Journal of Contemporary Issues in Business and Government Vol. 27, No. 2, 2021
https://cibg.org.au/

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.02.026

Personal Characteristics as Determinants Towards Intention For Financial Reporting Fraud

YUNITA AWANG[1*], ABDUL RAHIM ABDUL RAHMAN[2], SUHAIZA ISMAIL[3], NORFADZILAH RASHID[4],

[*1]Senior Lecturer at the Faculty of Accountancy, Universiti Teknologi MARA (UiTM), Terengganu, Malaysia
[2]Professor at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM), Malaysia.
[3]Professor at Kulliyah of Economics and Management Science, International Islamic University Malaysia (IIUM), Malaysia.
[4]Senior Lecturer, Faculty of Business & Management, Universiti Sultan Zainal Abidin, Malaysia
Email ID: yunita@uitm.edu.my, nikmfadzilah@unisza.edu.my

Abstract: Purpose –This study attempts to examine the level of intention for financial reporting fraud; and, to determine whether personal characteristics act as determinants of such intention among Muslim participants in the financial reporting process at Malaysian banking institutions.
Design/methodology/approach – Using questionnaire, the data was obtained based on non-probability purposive sampling from 121 Muslim accounting practitioners who are the participants in the financial reporting process of Malaysian banking institutions. The data is analysed using SPSS.
Findings – The findings indicate a low intention for financial reporting fraud. Only bank type and working experience in the present banking institutions are significant in determining the intention for financial reporting fraud.
Research limitations/implications – The study adds to the scant literature investigating personal characteristics influencing intentions for financial reporting fraud in the banking sector. The findings give insights to the banks' stakeholders on the personal characteristics that may determine the intention for financial reporting fraud among the actual participants in the financial reporting process within Malaysian banking institutions. However, the use of scenario in this study may lead to the issue of social desirability bias, while the use of purposive sampling technique may limits the generalizability of its results.
Originality/value - This study examined personal characteristics of the actual participants or preparers in the financial reporting process within Malaysian banking institutions as determinants towards intention for financial reporting fraud. This study enhances the value of financial reports prepared and the trustworthiness of Muslim preparers in performing their professional duties to fulfil the financial reporting process.

Keywords: Intention, financial reporting, fraud, banking institutions, bank type, personal characteristic, accounting practitioners, financial statement fraud

INTRODUCTION

Fraud is a wrongful or criminal deception with the intention for financial or personal gain. This would involve unjustifiably deceit by a one party towards another party, which could occur in many circumstances namely in finance and investment. Fraud is defined by the International Standard on Auditing (ISA) 240 as:

An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage (Malaysian Institute of Accountants, 2008, 6).

Fraud remains one of the most serious issues for companies today (Palshikar, 2002; Smith, Normah, Syed Iskandar Zulkarnain, & Ithnahaini, 2005). This will cause compliance issues for companies. Fraud is hard to track and there are so many ways to commit fraud. Fraud can happen in large businesses almost as much as it can in small companies (ACFE, 2012, 2014). Fraud usually takes place as employees or contractors communicate with third parties (KPMG, 2009). Fraud results in a great intangible loses such as credibility injury (Button, Lewis, Blackbourn, & Shepherd, 2015). Frauds are expected to take an average of 18 months before it is identified and charged (ACFE, 2012).

Occupational theft may involve corruptions, misappropriations, and misleading financial statements. Identified fraud is:

It is unethical to knowingly include misleading financial statements or financial reports or perpetrate an unlawful act that has a substantial influence on financial statements or financial disclosures (Beasley, Carcello, & Hermanson, 1999, 11).
According to a study that showed around 8% from the overall workplace fraud and financial statement fraud caused the largest amount of harm at about S$1 million (ACFE, 2012). Improper handling, and negative treatment, of liabilities and costs. and insufficient transparency are among the shortcomings and unethical practices of financial statement fraud (Beasley et al., 1999; KPMG, 2009; Weld, Bergevin, & Magrath, 2004).
Scandals like Enron, WorldCom, Adelphia, Tyco, and Global Crossing drew a high volume of media exposure to fraud. Those scandals raised anxiety among the financial authorities, corporate audit committee, accounting specialist, fraud investigators, academics and the public as the financial records became inaccurate.
The aim of this study is to investigate the belief on fraud for financial reporting among Malaysian Muslims. In this review, I plan to find the association between personal characteristic and motive in financial reporting fraud. This is referred to as financial reporting fraud.
This research chose those who were highly active in the fiscal accounting process as they are often involved in deception due to the nature of their work. They are tasked with foreign finance-related tasks that are of company's confidential knowledge and controls (KPMG, 2011; Rezaee, 2005). This study focused on banking industry as the influence of fraud events is greater than the other sectors in the economy. Banking business struggles with the surplus of cash money that's vulnerable to theft and embezzlement (Steinkamp & Solis, 2010). Considering the delicate aspect of financial theft, it is not available for other to hear about. Case studies were also found regarding the badly run Islamic banks. For example, the failures of Taqwa, Faisal Islamic Bank, and others (Rajhi & Hassairi, 2011).
This research explores the idea of intention fraud and it examines various personal variables that influence intention fraud. The results include details on the purpose of the individual financial reporting actors for financial reporting fraud.
The majority of the paper is arranged in the following manner. The next segment includes a study of the causes of financial statement manipulation from previous literature. The technique of analysis is then presented accompanied by the discussion of the findings. The review ends with a summary of consequences, limitations, and guidelines.

