designated Non-Financial Businesses and Professions (DNFBPs)
- Money Laundering Risk Assessment by the Law Enforcement Agencies
- Money Laundering and Terrorism Financing: Controlling Mechanisms and Fraud Occurrences
- Reviewing Money-laundering Cases Under AMLATPUA 2001: Inefficiency in the Procedural Process

Innovation & Networking

- Money Laundering Compliance Model
- AML Manual for Profiling Money-Laundering Activities
- 7th International Conference on Financial Criminology (ICFC 2015)



Cluster 4: Methodologies in Financial Fraud Detection and Prevention

Fraud is increasing dramatically in tandem with the rapid progression of modern technology and global communication, resulting in substantial losses to the business. It has escalated to become a global concern and significantly threatens organization. The true extent of fraudulent instances is unknown. However, the reported incidents show an ever-increasing trend in the number and size of frauds. Prior research on the occurrence of fraud has addressed the effectiveness of monitoring mechanisms such as good governance, sound internal control procedures, and fraud prevention programs. However, research results do not help to understand fully how these factors may mitigate incidences of fraud in developing countries. In addition, incentives to reduce or prevent fraud may not be applicable across various industries.

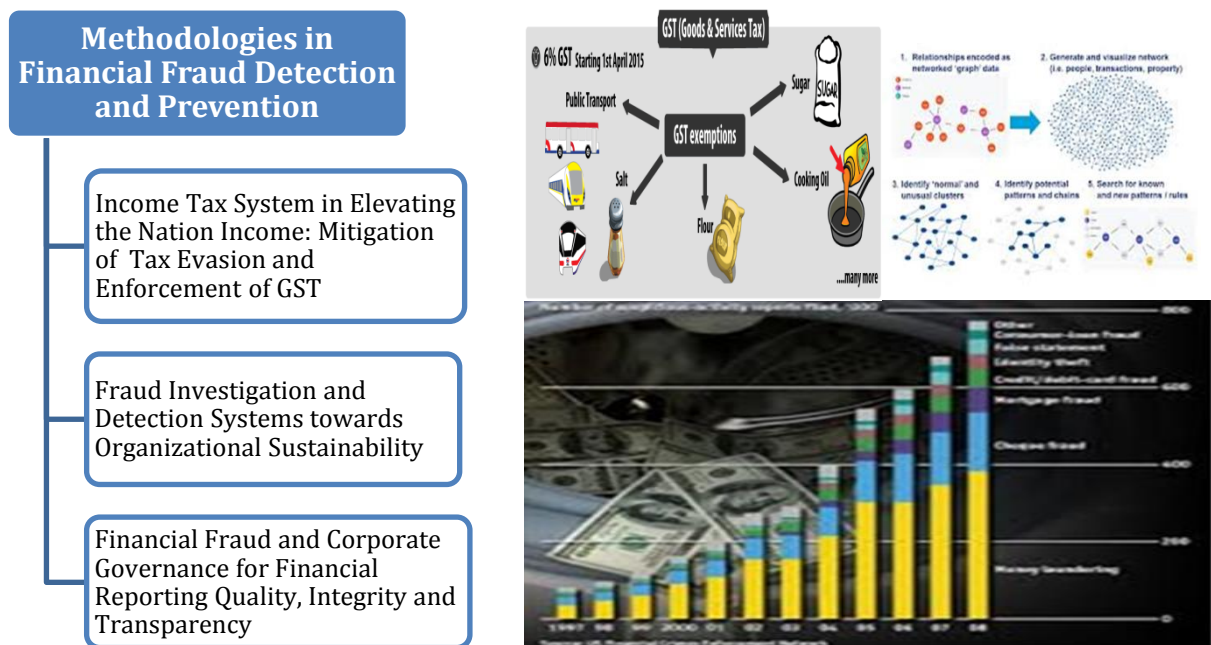


Figure 4. Methodologies in Financial Fraud Detection and Prevention

2015 Research output :

Research Projects

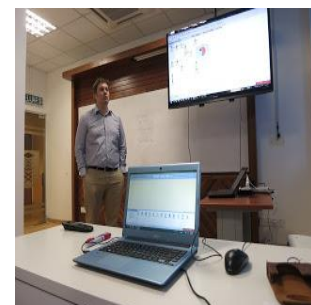
- Mitigation financial fraud: understanding roles of company, management, internal & external auditors (cases of malaysian commercial companies)
Norazida Binti Mohamed (Dr), Dr Nor Balkish Binti Zakaria, Morrison Handley Schacalar
- The impact of shariah on earnings management of malaysian ipo firms
Dr Rahayu Binti Abdul Rahman, Prof Dr Normah Omar, Naimah Zaini, Mohd Taufik Suffian
- Fraud detection in government financial payment
Dr Shuhaida Binti Mohamed Shuhidan, Assoc Prof Dr Zuraidah Mohd Sanusi, Assoc Prof Dr Mohamad Norman Masrek, Saidatul Rahah Hamidi
- Earnings conservatism and ifrs: evidence from asean countries
Dr Marziana Binti Madah Marzuki, Dr Effiezal Aswadi Abdul Wahab, Assoc Prof Dr Roshayani Arshad
- Managing fraud risks: giving punishment more bite
Dr Yang Chik Binti Adam, Habibah Kiprawi, Lee Chong Fook, Prof Dr Normah Hj Omar
- Integrated evaluation methods financial misreporting data of PLCs
Assoc Prof Dr Zuraidah Binti Mohd Sanusi, Dr Soheil Kazeiman, Dr Nor Balkish Zakaria, Dr Abideen Adewale Adeyami, Mohd Taufik Mohd Suffian
- An evaluation of tax audit and investigation effectiveness: an experimental approach
Prof Dr Takiah Mohd Iskandar, Assoc Prof Dr Zuraidah Mohd Sanusi, Assoc Prof Dr Amrizah Kamaluddin, Assoc Prof Dr Rohaya Md Noor, Dr Norazida Mohamed
- The impact of firm's level corporate governance on market performance
Dr Md Shamimul Hasan, Prof Dr Normah Omar, Assoc Prof Dr Zuraidah Mohd Sanusi

Research Publications

- Auditors roles towards the practice of earnings manipulation among the malaysian public firms
Fazrul Hanim Binti Abd Sata, Nor Balkish Binti Zakaria (Dr), Nur Izyan Ismail
- Financial difficulties and performance among fraudulent firms
Norhidayah Binti Abdullah, Nor Balkish Binti Zakaria (Dr), Nur Azira Sawal
- How effective is board independence to the monitoring of earnings manipulation?
Nurul Azlin Binti Azmi, Nor Balkish Binti Zakaria (Dr), Mohd Fazrin Busirin

Innovation & Postgraduate

- Fraud risk indicators to predict occurrence of financial fraud in organizations
- Fraud Guard-Score
- Creative Accounting Detection System
- Fraud Prediction Model
- Fraud Investigation and Detection Systems
- MoU with the Sambhram School of Management, Bangalore



THE WAY FORWARD

The research programmes provide alternative and innovative practice solutions towards Malaysia's drive to become a high-income nation by 2020. Innovative Islamic-based revenue generation options in the forms of Waqf, Islamic Microfinance, and Islamic-based social investments provide numerous and various potential for business sustainability. In addition to that, business sustainability is also achieved through good governance measures to mitigate financial leakages. The ability of the program to include various stakeholders from various economic sectors (i.e. Public, private and NPO-third sector). The achievement of this program will contribute significantly to the nation through elevation of poverty and enhancement of GDP. The availability of technology-based data system from this program will position Malaysia as a reference centre in Islamic Financial Criminology.

One of the first steps undertaken by ARI towards internationalisation is to establish strategic alliances with various related agencies such as Islamic banks, Zakat centres, Wakaf institutes, Religious councils, Islamic universities, JAKIM, IBFIM, Amanah Ikhtiar Malaysia (AIM), Islamic Foundations, Registry of Societies, Companies Commissions Malaysia, Bank Negara Malaysia, PDRM, RMC, IRB, SPRM and many others. Next, collaborations are established at regional and international levels involving entities and agencies from various countries. To date, ARI has signed Memorandum of Understanding with countries such as Bangladesh, Indonesia, Singapore, Thailand, Philippines, India, Pakistan, Japan, Korea, Taiwan, China, Turkey, Tunisia, Australia, New Zealand, United Kingdom and the United States of America.



In its own small ways, through its niche research in Islamic Financial Criminology, ARI will be able to create a significant impact to the community. Jobs and value created through its Islamic Finance-based research clusters will change lives. Similarly, financial leakages saved from its financial criminology-based research clusters will ensure sustainability development of the Islamic Finance Hub. Just as when Malaysia becomes a Global Islamic Finance Hub, ARI too hopes to become a global reference centre in Islamic Financial Criminology.



