

UNIVERSITI TEKNOLOGI MARA

**UNDERSTANDING THE INTERNAL SHARIAH
AUDIT PRACTICES IN THE ISLAMIC BANKING
INSTITUTION: A CASE STUDY APPROACH**

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Thesis submitted in fulfillment
of the requirements for the degree of
Doctor of Philosophy
(Accountancy)

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ABSTRACT

Islamic banking is a highly regulated industry which is designed to create market transparency for the stakeholders. The IB assets have been growing at a remarkable pace and will continue to grow with an average rate of 19.7 % per annum in year 2018. To compete in the global market, the IB institution needs to provide attractive yields and excellent services besides maintaining its Shariah compliance nature in all of the operations. In Malaysia, Bank Negara Malaysia has issued the Shariah Governance Framework with the primary objective to enhance the relevant key structures for Shariah compliance with the aim to provide a Shariah-based operating environment. This study was conducted to provide an in-depth analysis of the internal Shariah audit practices by using the qualitative approach and single case study to analyse the internal Shariah audit practices of the IB in Malaysia. This study focused on Malaysia because it is among the top ten countries with IB assets. A single extreme case, Bank Islam Malaysia Berhad, was selected to obtain the information. The data were managed and analysed using ATLAS.ti. The underlying theory was the Translation Process under the Actor-Network Theory and Islamic Legal Maxim. This study has explained the internal Shariah audit practices and the translation process of the internal Shariah audit progressive change, which involved four phases - problematization, interessement, enrolment, and mobilization.

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