



**ASIAN CONFERENCE  
ON BUSINESS, ECONOMICS  
AND SOCIAL SCIENCES**

# **E - PROCEEDINGS ACBESS 2021**



UNIVERSITI  
TEKNOLOGI  
MARA

Cawangan Melaka

**JOINTLY ORGANIZED BY:**



SUNWAY  
UNIVERSITY  
Business School



**EDITORS**

**Mohamed Saladin Abdul Rasool  
Nor Tasik Misba  
Noormala Rabu  
Fadzlan Sufian  
Abdul Rahim Ridzuan**

## **Fraud Mitigation Tool for Public Sector Agencies in Malaysia**

**Nor Aishah Mohd Ali<sup>1\*</sup>, Nor ‘Ashikin Abu<sup>1</sup>, Wan Shafizah Hussain<sup>1</sup>, Enyлина Nordin<sup>1</sup>,  
Abd Malek Md Shah<sup>2</sup>**

<sup>1</sup>Faculty of Accountancy, Universiti Teknologi MARA, Cawangan Melaka, Malaysia

<sup>2</sup>Law Department, Universiti Teknologi MARA, Cawangan Melaka, Malaysia

\*Corresponding Author: aishah72@uitm.edu.my

---

**Abstract:** *This paper aims to develop a fraud management tool for public sector agencies in Malaysia. This study employed mixed method where firstly the study was conducted on a sample of 150 respondents consists of account personnel from 16 government agencies in one of the states in Malaysia. A survey instrument consists of 47 measurement items was designed to identify the level of financial fraud prevention management practices in government agencies setting. Descriptive statistical analysis and reliability analysis were used to analyse the data using the SPSS software. Later, a qualitative stance was utilized by conducting a focus group among the accountant of public sector agencies to elicit depth information on how fraud management practiced in their agencies. The findings indicate that fraud management tool is inevitable in the government agencies alas the importance of managing fund allocated by the state government. Majority of the accountant agreed that lack of integrity is the main factor contributing to the incidence of financial fraud in the government agencies. Adequate internal control system is established within the agencies but opportunities coupled with dishonesty allowed such financial fraud occurred. The respondents agrees that people, good governance, technology, and legal element in preventing, responding as well as detecting any financial fraud possibilities within the government agencies are crucial factors for successful fraud mitigation tool framework within the government agencies. This study only considered the account personnel within one state. For practical implications, the proposed model can be utilized by public sector agencies in other states. This study provides important information for decision makers involved in successful implementation of financial fraud prevention practices among the government agencies.*

**Keywords:** Financial Fraud, State Government Agencies, Internal Control, Organizational Governance, Asset And Financial Management