Research Centres

As a national centre of excellence and accorded the status of a Higher Institutions' Centres of Excellence (HICoE), ARI coordinates eight research centres co-established with various national and international professional agencies.



RESEARCH CENTRE

Asia-Pacific Forensic Accounting Research Centre (AFARe)

AFARe was established from a collaboration between the Universiti Teknologi MARA (UiTM), the Association of Certified Fraud Examiners (ACFE, Malaysia Chapter) and the University Of Teesside (Centre for Fraud and Financial Crime), United Kingdom, and aimed to enrich and enlighten sovereign synergy towards better approaches in accumulating more knowledge and expertise on fraud, forensic accounting and financial criminology to the academia and practitioners. The centre is headed by Prof. Dr. Rohana Othman.

AFARe Continues its Excellence!

Congratulations! AFARe's ARI research team bagged one (1) gold medal at the 26th International Invention & Innovation Exhibition (ITEX) held at the Kuala Lumpur Convention Centre (KLCC) from 21 - 23 May 2015. The victorious research team from AFARe led by Professor Dr. Rohana Othman. Their winning project is:

FINDS: FRAUD INVESTIGATION & DETECTION SYSTEM

Team members: Prof Dr. Rohana Othman, Mohamad Affendi Abdul Malek, Nooraslinda Abdul Aris, Siti Maznah Mohd Arif and Dr. Intan Salwani Mohamed



AFARe organized the 7th International Conference on Financial Criminology co-organized by Teesside University and Universiti Teknologi MARA on 13-14 April 2015 which were held at Oxford University, United Kingdom. Besides, AFARe also organized a special workshop on "Publishing in High Impact

Journals" conducted by Professor Paul Barnes, as part of his scheduled itinerary as a visiting professor.



Continuing its initiative to connect with the local industry, a team from the Accounting Research Institute, Universiti Teknologi MARA participated as rapporteurs at the 2-day 7th International Conference on Financial Crime and Terrorism Financing, October 7-8 2015 (ICFCTC) at Sasana Kijang, Kuala Lumpur. The rapporteur team from ARI has maintained thorough and accurate reporting of the conference proceedings since 2013, and this has won the trust of the conference co-organizers, the Asian Institute of Finance (AIF) and the Malaysian Compliance Officer's Networking Group (CONG) to invite ARI to provide a team of rapporteurs to the conference. The conference in 2015, was supported by the Bank Negara Malaysia and the Securities Commission Malaysia.

The considerable and impressive accomplishments by AFARe is a testament to its continued focus to remain a vanguard of accounting research and innovation. It is indeed a great honour and recognition to ARI.

RESEARCH CENTRE

Asia Pacific Centre for Sustainability (APCeS)

APCeS is set up to offer synergy in providing more knowledge and expertise in corporate social responsibility (CSR) related issues, covering both Islamic and conventional CSR domain. The centre has entered into numerous collaborations with CSR focused institutions in promoting and advancing CSR activities and research in Malaysia as well as the Asia Pacific Region. The center is headed by Assoc. Prof. Dr Faizah Darus.

Collaborations and Networks



APCeS researchers regularly arrange collaborations with external partners to share knowledge and expertise. During 2015, several international collaborations and networks visits with our international partners were undertaken. Among the universities visited in 2015 were London South Bank University, Oxford Centre for Islamic Studies and Durham Centre for Islamic Economics and Finance.



International Conferences

APCeS members also had the opportunity to present their research works at international conferences in 2015. Among the international conferences participated by APCeS members include the 7th International Conference on Financial Criminology (ICFC), 13-14 April 2015 held at Wadham College, Oxford University and the AicE-Bs2015 Barcelona, Spain, 31 August - 05 September 2015.



Best Paper Awards

During 2015, APCeS members won two best paper awards for presentation at the AicE Bs2015Barcelona, a conference in Barcelona, Spain.



Research Retreat



A round-table research retreat with Y Bhg Tan Sri Muhammad Ali Hashim and members of the Corporate Waqf research project was held at the Palaces of the Golden Horses on 27 Feb – 1 March 2015 to discuss and clarify related issues relating to the research project. The members of the project comprise of researchers from Universiti Sains Malaysia (USM), International Islamic University (IIUM), Universiti Teknologi MARA (UiTM) and IBFIM.



ACCA MasRA Award

During the 2015 ACCA Malaysia Sustainability Reporting Awards (MasRA), Head of UiTM-ACCA Asia-Pacific Centre for Sustainability (APCeS), Assoc Prof Dr. Faizah Darus acted as one of the short-listing judges for the prestigious award. The award which was held by ACCA aims to give recognition to organisations which report and disclose full sustainability, environmental or social information and to encourage sustainability reporting.



RESEARCH CENTRE

Asian Management Accounting Research Centre (AMARC)

AMARC was officially formed on 19 December 2003 with the signing of a Memorandum of Understanding (MOU) between the Chartered Institute of Management Accountants (CIMA Malaysia Division) and Universiti Teknologi MARA. As agreed under the MOU, UiTM would manage AMARC as an empirical research centre and to conduct qualitative and applied research in the field of management accounting. CIMA on the other hand will provide technical advice and assists in the dissemination of AMARC's research findings. The center is headed by Prof. Datin Dr Suzana Sulaiman.

APMAA Conference 2015

The Asia-Pacific Management Accounting Association holds its 11th Conference (APMAA 2015) in Bali, Indonesia at Udayana University and Warmadewa University from October 26-29, 2015. Following the BOD meeting

was the official opening of the Ph.D. Colloquium of the APMAA Conference. The opening ceremony of the Ph.D. colloquium was graced by the Rector of Warmadewa University, Prof. Dr. Dewa Putu Widjana, DAP&E., Sp.ParK and attended by the conference participants, staff, and students. The Ph.D. colloquium started with a Ph.D. Workshop on Research Method by three professors - Prof Dr. Jan Alpenbergh, the Dean of the Faculty of Accounting and Logistics, Linnaeus University, Vaxjo, Sweden, Prof Dr. Normah Omar, Universiti Teknologi MARA and Prof Grahita Chandarain, University Merdeka Malang Indonesia. The rest of the days carried out with several plenary sessions related to the conference theme.



International Accounting & Business Conference

The 4th International Accounting and Business Conference (IABC) which was organized by Universiti



Teknologi MARA Johor was recently held on 17-18 August 2015 at the Everly Hotel in Putrajaya. As a co-organizer, the Accounting Research Institute (ARI) handles the publication of proceeding book - PROCEDIA.



RESEARCH CENTRE

Corporate Governance Research Centre (CGRC)

The first and earliest research centre that was approved by the university's Executives Committee in January 2002. Its formation is the result of a joint collaboration between Universiti Teknologi MARA and the Malaysian Institute of Corporate Governance (MICG). Several research activities have been achieved throughout 2015 including co-organization of conferences and publication of articles in journals. This centre is headed by Dr Intan Salwani Mohamed.

MoU Signing with Samhbram

A Memorandum of Understanding (MoU) has been signed between Universiti Teknologi MARA (UiTM) and the Samhbram Group of Institutions. Specifically, international collaborations in research, publication and staff exchange will be initiated by the Accounting Research Institute (ARI) and the Sambhram Academy of Management Studies (SAMS). The MoU is signed by UiTM's Vice Chancellor (in absentia), Tan Sri Prof Ir Dr. Sahol Hamid Abu Bakar and Samhbram's Vice President Mr. V. Nagaraj. SAMS Director, Professor K.C Mishra while Professor Dr. Normah Omar stood as witnesses for the MoU.



International Conference On Higher Education

A two-day International Conference on "Creating a Sustainable Lens for Higher Education: The New Urgency" was organized by the Sambhram School of Management on July 29-30, 2015. The conference was sponsored by the All India Council for Technical Education (AICTE). Following the opening ceremony by the Vice President Mr. V, Nagaraj, the first day of the conference observed three plenary sessions and one parallel session. Invited resource persons have included Professor Susanne Maria Weber, a professor of Social, Political and Cultural Conditions and Contexts of Education in international perspective at Philipps University of Marburg, Germany. She is also an Adjunct Professor of the Global Education Program at the Centre of Global Studies in Education at the University of Waikato, Hamilton (New Zealand) and Professor S. Bisaliah, a former Vice Chancellor, University of Agricultural Sciences, Bangalore. Two of ARI fellows; Prof Dr. Normah Omar, Assoc Prof Dr. Zuraidah Mohd Sanusi, were present for the conference.



Seminar Penulisan & Penerbitan Saintifik 2015

Dr Intan Salwani Mohamed was invited as speaker for this event which was organized by Nuclear Agency, Malaysia & Ministry Of Science, Technology & Innovation (MOSTI) Malaysia. Dr Intan gave away her speech on the topic of “Membina bahan Berkualiti Dalam Penulisan Jurnal”. The program was took place at the Hatten Hotel, Malacca on 27 & 28 May 2015.



