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An Empirical Assessment of Financial Ratios on Investment Decision: A Case of Nigerian Telecommunication Industry

Auwalu Musa

Abstract

This paper aims to determine the relationship between financial ratios among Nigerian listed telecommunication companies on investment decisions. The study uses the current ratio, quick ratio and cash ratio as measures of liquidity ratio, return on assets, net profit margin and operating cash flow as measures of profitability ratio. This study fills in the gap by using a sample of 12 Nigerian listed telecommunication companies in the stock market for 2016-to-2017. Data was collected from Thompson Reuters, Data Streams and companies' financial statements. The quantitative research design is used to find the relation and strength of the correlation between the variables. The study found a significant positive relationship between liquidity measures (current and cash ratio) and profitability measures (return on asset and operating cash flow) in 2016. However, the relationship between the quick ratio and the net operating margin is a weak positive relation. Furthermore, the study found a significant positive relationship between the liquidity and profitability ratios in 2017. The study concluded a positive relationship between liquidity ratio and profitability ratio. Therefore, the findings of this study provide additional literature on the relationship between financial ratios outlined in the financial statement. The study's implication is to policymakers, regulators, current and prospective investors and the government that liquidity and profitability ratios have a positive relationship.

Keywords: financial statement, liquidity ratio, profitability ratio

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A comparison of Customer Relationship Management of the Malaysian and Nigerian Banking Sector: Lessons and Prospects

Usman Bello

Abstract

Customer Relationship Management (CRM) evolves to be the topmost agenda in discussing many organisational strategies. The increase in competition for customers, product innovation, better condition of services, access to the best information and best practices forced organisations to leverage CRM to maintain and sustain the stiff competition that characterised the world modern turbulent economy. The primary objective of this study is to compare the practice of customer relationship management between Nigerian and Malaysian Banking organisations. Specifically, this study assesses the extent of CRM practice, the most relevant factors of CRM evaluation, the challenges and its success rate in the context of the Nigerian and Malaysian Banking industry. The cross-country comparison findings show that both countries employ the customer relationship management system. This review further reveals the use of widely dispersed strategies by the firm to attract potential and maintain the existing customer. Despite the benefits derived from the utilisation of CRM applications, the banking sector in the two countries faces some challenges in integrating critical success factors and problems relating to some country characteristics.

Keywords: banks, Malaysia, Nigeria, customer relationship management, competition, customer

Impact of Tax Administration and Collection on Infrastructural Development: Evidence from Kwara State Internal Revenue Service, Kwara State

Omolara Ojulari

Abstract

Taxation as a mechanism used by governments at all levels in generating revenue assists in providing social amenities and enabling the environment. The lack of usage of the collected taxes often leads to conflict among the government and stakeholders, leading to expected benefits. Hence, this study aimed to find out how taxation affects the infrastructural development of Kwara State through Kwara State Internal Revenue Service (KWSIRS) and stakeholders looking at the tax collection and administration and its effects on the provision of social amenities conducive business environment. The study selected a convenience sample of 100 respondents, with the staff of KWIRS and stakeholders having equal representation, that is, 50 respondents each. Eighty-nine copies of the questionnaire were retrieved for analysis using Simple Regression. The result revealed that taxation practice through collection and administration does affect the infrastructural development of Kwara State through the provision of affordable social needs and amenities and a conducive environment for businesses with a significance level of .000 and 7.9 Beta. The study then recommended that intensive effort should be placed on the collection process and usage of taxes collected. Also, the government and tax authority should explore the new and untapped avenue of generating revenue through taxes in the State.

Keywords: taxation, collection, administration, social amenities, conducive business environment, Kwara State

The Effect of Corporate Gender Diversity on Board and Firm Performance

Nura Isah,
Rabiu Iliya

Abstract

Effective and qualitative corporate governance is the distinctive feature of a newly emerging economy. Due to the global financial crisis and recent corporate failures involving multinational corporations worldwide, corporate governance has received significant attention. As the global economic system changes, corporate governance mechanisms become essential determinants of companies' current and future performance. Gender diversity and corporate performance have a strong association that entirely relies on effective board management. Therefore, the basic assumption is that appropriate gender diversity within the board will improve board effectiveness, affecting the firm performance. The primary objective of this study is to examine the effects of board gender diversity on board and firm performance. The study describes extant research on theoretical and empirical perspectives, emphasising the impact of women directors on corporate boards and firm performance. The study used a secondary source as a method of data collection. The findings from the studies provide different outcomes. At the same time, some authors believe board gender diversity improves firm performance. Other empirical studies discovered no relationship between board gender diversity and firm financial performance. However, others were neutral by neither positive nor negative relationship between gender diversity and firm performance. Furthermore, concerning theoretical perspective, the study discovers that both the agency theory and resource dependency theory

only suggest the link between board gender diversity and firm performance. However, the fundamental nature of the link remains unclear.