LITERATURE REVIEW

Intention for Financial Reporting Fraud

Fraud aim is generally affected by both economic and non-economic influences (Wicaksono & Urumsah, 2017). The factors affecting financial reporting fraud can encourage the auditors' comprehension of the purpose of fraudsters (Yunita & Suhaiza, 2018). One significant reason for corporate theft was dishonest human conduct (Siti Noor Hayati, Kamil, Rashidah, & Wah, 2011). But the actuality of financial statement fraud is not readily seen because of concealing those practices. Income reporting manipulation facts are counted into financial statements (Carpenter & Reimers, 2005). Behaviour intention is taken as a substitute for the overall behaviour since the intention to act unethically provides a framework for affecting the overall behaviour (Buchan, 2005; Gibson & Frakes, 1997). The value of the aim to trigger economic effect of one's auditing and accounting strategies (Rezaee, 2005). An immoral case was difficult to be analyzed in this article (Ahmed, 2010; Haines & Leonard, 2007; Sweeney & Costello, 2009; Trevino, 1992). Researchers have also recorded a close correlation between goal and policy (Carpenter & Reimers, 2005).
Research has shown that false financial reporting appears to include a receiver of funds. The CFOs of big corporations are more likely to disclose false financial statements; the theory of expected conduct is important in forecasting managers' financial reporting decisions; and the theory of reasoned action describes legal and unethical financial reporting actions of managers and workers (Siti Noor Hayati, Kamaruzaman, Rashidah, & Kamil, 2009; Siti Noor Hayati et al., 2011).
Such related studies were also undertaken (e.g. Flannery & May, 2000; Randall & Gibson, 1991; Stone, Jawahar, & Kisamore, 2009). Cheating conduct and financial reporting abuse were performed for personal benefit and monetary compensation. This conduct deserves particular consideration because it has effects on multiple classes of people. There is the growing pattern of financial reporting fraud. Thus, it is important to enforce protective steps against it (Albrecht & Albrecht, 2002; Siti Noor Hayati et al., 2011).

Personal Characteristics influence on Fraud and Ethical Intention

The emergence of a variety of accounting and financial reporting frauds over the past few years, along with the impact of commercialism and regulatory reaction, has resulted in reduced practitioners values that are detrimental to public confidence, reductions to shareholder capital, and a worldwide recession (Lail, MacGregor, Marcum, & Stuebs, 2017).
Financial reporting frauds are typically an outcome of conspiracy between staff and agents (KPMG, 2009). The true causes of fraud derive from the intimate and impersonal interactions between claimants, suspects and fraud culprits (Van Akkeren & Buckby, 2017).

This thesis is based on investigating the factors affecting purpose for fraud among the Muslim employees of financial institutions in Malaysia. An Islamic accountant should follow holistic approach to interpret sharia compliantly. In Islamic financial institutions (IFI), the roles of Muslim accountants are important in determining the transparency of IFI in its annual reports as well as reminding the compliance of Islamic stock sector activities (El-Halaby & Hussainey, 2015).

This has caused serious financial problems for banks and their clients because of the use of the illegal practices. If stakeholders' ethical and behavioural patterns reflect fairness, dignity and confidence in information, it is expected that this will eventually mitigate all types of fraud (Nwanyanwu, 2018). The findings on the impact of individual executives' demographic profiles towards financial reporting decisions are often contradicting and ambiguos. Various variables such as gender, age, education level, job level, working experience and industry category were considered. In addition, this study indicated the role of strain, work tenure, and lack of accounting history among external reporting decisions.

Among the conclusion of the research were no major associations between age, gender, work status, or education level and ethical purpose (Shafer et al., 2001). Studies found negligible impact of gender, age and monthly income on ethical purpose (Kurland, 1996). Both research papers indicate promising findings. There is a constructive interaction between gender and ethical intentions, working level and ethical intentions, and commitment to ethical intentions (Jones & Kavanagh, 1996; Valentine & Rittenburg, 2007).

There was a fundamental effect of personal traits on ethical perceptions. There is also major influence on ethical purpose for gender, age, qualifications and standards of working experience. A more recent research identified particular features of perpetrators of management override frauds, namely male owner/executive/officer/director-level, no history of previous frauds, with five or more years of tenure, and they are more educated (Bishop, Hermanson, Marks, & Riley Jr, 2019). Any workplace frauds widely performed at the beginning of the 2000s were unified as bribes according to a report between England and Wales and Norway (Andresen & Button, 2019).