Seoul Management and Marketing Conference, 2015



Dr Intan Salwani Mohamed attended at the Seoul Management and Marketing Conference as a speaker where she delivered talk on the topic of “Mosques Fund Management: A study on Governance and Internal Control Paractices”. The conference was held on 5-7 September 2015 at Ramada Hotel Dongdaemun, South Korea.

The 9th International Conference on Management, marketing and Finances, 2015

Dr Intan also presented a paper at the 9th International Conference on Management, marketing and Finances , 2015. The article was entitled “Development of Local Exchange Trading System for Islamic Microfinance Institutions”. The conference was organized by the World Scientific and Engineering Academy and Society. The conference also took place at Ramada Hotel Dongdaemun, Seoul on 5th to 7th September 2015.

Award and Recognition

The centre achieved two Gold award for its outstanding innovation and product development in 2015. The details of products and awards as per below:

- i. Gold Medal, IIDEX 2015, UiTM
Product: Mosques Fund Management System: A Product of TECHPROVED
- ii. Gold Medal, PECIPTA 2015
Product: Mosques Fund Management System: A Product of TECHPROVED



RESEARCH CENTRE

Financial Reporting Research Centre (FRRC)

In line with the Financial Criminology research agenda of ARI, this particular centre has been able to attract strategic alliance and partnerships with certain sectors of the industry in their efforts to safeguard the accountability of the sectors. In particular, FRRC members have been heavily involved in the development of the Financial Reporting Framework for the non-profit sector and convergence efforts towards accrual accounting in the public sector. This centre is headed by Assoc. Prof Dr Roshayani Arshad.



Social Enterprise Activity

One of the six research clusters undertaken by the Accounting Research Institute (ARI) under its HICoE initiative involves Islamic-based Social Enterprise Among the Youth. The cluster is headed by ARI research fellow, Associate Professor Dr. Roshayani Arshad. Recently, Dr. Roshayani was involved with the training of "disability" youth for her "Berbudi Kitchen" project.



The aim of the project is to enhance the groups' economic status by selling their products - cookies, cakes, etc. Selected agencies such as "Agensi Inovasi Malaysia" and other Non-Government Organizations or NGO come forward to facilitate with business financing.



RESEARCH CENTRE

Government Linked-Companies Research Centre (GLCRC)

GLCRC was set up with the main aim to drive various research related to the issues of GLCs. To date, GCLCRC has been working closely with the main GLCs in Malaysia. With all the ongoing efforts, GCLCRC is on its way to be a leader in International Government Linked Companies Research Centre that drives superior knowledge creation and dissemination through various Industrial Linkages. The center headed by Assoc Prof Dr Jamaliah Said.

Corporate Integrity Activity of UDA Holding

The Accounting Research Institute (ARI) appreciates and recognized UDA Holding's initiative to undergo the Corporate Integrity Assessment - a collaboration between the Malaysian Institute of Integrity and ARI. The event took place on 3rd November 2015 at UDA Holding. The assessment, using the Corporate Integrity Assessment Questionnaire (CIAQ) instrument was carried out. A preliminary result has been presented to UDA's Corporate Integrity Department.



National Integrity Convention 2015

National level integrity convention took place on 12 November 2015 at Malaysian Institute of Integrity (IIM) that has organized by the Accounting Research Institute (ARI). With the theme

"Integrity: Current Challenges", the event's opening ceremony was graced by the Minister in the Prime Minister's Department Senator Datuk Paul Low Seng Kuan. The National Integrity Convention 2015 highlights six key challenges: (i) Public Service Delivery System, (ii) The Role of the Integrity and Governance Committee (PRECISION), (iii) Compliance With Rules and Regulations, (iv) Family Relations, (v) Social Media and (vi) Public Administration.



Courtesy Visit to Agro Bank

The Accounting Research Institute (ARI) are grateful for Agro Bank's collaboration, particularly its three officers, Ms. Ainul (Head, Corporate Communication); Mr. Ahmad Shahril (Chief Transformation



Officer) and Mr. Zahid (Chief Operation Officer) for inviting ARI researchers today to discuss possible inter-institution collaboration.

Islamic Practices Development Training (IPDT)

Islamic Practices Development Training was held in two countries, United Arab Emirates and Kingdom of Saudi Arabia, from 23 November -7 December 2015. There are 24 participants from the statutory body such as; MADA, PERKESO, LPK, MPSJ, BSN, Sunchirin, LTAT, MARA, KPM, PBBM and UiTM. During the training program one paper has been presented at Third International Conference on Emerging Research Paradigms in Business and Social Sciences. Moreover, delegates also attended Islamic Finance Forum in Jeddah.



International Conference on Islamic Economics, Governance and Social Enterprise

A two-day International Conference on Islamic Economics, Governance and Social Enterprise (IConIGS) 2015 was successfully held on 14-15 December 2015 in Melaka City, Malaysia. The conference was jointly organized by the Accounting Research Institute (ARI) & Zakat Research Institute (IKaZ) of Universiti Teknologi MARA, Malaysia; International Islamic University of Chittagong, Bangladesh; Universiti Sains Islam Malaysia (USIM), Universitas Islam Negeri Maulana Malik Ibrahim, Malang, Indonesia; University of Riau, Indonesia.



APMAA Conference 2015 – Cultural Visit

During the Asia Pacific Management Accounting Conference (APMAA), the centre gave way a courtesy visit to the conference at Bali Island, Indonesia. One research article also attained best paper award at APMAA 2015 conference from the centre.

RESEARCH CENTRE

Islamic Accounting & Mu'amalat Research Centre (IAMRC)

IAMRC was specifically formed in November 2010 with the main aim to enhance the quantity and quality of ARI research activities in this niche area of Islamic Finance. The centre is headed by Assoc. Prof. Dr. Nawal Kasim.

ARI-YDSM Microfinance Transformation Program

Accounting Research Institute (ARI) signed a Memorandum of Understanding with the Sultan Mizan Royal Foundation (YDSM) in Kuala Terengganu. The MoU between UiTM and YDSM was signed respectively by the UiTM Vice Chancellor Tan Sri Dato' Seri Prof. Ir. Sahol Hamid Abu Bakar and Dato' Haji Mohd Fadzil Yusof. Meanwhile, Professor Dr. Normah Omar and Prof Dr. Abdul Rahman Hj Embong were witness signatories of the MoU. The Sultan



of Terengganu, Sultan Mizan Zainal Abidin Bin Al-Marhum Sultan Mahmud Al-Muktafi Billah Shah witnessed the signing ceremony.



In a later separate event, the Vice Chancellor of UiTM, Tan Sri Sahol Hamid handed over garment materials supplied by Mydin Mohamed Holding Berhad to the Kuala Terengganu Transformation Centre through YDSM representative.

Social Transformation Program for Kelantan

Following the setting up of two tailoring transformation programs in Terengganu, researchers from the Accounting Research Institute (ARI) have been invited recently to meet Kelantan royalty, YM Tengku Puan Temenggong Datuk Tunku Noor Hayati Tengku Abdul Rahman to discuss the establishment of new social transformation programs in Kelantan. ARI was represented by its director Prof. Dr. Normah Omar, two deputy directors, Assoc. Prof. Dr. Zuraidah Mohd Sanusi and Assoc. Prof. Dr. Jamaliah Said and a research fellow, Dr. Norazida Mohamed. YM Tengku Puan Temenggong brought with her, three associates: Puan Sharifah Rahayu, Puan Jamaayah Che Ros, and Cik Liyana Malik. As the prospective programs will be established and conducted in Kelantan, ARI will be outsourcing selected experts from Universiti Teknologi MARA Kelantan campus to assist. As such, the Rector of UiTM Kelantan, Dato' Mohd Helmi, and a researcher Datin Faizah have also been invited to participate in the project discussions.



RESEARCH CENTRE

Public Sector Accounting Research Centre (PSARC)

The main objectives of PSARC are to conduct research into issues such as transparency of government, accountability, forensic accounting in public sector, impact of IT on government administration and management, administrative reform of importance in public sector and to promote discussion, debate and dissemination of information nationally and internationally on public sector. The center is headed by Prof Dr. Nafsiah Mohamed.

Asia- America -Africa- Australia conference

Professor Dr. Nafsiah, the institute's expert in public sector accounting, was invited to give a talk at the Asia-America -Africa- Australia conference, also in Bandung Indonesia with the theme "Evaluating and Improving Good Public Governance". The conference was hosted by the Pasundan University and has attracted many researchers, postgraduate students and government officers from various universities and government agencies.