Keywords: corporate governance, gender diversity, board performance, firm performance, emerging economy

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Corporate Social Responsibility as a Driver for Corporate Growth and Environmental Sustainability

Rabiu Iliya,
Nura Isah

Abstract

This study aims to examine the needs of multinational companies in the oil and gas industry to understand the environmental degradation in the region of the Nigerian Niger Delta while balancing corporate social responsibility and revenue generations. The study used a qualitative technique, and a sample size of 82 respondents was randomly selected. A questionnaire was distributed to the indigenous people of the Niger Delta. The study recommends that to secure a social license, the oil MNCs need to take an active part in the provision of visible CSR projects that will help promote socio-economic development in the region of the Niger Delta. Both the Nigerian government and oil multinational companies should commit adequate resources towards developing and enhancing environmental sustainability in the region of the Niger Delta. Multinational companies should not prioritise their primary objective of profit-making over corporate social responsibility. However, they should look into human socio-economic needs as part of their social philanthropy. These, of course, will lead to mutual benefits between the oil MNCs and their host communities. Lastly, the business operates within social settings. Hence, they either afford to contribute responsibly to secure a business license, promote corporate reputation to earn a competitive advantage or be irresponsible due to apparent consumer awareness of CSR activities.

Keywords: corporate social responsibility (CSR), multinational companies (MNCs), corporate growth, environmental sustainability, oil and gas industry

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Risk Management Practice: A forensic Accounting Tool for Fraud Prevention and Detection in Public Universities in South-West Nigeria

Samson Adebolu Adegbite
Rebecca Deborah Benjamin
Rasheed Olarewaju Oyedeji

Abstract

The problem of fraud is of global concern, and the rate at which it is perpetrated in Nigeria public universities is more worrisome. This research work on risk management practice as a forensic accounting tool for fraud prevention and detection in public universities in South-West Nigeria. The study assessed the applicability of forensic accounting tools on fraud prevention and detection in public universities in South West, Nigeria. The study adopted a survey research design. The study population consisted of 500 staff members of 15 public universities in South-West Nigeria, EFCC, ICPC and the police anti-corruption unit. The whole population of 500 was used with a response rate of 92.4%. The data were analysed with descriptive and inferential statistics using SPSS version 21. The instrument's reliability was assessed through

a pilot study of 50 respondents. The Cronbach's Alpha coefficient of the constructs was 0.838. The study's findings revealed that the overall effect showed an F-statistics of 53.526 and a p-value of 0.000, which is statistically significant at $p < 0.05$. The study concluded that risk management practice is statistically significant for fraud prevention and detection in public universities in South-West Nigeria. The study recommended that forensic accounting be introduced into the public sector by the government as a matter of policy, and risk management practice should be enhanced in public universities and other public sectors in Nigeria.

Keywords: Fraud, Forensic Accounting, Risk Management Practice, Internal Control, Fraud Prevention and Detection

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Prospects of Performance Measurement in Selected Nigerian Public Sector Agencies in the Era of Fourth Industrial Revolution

Opeyemi Akinniyi

Oluwatoyin Muse Johnson Popoola

Nathan Amadi

Abstract

Performance measurement in public sector organisations has engendered concerns of both practitioners and academia. In an emerging economy like Nigeria, technological breakthroughs like the fourth industrial revolution as a mechanism for enhanced performance have further excited performance measurement concerns. This is because proper performance measurement is the basis for improving the quality of public goods and services. This study examines the prospects of performance measurement in the era of IR 4.0 using an exploratory multiple case study research design. The interview method to gather primary data on the phenomenon of IR 4.0 and performance measurement across ten Ministries, Departments and Agencies (MDAs) situated in the Federal Capital Territory of Nigeria was adopted. Interview results showed that though there were persons designated as management accountants, the management accounting function was performed through the accounting department. It was also observed that the internet, digitisation, broadband and human-computer interface as aspects of 4IR were scored "good". However, Artificial Intelligence, an essential attribute of 4IR, had inconsistent ratings. This can be attributed to low awareness of the phenomenon of IR 4.0's numerous facets that can be deployed. The performance of typical public sector organisations will be based on the vale satisfaction of beneficiaries rather than target figures and annual employee appraisal. A strong political will of administrators of the sampled MDAs was identified as an essential factor for fully adopting what 4IR offers.