RESEARCH METHOD

Sample and data

In this analysis, a non-probability purposive sampling approach is used. The unit of research is Muslim financial reporting preparers, who are engaged for a period of five years in the financial reporting process, and are either foreign-owned or locally-owned Muslim banks; Two hundred and six surveys were sent to forty four banks. Self-administered questionnaire was either directly presented to contact of the bank or submitted via secure post (courier service). The first solution was introduced for 36 banks, while the second approach was applied for the remainder eight banks as these banks could not be found. Mainly interviews were made via the phone and visits were undertaken in Human Resource Department of associated banks. The delivery of survey took a period of two months. While 127 questionnaires were returned, only 121 questionnaires were eligible for further study. Out of 20 questionnaires, 6 were omitted due to insufficient answers, irrelevant respondents and outliers. We have analysed the data using SPSS.

Measures

The intention for financial reporting fraud is measured based on 7 questionnaire items presented in relation to a scenario on an ethical dilemma. The responses are based on the 7-point Likert scale indicating either “1: Extremely improbable - 7: Extremely probable “, or “1: Strongly disagree – 7: Strongly agree”. The statements were mainly adapted from Carpenter and Reimers (2005), which have also been previously used by Madden et al. (1992) and Chang (1998).

In business ethics research, vignettes or scenarios are widely used as the observation of behaviours in a field setting is not feasible (Buchan, 2005). The ethical dilemma on deferring expenses to a future period is the type of unethical financial reporting alleged at Enron and WorldCom (Burns, 2002 & Pulliam, 2003 in Carpenter & Reimers, 2005). This deferment could misrepresent the information provided in financial statements and deceive investors, crossing the line from earnings management to fraud (Carpenter & Reimers, 2005). The expense was not recorded upon use is an intentional violation of generally accepted accounting principle and resulted in financial statement fraud (Public Oversight Board, 2000 in Carpenter & Reimers, 2005).

RESULTS

Respondents’ background

The respondents’ background gathered on 121 valid and usable responses are summarized in Table 1.

Table 1: Respondents’ Background

Item	Category	Count	%	Category	Count	%
Gender	Male	58	47.9	Not stated	8	6.6
	Female	55	45.5			
Age	< 30 years	25	20.7	≥ 40 years	35	28.9
	30- < 35 years	28	23.1	Not stated	12	9.9

	35- < 40 years	21	17.4			
Qualification	Bachelor	75	62.0	Diploma and below	9	7.4
	Master	15	12.4	Not stated	1	0.8
	Professional	21	17.4			
Income	≤ RM5000	44	36.4	> RM10000	12	9.9
	RM5001-RM7000	31	25.6	Not stated	7	5.8
	RM7001-RM10000	27	22.3			
Job Level (Position)	Executive	47	38.8	Not stated	13	10.7
	Middle management	61	50.4			
WE in banking sector	5- < 10 years	60	49.6	≥15 years	36	29.8
	10- < 15 years	24	19.8	Not stated	1	0.8
WE in financial reporting in banking	5- < 10 years	73	60.3	≥15 years	19	15.7
	10- < 15 years	26	21.5	Not stated	3	2.5
WE at present bank	< 5 years	54	44.6	10- < 15 years	15	12.4
	5- < 10 years	32	26.4	≥15 years	20	16.5
Bank type	Islamic banks	61	50.4	Conventional banks	60	49.6
Bank ownership	Local-owned banks	95	78.5	Foreign-owned banks	26	21.5

Note: WE = Working experience

Respondents are 58 (47.9%) males and 55 (45.5%) females. The oldest age demographic is between 40 to over years ago (35 or 28.9 percent). About half of the respondents are university graduates or higher, with household income greater than RM 5000. (36.4 percent). 45.6 percent of the respondents in the study are those in administrative category and 38.8 percent of the respondents in the study are those at executive category.
Most respondents had 5-15 years working experience in banking business, while 44.6 percent had less than 5 years. Respondents worked over a range of between five and fewer than ten years. Survey found that 61 respondents (50.4 percent) worked with Islamic financial institutions, while 60 respondents (49.6 percent) worked with traditional banks. Much of the respondents (78.5 percent) said they represent the local-owned banks as opposed to just 26 respondents (21.5 percent) claiming they work with foreign-owned banks. This indicates that respondents have the unique capability and expertise to present both male and female banking participants.

Objective 1: Intention for financial reporting fraud
A preliminary analysis was conducted to gauge the overall picture of the intention for fraud among the Muslim preparers of financial reports. The SPSS descriptive results are shown in Table 2, indicating the mean score for each item measuring the intention as well as the overall mean value for intention for financial reporting fraud among the respondents.