BKPP-STAR Program

The BKPP-STAR participants were also taken onsite for training. On the third day of training, Senior Fellow at the Accounting Research Institute (ARI), Professor Dr. Nafsiah and training coordinator, Ms.



Azlina took the trainees to two government agencies: The Inland Revenue Board Malaysia (IRBM) and The Accountant General's Department of Malaysia (AGDM).



International Public Sector Conference, Surabaya

The Accounting Research Institute (ARI), Malaysia organized the conference in collaboration with Universitas Wirajaya, Sumenep, Indonesia and UPN Veteran, Surabaya, Indonesia.



STRATEGIC RESEARCH INITIATIVES

INNOVATIONS

The Accounting Research Institute (ARI) congratulates our researchers who won gold medal awards from the prestigious ITEX 2015 exposition which was held recently at the Kuala Lumpur Convention Centre.



- **Computation of Individual Tax Assessment (CInTA).** It was developed by five (5) of ARI's researchers - Dr. Nor Balkish Zakaria (Head), Dr. Norazida Mohamed, Ms. Ida Suriya Ismail, Ms Norhidayah Abdullah and Ms. Noor Hidayah Ab Aziz.
- **Fraud Investigation and Detection System (FINDS).** It was developed by Professor Dr. Rohana Othman (Head), Mohammad Affendi Abdul Malek, Ms. Nooraslinda Abdul Aris, Ms. Siti Maznah Mohd Arif and Dr. Intan Salwani Mohamed.



CONSULTANCY & TRAINING

Workshop on How you Boost Your Accounting Knowledge for Professional Student, 4th April, 2015

Accounting Research Institute (ARI) has organized a workshop on the topic of “how you boost your accounting knowledge for professional student” at the SAAS building, UiTM Shah Alam. The speaker panel includes Assoc Prof Faridah Ahmad, Mdm Siti Maznah Mohd Ariff, and Ms. Mafuzah Ahmad. Each of them has extensive experiences and a sound background in the professional accounting practice, as well as teaching and research. Moreover, the panelists are also members of professional accounting bodies such as ACCA, CIMA, CPA, and MIA. The expected outcomes of the workshop were to prepare participants for their professional accounting exam.

Structural Equation Modelling (SEM) using AMOS, 25-26 April, 2015

Accounting Research Institute (ARI) has organized a two-day workshop on Structural Equation Modelling (SEM) using AMOS at the SAAS building, UiTM Shah Alam. Assoc Prof Dr. Mohamad Noorman Masrek was the instructor and speaker of the workshop. He has been conducting workshops on research methodology since 2008. He has vast knowledge and experience on quantitative data analysis using SPSS and AMOS. The attendees of the workshop were expected to master the concept of analysing the interrelationships among constructs in a model and are enabled to analyse measurement model & structural model.

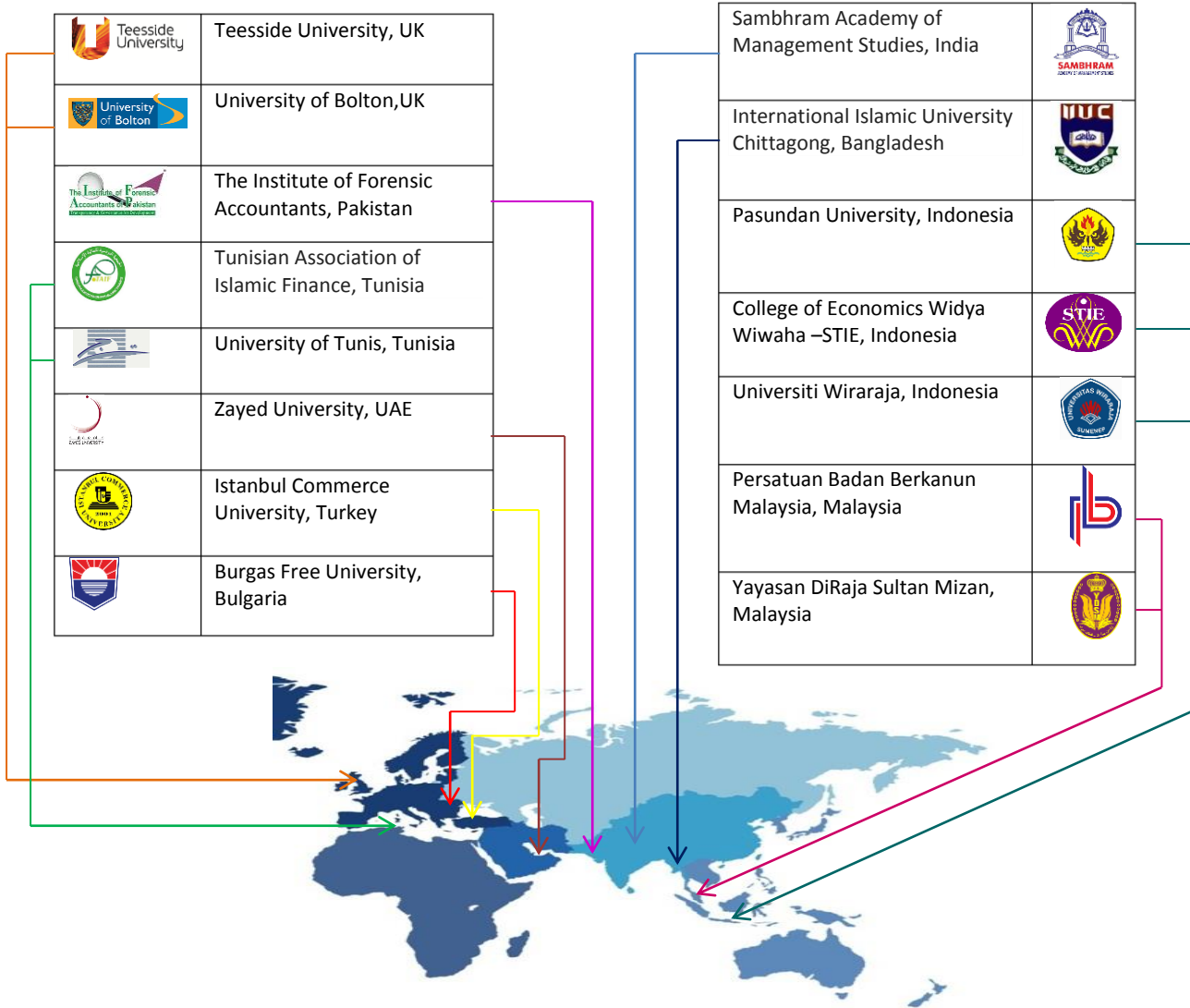
Efficient Theses Writing and Mendeley Management, 9 November, 2015

The workshop was held at the Accounting Research Institute, Menara SAAS, UiTM Shah Alam. Dr. Othman Talib also known as Dr. OT, who is a renowned postgraduate trainer and motivator was the speaker for the workshop. This workshop focuses on the effective, accurate and expeditious method of thesis writing and journal management. In addition, Dr. OT also shares some helpful tips and techniques which are valuable for postgraduate students' survival.

Qualitative Research Methodology Design Workshop, 27 November, 2015

The workshop was held at the Accounting Research Institute, Menara SAAS, UiTM Shah Alam. The speaker of the workshop was Dr. Yuliansyah, who is a Senior Lecturer in the Accounting Department at the Faculty of Economics and Business, University of Lampung, Indonesia. This workshop engages a highly intricate technique and on hands training. This fundamental workshop focuses on theory and practical jurisdiction, minimal theory with conceptualizing, designing and applying the method. Dr. Yuliansyah also explains several fundamental and practical research design and demonstrates on how to write a high-impact thesis using NVivo.

MOU & MOA



POSTGRADUATES

Congratulations

Accounting Research Institute (ARI) is also delighted to extend our warmest congratulations to Ambrose Anak Dango, Hussein Hussein Hamood Sharaf Addin, Noor Sufiawati Khairani, Rina Fadhilah Binti Ismail and Soheil Kazemian for the successful completion of their Ph.D. program.



Dr Ambrose Anak Dango's research delve on the topic "Developing A Framework for Best Practices of Governance of State Statutory Bodies (SSB) in Sarawak" under the supervision of Assoc Prof Dr Fatimah Bujang (MS), Assoc Prof Dr Firdaus Abdullah (CS), Assoc Prof Dr Puan Sri Mary Lee Siew Cheng (CS) and Assoc Prof Dr Azizah Abdullah.

Dr. Hussein Hussein Hamood Sharaf Addin was supervised by Prof Dr. Normah Omar (MS) and Prof Datin Dr. Suzana Sulaiman (CS) and completed his Ph.D. on the topic "Target Costing Implementation

Decision and Organizational Capabilities from the Perspectives of the Balanced Scorecard Model: A Study on Malaysian Automotive Industry".

