

UNIVERSITI TEKNOLOGI MARA

**DETERMINANT FACTORS OF
FRAUD INTENTION BEHAVIOUR
OF MALAYSIAN POLICE
OFFICER**

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AUTHOR'S DECLARATION

I confirm that this dissertation was carried out in compliance with the regulations of Universiti Teknologi MARA. Unless otherwise mentioned or accepted as a cited work, it is original and is the product of my own work. This thesis has not been applied for any degree or qualification to any other academic institution or non-academic institution.

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ABSTRACT

Many studies in relation to fraud have been done especially on the factors of fraud intention using fraud triangle theory and fraud diamond theory. However, only a few studies utilized the Theory of Planned Behaviour in determining the factors of fraud intention. Thus, this research offers a quantitative study on the determinant factors of fraudulent intention from the lens of planned behaviour theory. The main constructs of this study are attitude, subjective norm and perceived behaviour control. The population of Royal Malaysian Police Officer was selected for this study and the sample consisted of police officers in Perak Contingent Police Headquarters. The findings of this study indicate that attitude has a significant negative relationship with fraudulent intention while subjective norm and perceived behaviour control have significant positive relationship with fraudulent intention of the police officers in Perak Contingent Police Headquarters. The negative relationship between attitude and fraudulent intention showed that the lower the attitude of respondents, the higher the intention of respondents to involve in fraud. Despite of respondent acknowledge the fraudulent behaviour is unethical, the fraudulent intention is higher among the police officer. However, the study may provide valuable insights to the government for designing customized ethical training program and developing policy aiming to change negative attitudes toward fraudulent intention. Besides, Royal Malaysia Police could strengthen their internal control by providing religion-enhancing program among police officer which is compulsory participated by their officer. The findings of the study also can be used by academicians to conduct future research in other department from the lens of planned behaviour theory.

Keywords: *Theory of Planned Behaviour, Fraud Intention, Fraud in Public Sector, Fraud Statistics, Fraud in Royal Malaysian Police.*

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

According to Oxford Dictionary (2019), fraud is defined as wrongful or criminal deception intended to result in financial or personal gain. Meanwhile, Association of Certified Examiners (ACFE) in 2012 described occupational fraud as the work of someone for personal enrichment through the deliberate misuse or abuse of resources or assets from an organization. In fact, misstatements resulting from fraudulent financial reporting and misappropriation of assets are also referred to as fraud (Sadique, Roudaki, Clark, & Alias, 2010). Although there are many ways to define the word "fraud," the definition used in the current study is that it refers to any deliberate false representation, including failing to disclose information or abusing one's position, that is made in order to gain something, cause something to lose something, or put someone else at risk of losing something (Rosli, Mohamed, Mohamed, Othman & Rozzani, 2020). As a result, in the context of the present study, the term "fraud" refers to an unlawful or criminal deception meant to produce monetary or personal benefit.

ACFE (2012) reported that fraud has been divided into three categories which are corruption, assets misappropriation and fraudulent financial statements. Corruption is concluded as "an illegal activity conducted through misuse of authority or power by public (government) or private (firms) officeholders for private gain and benefit, financial or otherwise" which is inclusive of all forms of corruption, including bribery, fraud, financial crimes and abuse (Bahoo, Alon, & Paltrinieri, 2020). Putra, Triyuwono and Purwanti (2018) described asset deviation as covering the misuse or theft of assets or property of companies, public sector agencies or other non-profit organizations. Intentional misstatements or omissions of specific sums or expressions in the financial statements constitute the third sort of fraud, known as financial statement fraud (Yuniarwati, Ardana & Dewi, 2022). Previous research from Zahari, Said and Muhamad (2022) used the sample of unnamed 44 government employees from Federal Government Departments of Malaysia and found that the central points of fraud in the public sector are accepting bribes, using office resources, dishonesty, stealing, abuse of power and personal favour. Their findings also revealed that corrupt practices and abusive behaviours in the government department are among the frequent conditions of public sector fraud. Besides, Bakri, Mohamed and Said (2017) stated that asset