Table 2: Mean score for Intention

Items	Mean	S.D	Min	Max
I intend to delay the recording of this office supply expense into the following year.	2.84	1.839	1	7
I will try to delay the recording of this office supply expense into the following year.	2.92	1.838	1	7
I will make an effort to delay the recording of this office supply expense into the following year.	2.97	1.906	1	7
I predict that I would delay the recording of this office supply expense into the following year.	3.12	1.878	1	7
I am interested to delay the recording of this office supply expense into the following year.	3.17	1.985	1	7
I want to delay the recording of this office supply expense into the following year.	3.04	1.791	1	7
I will definitely delay the recording of this office supply expense into the following year.	2.94	1.777	1	7
Overall mean for intention (MeanINT)	**2.999**	**1.692**	**1**	**7**

Intention refers the respondents' inclination towards financial reporting fraud decisions when they are faced with ethical dilemmas in their job routine. The highest mean value of 3.17 for intention item "I am interested to delay the recording of this office supply expense into 2013" is lower than the mid-point of 7-likert scale. Moreover, the overall mean for intention among the respondents is on the lower end of the scale with 2.999. This suggests that the respondents have low intention to defer the recognition of the office supply expense into the following year. Hence, based on the intention to defer office supply expense into the following year, the Muslim preparers indicated low intention to make such an unethical financial reporting decision even when they are facing an ethical dilemma in their job routine.

Objective 2: Personal characteristics as Determinants of intention
Further analysis was done to examine the influence of respondents' personal characteristics on the intention for financial reporting fraud. The tests was conducted using Independent t-test and One-way analysis of variance between the groups based on the respondents' personal characteristics, against the overall mean value of intention for financial reporting fraud.
The independent t-test is appropriate when comparing the mean scores of two different groups on continuous mean variable (Pallant, 2010). The relevant personal characteristics are gender, job position, bank type and bank ownership. The results are shown in Table 3.

Table 3: Independent Samples Test for Mean value of Intention

Personal Characteristics		**Levene's Test for Equality of Variances**		**t-test for Equality of Means**						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Gender	Equal variances assumed	0.024	0.876	-0.808	111	**0.421**	-0.25589	0.31679	-0.88363	0.37186
Job Position	Equal variances assumed	1.161	0.284	-0.477	106	**0.634**	-0.15604	0.32715	-0.80465	0.49258
Bank Type	Equal variances assumed	1.118	0.293	-2.898	119	**0.004**	-0.86546	0.29863	-1.45677	-0.27414
Bank ownership	Equal variances not assumed	6.326	0.013	0.704	49.597	**0.485**	0.23019	0.32717	-0.42708	0.88746

This demonstrated no substantial variations between two classes of subjects in the sample. A important gap is found between the scores for Islamic bank form and those of the standard bank type at t (119) = 2.89, p = 0.004, two-tailed). The size of the variations in means was medium with standard error of 0.07. The value of 0.10 means small effect, 0.3 means medium effect and 0.50 implies significant effect (J. Cohen, 1988).
An analysis of variance (ANOVA) is used in place of a t-test where there are two or more classes and the object is to compare their mean scores on a continuous variable. Between-groups ANOVA is used where one independent variable has more than three levels (groups). To classify such classes that are most distinct from each other needs post-hoc comparisons be done (Pallant, 2010).
Based on the Rigorous Test of Equality of Means, for any group, the related findings for reporting of age and working experience were extracted from the Test of Homogeneity of Variances. As the mean value was smaller than the significant value of p=0.05, the principle of homogeneity of variances was broken.

Table 4: Robust Tests of Equality of Means

	MeanINT

Personal Characteristics		Statistic	df1	df2	Sig.
Age	Welch	1.222	3	54.138	0.311
	Brown-Forsythe	0.964	3	86.746	0.414
WE Reporting	Welch	0.725	2	36.720	0.491
	Brown-Forsythe	0.787	2	52.264	0.461

Note: WE = Working experience

From Table 4, the results indicate that no significance difference (p value > 0.05) among the mean scores on the dependent variable for the related personal characteristics groups. Thus, post hoc test is not required. On the other hand, for other groups of personal characteristics, the assumption of homogeneity of variance is not violated. Thus, the results obtained from ANOVA are summarized in Table 5.

Table 5: ANOVA

	MeanINT					
Personal Characteristics		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Qualification	Between Groups	5.655	3	1.885	0.648	0.586
	Within Groups	337.261	116	2.907		
	Total	342.916	119			
Income	Between Groups	4.763	3	1.588	0.538	0.657
	Within Groups	324.365	110	2.949		
	Total	329.128	113			
WE Banking	Between Groups	1.388	2	0.694	0.240	0.787
	Within Groups	338.239	117	2.891		
	Total	339.627	119			
WE Present	Between Groups	25.161	3	8.387	3.081	0.030
	Within Groups	318.497	117	2.722		
	Total	343.658	120			

Note: WE = Working experience

Based on Table 5, no significant difference (p value > 0.05) among the mean scores on the dependent variable for the groups related to qualification, income and working experience in banking. Thus, post hoc test is not requested. However, there is a significant difference among the mean scores on the dependent variable for the groups under working experience with present banking institution (WE Present). Thus, post-hoc test need to be conducted. The results are summarized in Table 6.