Dr. Noor Sufiawati Khairani probed on the research entitled "Green Supply Chain Management: An Advanced Corporate Environmental Governance Practice In An Automotive Case Firm" under the supervision of Assoc Prof Dr. Indra Devi A/P S.K Kandasamy (MS) and Assoc Prof Dr. Nagarethnam A/P Sithambaram (CS).



Dr. Rina Fadhilah Binti Ismail conducted her research on the topic "Voluntary Risk Disclosure and Firm Value Creation: From The Perspectives of The Agency and Signalling Theories" and supervised by Assoc Prof Dr. Roshayani Arshad (MS), Dr. Suaini Haji Othman (CS) and Assoc Prof Dr. Roslani Embi (CS).

Dr. Soheil Kazemian completed his Ph.D. on the topic "Influences of Market Orientation on Sustainability of Islamic Microfinance Institutions in Malaysia" under the supervision of Prof Dr. Hjh. Rashidah A. Rahman (MS), Dr. Zuraeda Ibrahim (CS) and Adewale Abideen Adeyemi (CS).



POST-DOCTORAL FELLOW

Dr. Md Shamimul Hasan is a Post Doctoral Research Scholar of the Accounting Research Institute (ARI) at the Universiti Teknologi MARA (UiTM), Malaysia. He has received B Com (Honours), M Com and PhD in accounting from University of Rajshahi, Bangladesh. He has also received MBA in Finance from Stamford University, Bangladesh.



Prior to joining UiTM, he was an Assistant Professor of the Department of Business Administration at World University of Bangladesh (WUB) and an adjunct faculty at Southeast University of Bangladesh (SUB). He has an excellent academic, research, teaching and corporate background. He has more than 10 years of corporate experience including Chief Financial Officer (CFO) in Hamko Group and Financial Management Expert (FME) at Dhaka Urban Transport Project (Financed by World Bank) of the Gov of Bangladesh. His earlier research expertise was in the area of corporate governance and financial reporting. After joining ARI, he has concentrated on the institute's niche research agenda on financial criminology including anti-fraud mechanism. He has 20 journal publications in the world renowned journals and a book. He is an associate member of the Association of Certified Fraud Examiner (ACFE) of USA and a member of the International Society for Development and Sustainability (ISDS) of Japan. He is the Managing Editor of International Journal of Research & Methodology in Social Science (IJRMSS, Thailand).



Dr. Soheil Kazemian obtained a PhD in Accountancy "Islamic Finance" in Universiti Teknologi MARA (UiTM) Shah Alam, Malaysia. He had successfully completed his PhD journey within three years, at the age of 29. He was then declared as the youngest PhD graduand in 82nd Universiti Teknologi MARA (UiTM) Convocation Ceremony.

Dr. Soheil Kazemian was born in Shirvan, Khorasan, Iran. He obtained a B.Sc in degree in Accounting from Ferdowsi University of Mashhad, Iran. Then, his attempt to achieve M.Sc in Accounting from Islamic Azad University of Tehran (Science and Research branch) was successful. His quest for wide knowledge saw him delving into Finance and especially the necessities and



beauties of implementing Islamic Finance in the current financial affairs. He has extensive working experiences as an accountant, auditor, as well as a lecturer in different universities in Iran. Dr. Soheil currently has been working as Postdoctoral Scholar (Research Fellow) in Accounting Research Institute (ARI), Universiti Teknologi



MARA (UiTM). He has research interest in Islamic Finance, Microfinance, Islamic Microfinance, Market Orientation, Earnings Management and Sustainability of firms. Dr. Soheil has a number of publications in different international indexed journals and had received a number awards, such as the most recent one, a gold medal in Invention, Innovation, Industrial Design, Technology 2016 (ITEX16).



ARI Conference in 2015

7th International Conference on Financial Criminology (ICFC), UK, 13-14 April, 2015

The 7th International Conference on Financial Criminology (ICFC) was held at Wadham College, Oxford University, the United Kingdom with the theme: *Global Challenges in Economic and Financial Crimes: Enhancing Investigation, Litigation, and Prevention Mechanisms*. The conference was co-organized by Teesside University and Universiti Teknologi MARA with PBBM, Malaysia, Rangsit University, Thailand, IPE, India and Edbiz Consulting. The conference was chaired by Prof Rob McCusker from Teesside University. The technical committee of the conference includes Prof Dr. Normah Omar (UiTM, Malaysia), Assoc Prof Dato Dr. Haji Hilmi Ab. Rahman (UiTM, Malaysia), Prof R. K. Mishra (IPE, India), Dr. Kathy Terdpaopong (Rangsit University, Thailand), Prof Paul A Barnes (Macquarie University, Australia) and Prof Milind Sathye (University of Canberra, Australia). The conference was intended to bring together both academics and industrial experts to a common forum on the issue of financial criminology.



Special thanks to ARI members who are on the committee, Prof Dr. Normah Omar, Prof Dr. Rohana Othman, Assoc Prof Dr. Jamaliah Said, Assoc Prof Dr. Zuraidah Mohd Sanusi, Dr. Norazida Mohamad, and Dr. Nor Balkish Zakaria.

2nd International Public Sector Conference (IPSC), Surabaya, Indonesia, 25-26 May, 2015

The 2nd International Public Sector Conference (IPSC) was held at the Mercure Hotel in Surabaya, Indonesia. The theme of the conference was *Powering Governance in Public and Private Sectors with Dynamism*. The Accounting Research Institute (ARI), Malaysia organized the conference in collaboration with Universitas Wiraraja, Sumenep, Indonesia and UPN Veteran, Surabaya, Indonesia. The conference primarily focuses on issues related to the public and private sectors.



The IVth International Accounting and Business Conference (IABC), Putrajaya, Malaysia, 17-18 August, 2015

The IVth International Accounting and Business Conference (IABC) was held at the Everly, Putrajaya, Malaysia. The conference theme was *Global Issues in Business & Accounting: Current Trends & Future Challenges*. The conference was organized by Universiti Teknologi MARA Cawangan Johor in cooperation with the Accounting Research Institute (ARI), Communities of Research (CoRe), Humanities and Quality of Life and Advance Computing & Communication. The IABC 2015 served as the right platform to impart research findings, innovative ideas, latest technologies and up-to-date methodologies in the field of accounting, business, and economics. Dr. Nor Balkish Haji Zakaria was appointed and performed competently as the conference chair at IABC 2015.

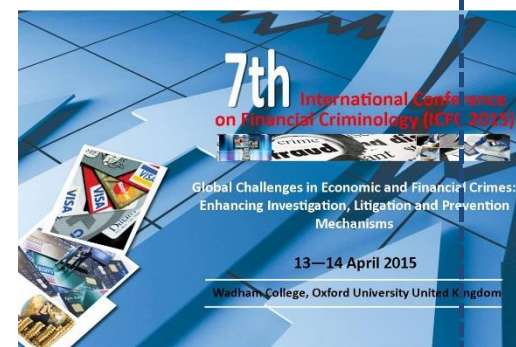


Asia Pacific Management Accounting Conference (APMAA), Bali, Indonesia, 26-29 October, 2015