Table 6: Multiple Comparisons

Dependent Variable:
Tukey HSD

(I) WE present		**Mean Difference (I-J)**	**Std. Error**	**Sig.**	**95% Confidence Interval**	
					Lower Bound	**Upper Bound**
<5	5-<10	-0.78729	0.36808	0.147	-1.7466	0.1720
	10-<15	-0.65291	0.48155	0.530	-1.9080	0.6022
	15 and above	-1.16005*	0.43188	0.041	-2.2857	-0.0344
5-<10	<5	0.78729	0.36808	0.147	-0.1720	1.7466
	10-<15	0.13437	0.51628	0.994	-1.2112	1.4800
	15 and above	-0.37277	0.47030	0.858	-1.5985	0.8530
10-<15	<5	0.65291	0.48155	0.530	-0.6022	1.9080
	5-<10	-0.13437	0.51628	0.994	-1.4800	1.2112
	15 and above	-0.50714	0.56355	0.805	-1.9759	0.9617
15 and above	<5	1.16005*	0.43188	0.041	0.0344	2.2857
	5-<10	0.37277	0.47030	0.858	-0.8530	1.5985
	10-<15	0.50714	0.56355	0.805	-0.9617	1.9759

Note: WE = Working experience

Post-hoc paired survey t-tests showed that group 1 (<5 years) and group 4 (15 and above years) was substantially different from one another in terms of trying to commit fraud. Group 2 and Group 3 did not vary substantially from either Group 1 or Group 4.

The findings of the Independent t-test between two groups suggest that, there is no substantial gap for the purpose financial reporting fraud when comparing the respondents' personal characteristics except for the bank form between Islamic and Traditional banks.

The negligible observations are substantiated by the prior literature. All these factors have no major effect on friendship attitude except for work place (Kurland, 1996; Nill & Schibrowsky, 2005). The reasons behind this scam may be due to the identities of Islamic banks and traditional banks. When you deal with Islamic banks, you will be working with people who are educated in Islam and well versed on the wisdom of Islam (Haniffa & Hudaib, 2007). Study results show that companies with solid religious connections suffer less financial reporting violations (Dyreng, Mayew, & Williams, 2012; McGuire, Omer, & Sharp, 2012). Important beneficial outcome on the firm form is also seen in other tests (e.g. Cowen, Groysberg, & Healy, 2006; McKinley, Pany, & Reckers, 1985; Shafer, 2008). Since Islamic banks work according to Islamic teachings, it is supposed to be undertaking any training comprehensively in a full-fledged banking system. In addition, the ethical considerations for the community must be integrated into its business processes (Alamer, Salamon, Qureshi, & Rasli, 2015).

The discovery further shows a substantial gap for length of operating experience in false financial accounts. This is consistent with the works of Jones and Kavanagh (1996), O'Leary and Stewart (2007) and Pierce and Sweeney (2010) which decided on the significant relationship between working experience and purpose of holding themselves on jobs. This result may be the representation of the loyalty of banks towards their owners or staffs.

CONCLUSION

This article explored the degree to which financial reporting fraud is intended and the impact of personal characteristics on financial reporting fraud intention through a questionnaire survey. Generally speaking, the findings on the scope of the aim suggest that the Muslim preparations of financial reports have no intention of financial reporting fraud. This will demonstrate the authenticity of financial reports produced at the banks. It also increases the trust of Muslim preparers in serving their professional duties in order to carry out the financial reporting process.

The findings also reveal that the Muslim financial report preparers operate in Islamic or traditional banks with the purpose of financial reporting fraud. This could indicate that they maintain their reputation as a Muslim and that in the public eye they defend the ethical identity of Islamic banks. The considerable change in the working experience of the present bank will reflect the sense of belonging to the current banking institution they are working with.

The results give stakeholders, namely shareholders of the banks and management, an insight into the personal characteristics which can decide the purpose of Muslim engaging in financial reporting fraud. This research thus adds to the limited literature on the degree of intention for financial reporting fraud in the Malaysian banking sector and on the investigation of the personal characteristics of financial reporting intention determinants. The results offered valuable information to the banks' stakeholders about the purpose of financial reporting fraud among the actual participants in the financial reporting process, as this analysis involved the preparing of the financial reports.