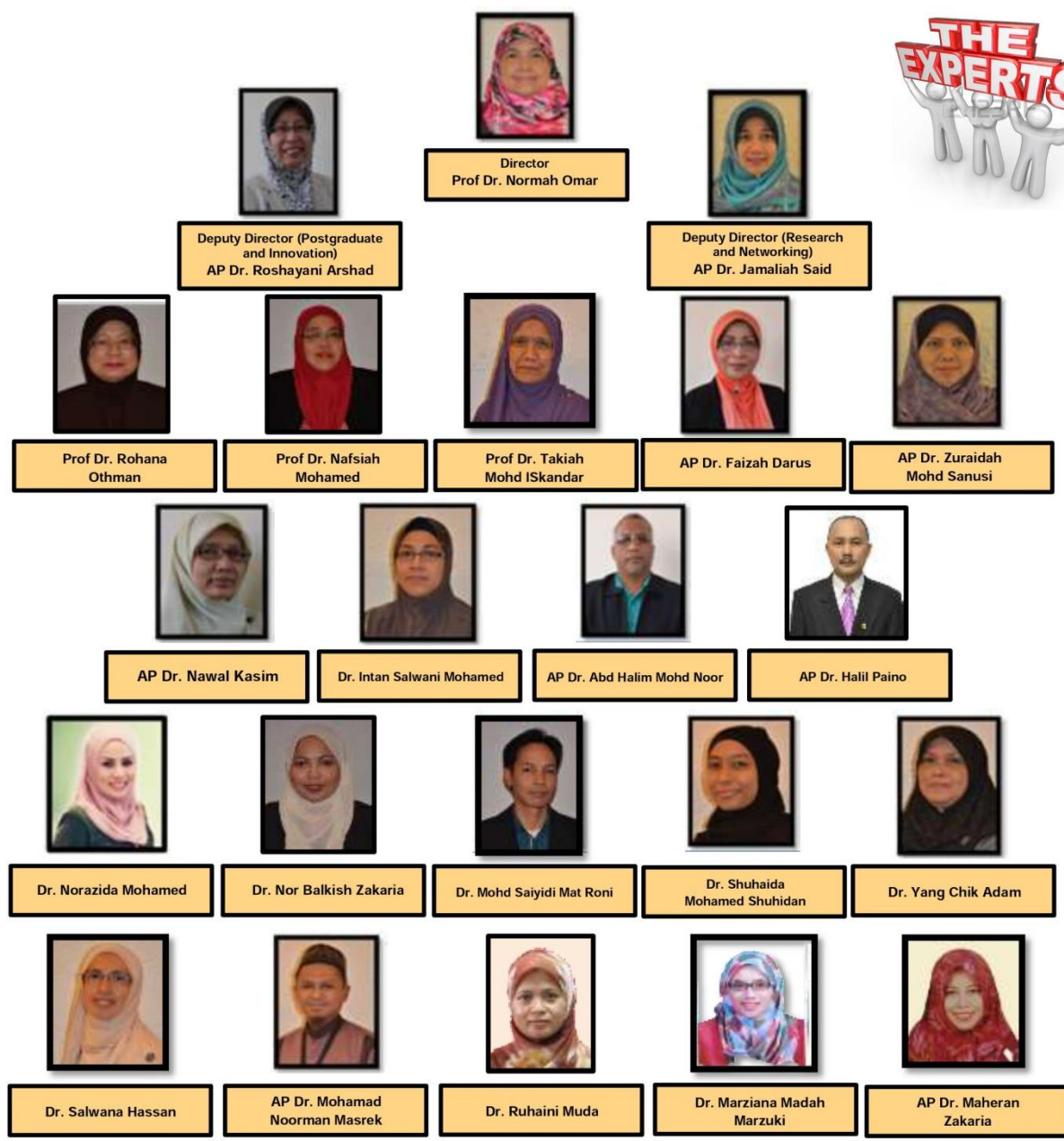
The Asia Pacific Management Accounting Conference (APMAA) with the theme: *Management Accounting For Sustainable Development* was held at Udayana University and Warmadewa University, Bali, Indonesia. The main goal of the conference is to bring together researchers and practitioners to exchange theories, ideas, techniques, and experiences relating to all aspects of management accounting. The conference was co-chaired by Prof. Dr. Grahita Chandrarin, the Director of the Graduate Program, University of Merdeka Malang and Prof. Dr. Sekar Mayangsari, the Director of the Accountant Profession Program Education, Economic Faculty, Trisakti University. The doctoral colloquium was chaired by Prof. Dr. Ni Putu Sri Harta Mimba, the Executive Director, Center for International Programs, Udayana University.

International Conference on Islamic Economics, Governance and Social Enterprise (IConIGS), Melaka, Malaysia, 14-15 December, 2015

The International Conference on Islamic Economics, Governance and Social Enterprise (IConIGS) was held at the Avillion Legacy Hotel, Melaka, Malaysia with the aim to bring together academics, practitioners and industrial experts to a common forum on the issue of social business, social enterprise, non-profit organizations, and development of philanthropy. The conference was organized in cooperation with the Accounting Research Institute (ARI) and the Zakat Research Institute of Malaysia (IKaZ), Universiti Teknologi MARA Melaka, Malaysia, International Islamic University of Chittagong, Bangladesh, University of Bolton, UK, Universiti Sains Islam Malaysia (USIM), Universitas Islam Negeri Maulana Malik Ibrahim, Malang, Indonesia, Malaysian Accountancy Research and Education Foundation and Kano State Government, Nigeria. Assoc Prof Dr. Abd Halim Mohd Noor was the chairperson of the conference.



ARI EXPERTS



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ABSTRACT OF PUBLICATIONS

Title: *Governance Mechanisms in the Malaysian Banking Sector: Mitigation of Fraud Occurrence*

Authors: Zuraidah Mohd-Sanusi, Mohd Nor Firdaus Rameli, Normah Omar, Michihiro Ozawa

Journal: Asian Journal of Criminology

Abstract: The recent credit crisis has forced banks to take a critical look at their governance and control system and exposed considerable weaknesses in risk management across the financial services industry. This study examines several elements of governance mechanisms that may be modified to reduce the occurrence of fraud in the Malaysian banking sector. These mechanisms include corporate governance, internal control procedures, fraud prevention programs, and risk management. A survey was conducted among bank managements, with focus on branch managers and assistant managers. Results showed that in general, the most common fraud case in branches that handled mortgage and other (credit) loans was money laundering, which was a common occurrence in the banking sector of Malaysia. Based on regression analysis, results of the study indicate that only risk management can significantly affect fraud occurrence...(cont.)

Title: *Public Accountability System: Empirical Assessment of Public Sector of Malaysia*

Authors: Jamaliah Said, Md Mahmudul Alam, Mohamad Azizal Abd Aziz

Journal: Asian Journal of Scientific Research

Abstract: This study assesses the status of accountability practices of the Malaysian public sector in response to the recent report of the Auditor General that revealed corruption, weakness and lack of control in asset management. Primary data was collected using a questionnaire distributed through Google Docs application to the heads of 682 departments and agencies under 24 federal ministries, including the Prime Minister Department. The final sample of the study consists of 109 respondents. The data gathered were based on the opinions of respondents on the 10 factors of public accountability practices in their respective departments or agencies using a seven-point Likert scale that ranged from 1 (strongly disagree) to 7 (strongly agree). Data were analyzed using descriptive statistics and factor analysis. Data reliability was tested using Cronbach's alpha test. Data validity and normality were tested using the Shapiro Wilk's test. About 87.3% of the respondents indicated that their departments and agencies generally implement accountability practices. However, priority accountability factor differs among service schemes...(cont.)

Title: *Prediction of Business Failure and Fraudulent Financial Reporting: Evidence from Malaysia*

Authors: Roshayani Arshad, Sharinah Mohamed Iqbal, Normah Omar

Journal: Indian Journal of Corporate Governance

Abstract: Fraud has been of concern for many corporate managers and regulators since many businesses have been victim of business failures. Business failure corporations have reported and become an element of fraudulent financial reporting. Therefore, the first aim of this study is to examine whether a collective prediction tool can be used to predict business failure and fraudulent financial reporting. The second and more important objective of this study is to examine whether business failure companies are associated with fraudulent financial reporting. The collective prediction tool is based on ratio analysis, Beneish M-score model and Z-score model. Using publicly available information in the annual reports of 24 failed firms matched with 24 non-failed firms listed on Bursa Malaysia, relevant information are extracted and applied in the three models to assist in predicting business failure and detecting fraudulent financial reporting. A total of 10 ratios, cash conversion cycle, Beneish M-score model and Altman's Z-score model were identified for examination as potential predictors of business failure and fraudulent financial reporting. Based on the results, the model was accurate in classifying the total sample of approximately 96 per cent as predictors of business failure and approximately 83.3 per cent as predictors of fraudulent financial reporting as well as predicting the relationship between business failures and fraudulent financial reporting...(cont.)

ABSTRACT OF PUBLICATIONS

Title: *Fraudulent Financial Statement Detection Using Statistical Techniques: The Case of Small Medium Automotive Enterprise*

Authors: Nooraslinda Abdul Aris, Siti Maznah Mohd Arif, Rohana Othman, Mustafa Mohamed Zain

Journal: Journal of Applied Business Research

Abstract: Fraudulent financial statements (FFS) are now placed under greater public scrutiny following an increase in the number of collapses among companies due to management fraud with losses on average at 5% of revenue (ACFE, 2014). There is consensus that management fraud is an ongoing reality and no single organization is immune from the damage caused by the fraudsters (KPMG Malaysia, 2009). Small and medium sized businesses are also threatened by fraudulent activities and statistics showed organizations with fewer than 100 employees experienced more fraud cases than larger corporations (ACFE, 2008). Most of the companies in the automotive industry in Malaysia are small and medium scaled; hence these companies bear a greater burden and face higher risks of fraud. Precautionary measures in preventing fraud are crucial; however, with limited resources, effective detection may be severely curtailed. This paper assesses the possibility of FFS in a small medium automotive company in Malaysia using three statistical analyses namely the Beneish model, Altman Z-Score and Financial Ratio. The findings show that there are riskier zones that need to be further investigated by the management...(cont.)