However, this result must be viewed carefully because of its weaknesses. Firstly, this study gave no hypotheses and the conclusions were focused entirely on a preliminary statistical analysis. Secondly, the use of the scenario will contribute to the topic of social expectations. Social desirability bias is "the tendency of people to underestimate (overestimate) the likelihood of an unwanted action" (Chung & Monroe, 2003: 291). It may adversely affect the validity of study results (Randall & Fernandes, 1991). The requisite measures were taken using the self-administered questionnaire, including the cover letter to ensure that the comments collected are private and confidential, and the submission of measuring objects to respondents in a non-offensive and neutral way. Finally, because the use of purposeful sampling methods in the data collection process is restricted to Muslim accounting professionals in the banking industry.

Therefore, potential inquiries should be expanded to provide detailed assumptions on some independent variables to assess the association with financial reporting fraud purpose. Future studies should propose integrating various hypothesis scenarios to either improve or equate financial reporting manipulation to the current findings. The theory of expected actions can be introduced in future studies as a proven theory of behavioral intent, such as the theory of reasoned action, or expansion.

ACKNOWLEDGEMENT

The first author would like to thank Universiti Teknologi MARA and Kementerian Pengajian Tinggi Malaysia for the scholarship (2011-2015) under ‘Skim Latihan Staf UiTM/KPT-SLAB’.

REFERENCES

1. ACFE. (2012). Global Fraud Survey: Report to the nations on occupational fraud and abuse. USA: Association of Certified Fraud Examiners
2. ACFE. (2014). Global Fraud Survey: Report to the nations on occupational fraud and abuse. USA: Association of Certified Fraud Examiners

3. Ahmed, Y. S. M. (2010). The role of individual variables, organizational variables, and moral intensity dimensions in Accountants' ethical decision making: A study of management accounting in Libya. (Doctor of Philosophy), University of Huddersfield, UK.
4. Alamer, A. R. A., Salamon, H. B., Qureshi, M. I., & Rasli, A. M. (2015). CSR's measuring corporate social responsibility practice in Islamic banking: A review. International Journal of Economics and Financial Issues, 5(1S), 198-206.
5. Albrecht, W. S., & Albrecht, C. C. (2002). Root out financial deception. Journal of Accountancy - New York, 193(4), 30-36.
6. Andresen, M. S., & Button, M. (2019). The profile and detection of bribery in Norway and England & Wales: A comparative study. European Journal of Criminology, 16(1), 18-40.
7. Barnett, T., & Valentine, S. (2004). Issue contingencies and marketers' recognition of ethical issues, ethical judgments and behavioral intentions. Journal of Business Research, 57(4), 338-346.
8. Beasley, M. S., Carcello, J. V., & Hermanson, D. R. (1999). Fraudulent Financial Reporting: 1987-1997 An Analysis of U.S. Public Companies: Committee of Sponsoring Organizations of the Treadway Commission (COSO).
9. Beekun, R. I., Stedham, Y., Westerman, J. W., & Yamamura, J. H. (2010). Effects of justice and utilitarianism on ethical decision making: a cross-cultural examination of gender similarities and differences. Business Ethics: A European Review, 19(4), 309-325.
10. Bishop, C. C., Hermanson, D. R., Marks, J. T., & Riley Jr, R. A. (2019). Unique Characteristics of Management Override Fraud Cases. Journal of Forensic and Investigative Accounting, 11(3).
11. Brazel, J. F., Lucianetti, L., & Schaefer, T. J. (2020). Reporting Concerns About Earnings Quality: An Examination of Corporate Managers. Journal of Business Ethics, 1-23.
12. Buchan, H. F. (2005). Ethical decision making in the public accounting profession: An extension of Ajzen's Theory of Planned Behavior. Journal of Business Ethics, 61(2), 165-181.
13. Button, M., Lewis, C., Blackbourn, D., & Shepherd, D. (2015). Uncovering the hidden cost of staff fraud: an assessment of 45 cases in the UK. Journal of Financial Crime, 22(1), 170-183.
14. Carpenter, T. D., & Reimers, J. L. (2005). Unethical and fraudulent financial reporting: Applying the Theory of Planned Behavior. Journal of Business Ethics, 60(2), 115-129.
15. Chang, M. K. (1998). Predicting unethical behavior: a comparison of the Theory of Reasoned Action and the Theory of Planned Behavior. Journal of Business Ethics, 17(16), 1825-1834.
16. Chung, J., & Monroe, G. S. (2003). Exploring social desirability bias. Journal of Business Ethics, 44(4), 291-302.
17. Cohen, J. (1988). Statistical power analysis for the behavioral sciences. New Jersey: Lawrence Erlbaum.
18. Cohen, J. R., Pant, L. W., & Sharp, D. J. (2001). An examination of differences in ethical decision-making between Canadian business students and accounting professionals. Journal of Business Ethics, 30(4), 319-336.
19. Cowen, A., Groysberg, B., & Healy, P. (2006). Which types of analyst firms are more optimistic? Journal of Accounting and Economics, 41(1), 119-146.
20. Craft, J. L. (2013). A review of the empirical ethical decision-making literature: 2004–2011. Journal of Business Ethics, 117(2), 221-259.
21. Dyreng, S. D., Mayew, W. J., & Williams, C. D. (2012). Religious social norms and corporate financial reporting. Journal of Business Finance & Accounting, 39(7-8), 845-875.
22. El-Halaby, S., & Hussainey, K. (2015). A holistic model for Islamic accountants and its value added. Corporate Ownership and Control, 12(3 (continued 1)), 164-184.
23. Elango, B., Paul, K., Kundu, S. K., & Paudel, S. K. (2010). Organizational ethics, individual ethics, and ethical intentions in international decision-making. Journal of Business Ethics, 97(4), 543-561.
24. Flannery, B. L., & May, D. R. (2000). Environmental ethical decision making in the US metal-finishing industry. Academy of management Journal, 43(4), 642-662.
25. Gibson, A. M., & Frakes, A. H. (1997). Truth or consequences: A study of critical issues and decision making in accounting. Journal of Business Ethics, 16(2), 161-171.
26. Gillett, P. R., & Uddin, N. (2005). CFO intentions of fraudulent financial reporting. Auditing: A Journal of Practice & Theory, 24(1), 55-75.
27. Haines, R., & Leonard, L. N. K. (2007). Individual characteristics and ethical decision-making in an IT context. Industrial Management & Data Systems, 107(1), 5-20.
28. Haniffa, R., & Hudaib, M. (2007). Exploring the ethical identity of Islamic banks via communication in annual reports. Journal of Business Ethics, 76(1), 97-116.
29. Jones, G. E., & Kavanagh, M. J. (1996). An experimental examination of the effects of individual and situational factors on unethical behavioral intentions in the workplace. Journal of Business Ethics, 15(5), 511-523.
30. KPMG. (2009). KPMG Malaysia Fraud Survey Report 2009. Malaysia: KPMG Malaysia.

31. KPMG. (2011). KPMG analysis if gobal patterns of fraud: Who is the typical fraudsters? Malaysia: KPMG Malaysia.
32. Kurland, N. B. (1996). Sales agents and clients: ethics, incentives, and a modified theory of planned behavior. Human Relations, 49(1), 51-74.
33. Lail, B., MacGregor, J., Marcum, J., & Stuebs, M. (2017). Virtuous professionalism in accountants to avoid fraud and to restore financial reporting. Journal of Business Ethics, 140(4), 687-704.
34. Leonard, L. N. K., Cronan, T. P., & Kreie, J. (2004). What influences IT ethical behavior intentions—planned behavior, reasoned action, perceived importance, or individual characteristics? Information & Management, 42(1), 143-158.
35. Madden, T. J., Ellen, P. S., & Ajzen, I. (1992). A comparison of the Theory of Planned Behavior and the Theory of Reasoned Action. Personality and social psychology Bulletin, 18(1), 3-9.
36. Malaysian Institute of Accountants. (2008). International Standard on Auditing (ISA 240) The Auditor's responsibilities relating to fraud in an audit of financial statements (pp. 1-39). Malaysia: The Malaysian Institute of Accountants.
37. McGuire, S. T., Omer, T. C., & Sharp, N. Y. (2012). The impact of religion on financial reporting irregularities. The Accounting Review, 87(2), 645-673.
38. McKinley, S., Pany, K., & Reckers, P. M. (1985). An examination of the influence of CPA firm type, size, and MAS provision on loan officer decisions and perceptions. Journal of Accounting Research, 23(2), 887-896.
39. Nill, A., & Schibrowsky, J. A. (2005). The impact of corporate culture, the reward system, and perceived moral intensity on marketing students' ethical decision making. Journal of Marketing Education, 27(1), 68-80.
40. Nwanyanwu, L. A. (2018). Accountants' ethics and fraud control in Nigeria: The emergence of a fraud control model. Journal of Accounting, Finance and Auditing Studies, 4(1), 130-150.
41. O'Leary, C., & Stewart, J. (2007). Governance factors affecting internal auditors' ethical decision-making: an exploratory study. Managerial Auditing Journal, 22(8), 787-808.
42. O'Fallon, M. J., & Butterfield, K. D. (2005). A review of the empirical ethical decision-making literature: 1996–2003. Journal of Business Ethics, 59(4), 375-413.
43. Pallant, J. (2010). SPSS survival manual: a step by step guide to data analysis using SPSS. England: McGraw Hill.
44. Palshikar, G. (2002). The hidden truth on the list of business-critical applications, fraud detection is moving ever higher. Will it become the next killer app for data analytics? Intelligent Enterprise 5, 46-63.
45. Pierce, B., & Sweeney, B. (2010). The relationship between demographic variables and ethical decision making of trainee accountants. International journal of auditing, 14(1), 79-99.
46. Plöckinger, M., Aschauer, E., Hiebl, M. R., & Rohatschek, R. (2016). The influence of individual executives on corporate financial reporting: A review and outlook from the perspective of upper echelons theory. Journal of Accounting Literature, 37, 55-75.
47. Rajhi, W., & Hassairi, S. A. (2011). Unconventional Banking System in Distress. International Journal of Economics and Finance, 3(4), 70-82.
48. Randall, D. M., & Fernandes, M. F. (1991). The social desirability response bias in ethics research. Journal of Business Ethics, 10(11), 805-817.
49. Randall, D. M., & Gibson, A. M. (1991). Ethical decision making in the medical profession: An application of the Theory of Planned Behavior. Journal of Business Ethics, 10(2), 111-122.
50. Rezaee, Z. (2005). Causes, consequences, and deterence of financial statement fraud. Critical Perspectives on Accounting, 16(3), 277-298.
51. Shafer, W. E. (2008). Ethical climate in Chinese CPA firms. Accounting, Organizations and Society, 33(7), 825-835.
52. Shafer, W. E., Morris, R. E., & Ketchand, A. A. (2001). Effects of personal values on auditors' ethical decisions. Accounting, Auditing & Accountability Journal, 14(3), 254-277.
53. Shapeero, M., Koh, H. C., & Killough, L. N. (2003). Underreporting and premature sign-off in public accounting. Managerial Auditing Journal, 18(6/7), 478-489.
54. Singhapakdi, A. (1999). Perceived importance of ethics and ethical decisions in marketing. Journal of Business Research, 45(1), 89-99.
55. Siti Noor Hayati, M. Z., Kamaruzaman, J., Rashidah, A. R., & Kamil, M. I. (2009). Behavioural intention for fraudulent reporting behaviour using cognitive theory. Asian Social Science, 4(7), 43-47.
56. Siti Noor Hayati, M. Z., Kamil, M. I., Rashidah, A. R., & Wah, Y. B. (2011). Antecedents of non-normal financial reporting. International Journal of Business and Social Science, 2(5), 170-178.
57. Smith, M., Normah, O., Syed Iskandar Zulkarnain, S. I., & Ithnahaini, B. (2005). Auditors' perception of fraud risk indicators: Malaysian evidence. Managerial Auditing Journal, 20(1), 73-85.