Title: *Insight of Anti-Corruption Initiatives in Malaysia*

Authors: Nur Shafiq Kapeli, Nafsiah Mohamed

Journal: Procedia Economics and Finance

Abstract: This study provides an overview of corruption in Malaysia. In 2014, the President of World Bank, Jim Young Kim, released a shocking statement which described corruption as dangerous activities than terrorism to the humanity as it is able to siphon off an estimated of \$1 trillion from developing countries through bribery, money laundering, tax evasions, extortion and other financial crimes (CBC News, 2014). Apart from that, in Malaysia, the cost that Malaysia has to bear due to the corruption activities is as much as RM 10 billion per year, or 1 to 2 percent of gross domestic product annually (GTP 1.0, Fighting Corruption). These adverse effects have diverted government attention towards searching for effective measures to curb corruption thus resulted in a variety of anti-corruption initiatives in Malaysia.

Title: *Do corporate governance mechanisms influence environmental reporting practices? Evidence from an emerging country*

Authors: Haslinda Yusoff, Faizah Darus, Sharifah Aminah Ab Rahman

Journal: International Journal of Business Governance and Ethics

Abstract: This study seeks to examine the potential links between corporate governance mechanisms and environmental reporting practices from the perspective of agency theory. A content analysis has been conducted to gather relevant information from the annual reports of the 100 leading Malaysian public-listed companies covering a three-year period, i.e., from 2009 to 2011. The relationship between corporate governance mechanisms and environmental reporting practices is then tested using regression analysis. The results generally indicate that there was an improved trend in environmental reporting among the companies over the three-year period and offer preliminary insights into the influence of corporate governance on environmental reporting. A positive significant relationship was found between board size and environmental reporting. Other corporate governance mechanisms including board independence, ownership concentration and female directorship were not associated with the environmental reporting practices of companies. The findings provide new insights into the potential strategies in relation to corporate governance towards encouraging greater environmental reporting from the perspective of an emerging country.

ABSTRACT OF PUBLICATIONS

Title: *Risk-Sharing and Shared Prosperity Through Takaful*

Authors: Nawal Kasim, Sheila Nu NuHtay, Syed Ahmed Salman

Journal: Middle-East Journal of Scientific Research

Abstract: Risk becomes an integral part of our lives due to the complex nature of business activities and lifestyles. This highlights the importance of risk management wherein insurance is widely used as a risk management tool. However, insurance practices involve interest, uncertainty and gambling which are prohibited in Islam due to their unjust nature. Its involvement in interest cannot lead to fair and just outcomes for both parties. Thus, the objective of this paper is to highlight how as a fair Islamic financial product Takaful can promote risk-sharing and shared prosperity. Semi-structured interviews are conducted with five Takaful operators and twenty Shari'ah advisors the results of which are analyzed using thematic and coding approaches. All the interviewees collectively agreed that the current Takaful industry meets the theoretical expectation because Takaful is ethical insurance and a Shari'ah compliant product. It eliminates the prohibited elements in the practice of insurance and promotes the concept of mutual cooperation and risk sharing in the community. However, respondents highlighted that in order for the Takaful industry to exceed expectations, knowledge on Takaful should be promoted...(cont.)

Title: *The Computerized Tax Decision Aid in Malaysia*

Authors: Nor Hafizah Abd Mansor, Intan Salwani Mohamed, Lai Ming Ling and Nor Balkish Zakaria

Journal: International Academic Research Journal

Abstract: This paper discusses issues relating to the application of computerized tax decision aid (CTDA) in Malaysia. CTDA not only supports structured tax problem-solving, but also highly unstructured tax problems. CTDA includes deterministic aid, decision support system (DSS) and expert system (ES). This paper also discusses the application of CTDA in two key areas which are tax practice and tax education. In Malaysian tax practice, CTDA is not pervasively utilised by tax advisory firms and it is intensively deterministic-based (tax compliance purposes). The application of DSS and ES in tax practice is still unidentified even though it is said to give significant impacts to tax advice and planning. In tax education, albeit tax industry perceived, CTDA is significant to be embedded in tax education curriculum and is able to stimulate tax learning processes, but the implementation is still under consideration by most tertiary institutions in Malaysia.

Title: *Efficiency of Islamic Institutions: Empirical Evidence of Zakat Organizations' Performance in Malaysia*

Authors: Abd Halim Mohd Noor, Mohamed Saladin Abdul Rasool, Rahman RA Ali RMYSM

Journal: Journal of Economics, Business and Management

Abstract: Measuring performance is an essential element of assessing an organizations ability to meet its goals. Dimensions typically measured are quality, time and cost. The objective of the paper is to propose a multidimensional performance measurement of zakat organizations, incorporating various dimensions such input, process, output and outcome. The model proposes a process approach in measuring the performance of zakat organizations. In the process approach, task accomplished by zakat organizations is cumulative of four components namely input, process, output and outcome. The study employ index as a method of measurement due to its ability to measure magnitude of change over time or place. A total of 303 respondents participated in this survey. The respondents comprise of zakat beneficiaries, staff, and head of departments and stakeholders of two zakat institutions. The finding indicates adequate resources or input were available to organizations. Performances of business zakat assistances showed a remarkable importance of types of programs available. A comparison between the two zakat organizations was also highlighted. In general, this study reports that the concerned zakat organizations through their assistance were able to upgrade their beneficiaries to a better quality of life.

ABSTRACT OF PUBLICATIONS

Title: *A Study of Auditor-Client Relationship in Malaysian Audit Environment*

Authors: Halil Paino, Faizan Abd Jabar

Journal: Advanced Science Letters

Abstract: We report on a survey of auditor-client relationship problems in developed audit market in Malaysia. The study investigates client perspectives and views on important auditing process issues, valued added audit activities for client organisations and auditor rotation. Clients viewed high fees, excessive audit time requirements, difficulty in meeting auditor's requests and audit personnel difficulties in understanding the business due to a lack of adequate audit professionals' experience as problems. From the audit perspective, the study explores audit client acceptance factors, independence issues and common problems encountered with the clients.

Title: *Performance of Islamic microcredit in perspective of maqasid al-shariah: a case study on Amanah Ikhtiar Malaysia*

Authors: Md. Mahmudul Alam, Salwana Hassan and Jamaliah Said

Journal: Humanomics

Abstract: This study aims to examine the role of Islamic microcredit programs based on the achievement of Maqasid Al-Shariah. Past studies have evaluated the role of microcredit programs using the conventional assessment approach. However, the conventional system of socioeconomic role assessment cannot evaluate the performance of Islamic microcredit in terms of achieving the objectives of Shariah for the Islamic microcredit model. This paper uses primary data that were collected through a questionnaire survey distributed among 393 microcredit borrowers from Amanah Ikhtiar Malaysia (AIM). The survey was conducted from July 2013 to December 2013 in the State of Sabah and in Peninsular Malaysia. This research also analyzes the socioeconomic roles and the achievement of microcredit and microenterprise from the perspective of the five principles of Al-daruriyyat from Maqasid Al-Shariah. Results indicate that the microcredit program of AIM has a positive and enhancing effect on the livelihood of clients. This effect is reflected in the assessment of their well-being, especially in the context of Maqasid Al-Shariah.

Title: *Earnings Manipulation Among Malaysian Firms: Have Board Sufficiently Lent Their Governance Skills in Monitoring These Activities*

Authors: Nabilah Mahad, Nor Balkish Zakaria, Ida Suriya Ismail

Journal: International Business Management

Abstract: The primary objective of this study is to examine the relationship between board of director attributes (board independence, board meeting, board size and duality role) and the tendency of earnings manipulation. This study employed a sample of 334 Public Listed Companies in Malaysia from the year 2010-2012. The finding of this study shows that the board independence is positively related to earnings manipulation. This implies the higher the proportion of independent directors, the higher the propensity of earnings manipulation. The result also indicates that the board size is positively related to earnings manipulation. This suggests that the larger board size will increase earnings manipulation occurrences. However, the board meetings and duality role fail to show any significant relationship with earnings manipulation. The result of this study is robust after controlling the other firm-specific effects.

ABSTRACT OF PUBLICATIONS

Title: *Roots of Responsibilities to Financial Statement Fraud Control*

Authors: Norazida Mohamed, Morrison Handley-Schachler

Journal: Procedia Economics and Finance

Abstract: Financial statement fraud cases also occur when weak internal controls exist. Besides these reasons, the research differentiates between the two major types of financial statement fraud. This research discusses the responsibilities of financial statement fraud control by looking at agency theory, stakeholder theory, public interest theory; capital needs theory and communication theory. This discussion is in tandem with the principal investigation of internal control strategies in relation to financial statement fraud control. The output of this paper provides a comprehensive understanding of responsibilities for financial statement fraud control in the context of the above theories and finally contributes recommendations for improvement in financial statement fraud control in public interest entities.