58. Stedham, Y., Yamamura, J. H., & Lai, S. C.-C. (2008). Business ethics in Japan and Taiwan: relativist and utilitarian perspectives. Asia Pacific Business Review, 14(4), 535-551.
59. Steinkamp, A. J., & Solis, T. B. (2010). Fraud risk management in the banking industry. Stout Risius Ross.
60. Stone, T. H., Jawahar, I., & Kisamore, J. L. (2009). Using the theory of planned behavior and cheating justifications to predict academic misconduct. Career Development International, 14(3), 221-241.
61. Stylianou, A. C., Winter, S., Niu, Y., Giacalone, R. A., & Campbell, M. (2013). Understanding the behavioral intention to report unethical information technology practices: The role of Machiavellianism, gender, and computer expertise. Journal of Business Ethics, 117(2), 333-343.
62. Sweeney, B., Arnold, D., & Pierce, B. (2010). The impact of perceived ethical culture of the firm and demographic variables on auditors' ethical evaluation and intention to act decisions. Journal of Business Ethics, 93(4), 531-551.
63. Sweeney, B., & Costello, F. (2009). Moral intensity and ethical decision-making: An empirical examination of undergraduate accounting and business students. Accounting Education, 18(1), 75-97.
64. Syariati, A., & Syariati, N. E. (2012). Islamic Bank as Bank of Ethics. Paper presented at the Proceeding of Annual South East Asian International Seminar.
65. Trevino, L. K. (1992). The social effects of punishment in organizations: A justice perspective. Academy of management review, 17(4), 647-676.
66. Valentine, S. R., & Rittenburg, T. L. (2007). The ethical decision making of men and women executives in international business situations. Journal of Business Ethics, 71(2), 125-134.
67. Van Akkeren, J., & Buckby, S. (2017). Perceptions on the causes of individual and fraudulent co-offending: Views of forensic accountants. Journal of Business Ethics, 146(2), 383-404.
68. Weld, L. G., Bergevin, P. M., & Magrath, L. (2004). Anatomy of a financial fraud. The CPA Journal, 74(10), 44-49.
69. Wicaksono, A. P., & Urumsah, D. (2017). Factors Influencing Employees To Commit Fraud In Workplace Empirical Study In Indonesian Hospitals. Asia Pacific Fraud Journal, 1(1), 1-18.
70. Yunita, A., & Suhaiza, I. (2018). Determinants of financial reporting fraud intention among accounting practitioners in the banking sector: Malaysian evidence. International Journal of Ethics and Systems, 34(1), 32-54.