Title: *Culture, corporate governance and analysts forecast in Malaysia*

Authors: Effiezal Aswadi Abdul Wahab, Anwar Allah Pitchay, Ruhani Ali

Journal: Asian Review of Accounting

Abstract: The purpose of this paper is to examine the relationship between Bumiputra (in reference to Malay indigenous race) directors, a proxy for culture and analysts forecast. In addition, the study investigates whether corporate governance affects that relationship. The sample of this study is based on 664 firm-year observations from 193 firms during the 1999-2009 periods. The authors employ a panel least square regression with both period and industry fixed effects. The authors retrieved analyst data from the Institutional Broker Estimate System (I/B/E/S) database while the authors hand collected the corporate governance variables. The remaining data were collected from Compustat Global. The authors find a positive relationship between the proxy of culture, Bumiputra directors and analysts forecast error suggesting that cultural values influences the level of information in the Malaysian capital market.

Title: *How System Complexity and Organizational Culture Affect AIS Misuse*

Authors: Saiyidi Mat Roni, Mohamad Azmi Nias Ahmad, Hadrian Djajadikerta

Journal: Procedia Economics and Finance

Abstract: The demands for more studies on precarious practices in the AIS environment indicate that employees pose greater threats than outsiders. Addressing internally-bred security pandemonium with external-threat-oriented solutions further complicates the matter. The real issue is obscured rather than solved. Based on theory of planned behaviour (TPB), organisational culture and complexity of an accounting information system (AIS) were introduced to see how these factors affect employees' mal-intention when working with an organisation AIS. Using partial-least-square structural equation modelling (PLS-SEM) approach, it was found that culture and complexity acting as pure moderating variables affecting certain forms of predictor-criterion relationship in TPB model. Within the context of this study, the results explain how culture and system complexity induce or reduce the predictors' effects on intention to misbehave.

ABSTRACT OF PUBLICATIONS

Title: *Board Quality of SMEs in Malaysia: The Governing Role of Family Ownership*

Authors: Takiah Mohd Iskandar, Nor Hazwani Hassan

Journal: Procedia Economics and Finance

Abstract: A lack of good governance characteristics among SME boards of directors is expected to lead to lower performance. Ownership structure is expected to monitor the management function of board of directors. Prior studies mostly attended on either listed companies or SMEs in developed countries, hence, resulted in the lack of evidence on governance practices among SMEs in developing countries. This study examines board characteristics among SMEs in Malaysia namely size, independence, expertise, ethnicity, and CEO duality and how they differ between family owned and non-family owned SMEs. A survey on SMEs in Klang Valley and Selangor finds that overall, the quality of board of directors of SMEs is low. The existence of more than 55% of family owned SMEs does not really provide a monitoring on the management. Differences in poor board characteristics between family owned and non-family owned SMEs are not significant. Further research is necessary to address the importance of ownership monitoring on SMEs management in order to further enhance the performance.

Title: *How do we assess the quality of corporate financial reporting? A methodological issue*

Authors: Md Shamimul Hasan, Normah Omar

Journal: AESTIMATIO, The IEB International Journal of Finance

Abstract: The purpose of this study is to show a new way of assessing the quality of corporate financial reporting. We assess the quality of corporate financial reporting in Bangladesh, a country where the family predominates and the business environment is virtually unregulated, with managerial incentives rather than regulatory influence more likely to induce disclosures and to influence other reporting issues. Both quantitative and qualitative measures are taken into consideration to account for various aspects of financial reporting, as a single proxy does not cover multiple aspects. The overall disclosure index (proxy 1) and corporate accruals (proxy 2) are taken as quantitative measures, while external users' perceptions about financial reporting (proxy 3) are taken as a qualitative measure. Lower disclosure index values, higher corporate accruals, and users' negative impressions result from lower quality financial reports. This study provides a new way of measuring the quality of financial reporting and contributes two new proxies (proxy 1 and proxy 3) to the existing literature on assessing the quality of financial reporting.

Title: *Earnings Management and Ownership Structure*

Authors: Soheil Kazemian, Zuraidah Mohd Sanusi

Journal: Procedia Economics and Finance

Abstract: Earnings management research has a long and rich history. The agency conflict, incentives, rationalization, opportunity plus having the capability among the managers to manipulate the financial statement lead them to commit fraud. The loopholes in the standards or the deviation from real operational activities promote this situation to prolong. According to the agency theory, separation of ownership and control gives rise to manager's incentives to select and apply accounting estimates and techniques that can increase their own wealth. This issue has become more important in recent years as more firms are listed on stock exchanges as public firms. In this review, we emphasize studies that advance the managerial understanding of the earnings management and agency theory. This paper aims at reviewing on some major conducted research from various countries, examining relationships between ownership structure (and its subsets) and earnings management. The results of the paper further extend the literatures in understanding the determination of the influences of ownership structure and earnings management.

UPCOMING EVENTS 2016

1-3 February 2016

Writing and Publication
Workshop in High Impact
Journal and Indexed Journal

Hotel UiTM @ Shah Alam, Malaysia.

23-24 February 2016

Strategic Planning ARI HICoE
2016-2020 Workshop (2nd Series)

Sumber Ilmu Room
ARI @UiTM Shah Alam

12-13 April 2016

3rd International Conference on
Governance & Strategic
Management (ICGSM)



Dongguk University,
Seoul South Korea

23 April 2016

The Art of Proofreading
Techniques by Muhammad
Zaki Ramli

ARI @UiTM Shah Alam, Malaysia.

13-14 & 17-18 May 2016

Workshop on Managing
Qualitative Research with
NVivo Software

Sumber Ikhlas Room
ARI @UiTM Shah Alam

20 May 2016

Secret of Writing by Dr OT :
Effective Thesis Writing and
Graduate on Time (GOT)

Computer Lab,
ARI @UiTM Shah Alam,

31 May 2016

Workshop on Managing
Qualitative Research with
NVivo Software

Sumber Ikhlas Room
ARI @UiTM Shah Alam



26-27 January 2016

Strategic Planning ARI HICoE
2016-2020 Workshop

De Palma Hotel, Shah
Alam, Malaysia.



19-20 February 2016

Comprehensive and Exclusive
Workshop by Dr Zuli : Ms Word
Facilities for Thesis Formatting

ARI @UiTM Shah Alam, Malaysia.

25 February 2016

Secret of Writing by Dr OT :
Effective Thesis Writing and
Graduate on Time (GOT)



ARI @UiTM Shah Alam,
Malaysia.

17 April 2016

Secret of Writing by Dr OT :
Effective Thesis Writing and
Graduate on Time (GOT)

ARI @UiTM Shah Alam, Malaysia.

30 April 2016

Ms Word Facilities for Thesis
Formatting Workshop : Hands
on Approach by Dr Zuli

Computer Lab,
ARI @UiTM Shah Alam,



20 May 2016

Quantitative Research on
Questionnaire Survey : Step by
Step Approach

Sumber Ikhlas Room
ARI @UiTM Shah Alam

28 May 2016

Ms Word Facilities for Thesis
Formatting Workshop : Hands
on Approach by Dr Zuli

















Computer Lab,
ARI @UiTM Shah Alam,











Snapshot – ARI 2015

			
Prof Normah, Dato Hilmi and ARI team	ARI and KUPTM	ARI visit to Indonesia	Dr Roshayani at the public seminar
			
Dr Nor Balkish meeting	Dr Roshayani at MPERS	KUPTM Visit	Dr Yuliansyah visit ARI
			
SPSS workshop by Dr. Zuraidah	ICAS visit	India visit	Prof Normah and the speakers
			
Indonesian delegates at ARI	IPDT 2015, Jeddah	LOI ARI & SURABAYA	Meeting with Dr. Geetha, Univ. of Waikato

Snapshot – ARI 2015

			
Prof Normah at MIA	Publication retreat	High-tea for accounting lecturers – farewell party	Indo 5 star
			
Symposium at ECU, Perth	Univ.Indonesia visited ARI – Dr Ancella	Academic Syposium, UiTM Kelantan – Dr Norazida	ARI Team
			
Strategic planning ARI	Dr Roshayani	COE meeting, UiTM	Best paper award – Nik Herda at the APMAA conference in Bali
			
Visit to LHDN – Prof Dr Nafsiah	ARI team 2 nd runner up – COE Bowling tournament	CEO talk – Mr Ramy Albaik from Jeddah With ARI and IPAC team	ARI team at the IConIGS conference in Melaka

Snapshot – ARI 2015

			
<p>Meeting with the Dean of Computer Sc. Faculty, UM</p>	<p>Young ARI fellows</p>	<p>Visit to City of London Police</p>	<p>ITEX – ARI booth</p>
			
<p>Visit to SPAD</p>	<p>ICAS visit ARI</p>	<p>ARI & PBBM – visit to Glasgow Caledonian Univ.</p>	<p>ARI Team building - Terengganu</p>