Keywords: performance measurement, the fourth industrial revolution, public sector, emerging economies, Nigeria

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Financial Development and Liberalization, Trade Openness and Continue Economic Growth in Nigeria using Combined Cointegration Analysis

Zakaria Yakubu

Loganathan Nanthakumar

Asan Ali Gollam Hassan

Abstract

The study investigates the impact of financial development and liberalisation by integrating trade openness, using Bayer and Hanck combined cointegration approach. The results revealed there is cointegration among the variable and their determinants. The impact of capital openness on the economy's growth is positive and significant, but that of financial development on the economy's growth is negative. Thus, policymakers must fine-tune financial reform policies and programs to effect positive changes in the growth of the Nigerian economy in order to merge up with the fourth industrial revolution.

Keywords: financial liberalisation, development, trade openness, Nigeria combined cointegration

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The Indonesian Islamic banking: interrelation between intellectual capital performance, intellectual capital disclosure, and financial performance

Ihyaul Ulum

Okky Bon Amarullah

Eny Suprapti

Abstract

This study aims to post a viewpoint on intellectual capital performance and disclosure based on Indonesian Islamic banking. This paper adds financial performance (measured with profitability ratio) to mediate the relationship between intellectual capital performance and disclosure. A four-way numerical coding system was used to conduct the content analysis. The sample was drawn from Indonesian Islamic banking for five years of observation, 2011-2015. The results from WarpPLS 3.0 showed that intellectual capital performance (measured with modified value-added intellectual coefficient/MVAIC) has a significant effect on the level of intellectual capital disclosure. Contrasting with our hypothesis, the financial performance of Indonesian Islamic banking did not mediate the relationship between intellectual capital performance and intellectual capital disclosure.

Keywords: financial performance, intellectual capital disclosure, intellectual capital performance

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Factors Influencing Corporate Governance Disclosures: Evidence from Saudi Listed Companies

Maadi Omar

Azhar Abdul Rahman

Abstract

The purpose of this paper is to assess the level of Corporate Governance Disclosure (CGD) in Saudi Arabia and its determinants. Five board characteristics are used: board size, board independence, board meeting frequency, board qualification, and managerial ownership. A self-constructed disclosure index is developed to measure CGD based on previous studies. The sample size includes 80 non-financial publicly listed companies on the Saudi Securities Market (SSM), with data taken from 2016. The results show that all the independent variables are not significantly related to CGD. This study has significant regulatory and managerial implications.

Keywords: Saudi Arabia, corporate governance disclosure, the board size, board independence, managerial ownership

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Mediating Effects of Trust in E-filing Software on E-filing Acceptance by Micro-entrepreneurs in the Services Sector

Abdulsalam Masud
Saliza Abdul Aziz

Abstract

Digitalising the tax collection system through electronic tax filing (e-filing) could maximise revenues to concerned authorities. It blocks leakages that undermine collection efforts. However, when the users do not trust the e-filing collection system, such could adversely affect its acceptance and usage. To understand the role of trust in these processes, the Unified Theory of Acceptance and Use of Technology (UTAUT) is expanded to explain the structural effects of trust in e-filing software on e-filing acceptance intention among micro-entrepreneurs in the services sector in Northwestern Nigeria. Data were collected from a sample of 158 micro-entrepreneurs in five services sectors and analysed through Partial Least Squares (PLS) Structural Equation Modeling (SEM). The analyses found that performance expectancy, effort expectancy, and social influence significantly influence both trusts in e-filing software and e-filing acceptance intention. It was also found that trust in e-filing software influence the intention to accept e-filing among the micro-entrepreneurs. More interesting, the result revealed significant structural mediating effects of trust in e-filing in the influence of performance expectancy, effort expectancy and social influence on intention to accept e-filing. These findings expand the explanatory power of UTAUT from a different context and setting beyond what has been documented in the extant literature. Equally, the finding will be beneficial to policymakers regarding e-filing software design in such a way as to meet the users' demands relative to the language and compatibility.

Keywords: acceptance intention, e-filing, effort expectancy, performance expectancy, social influence, trust.

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Corporate Governance and Non-Financial Performance of Medium-Sized Firm in Nigeria

Babatunji Adedeji,
Tze San Ong,
Mohammad Mizanur Rahman

Abstract

This study investigates the perceptions of firm executives concerning the extent of the influence of corporate governance practices on the non-financial performance of medium-sized firms in Nigeria. The theoretical support for the research is from the stakeholder and the agency theories. The cross-sectional survey and the cluster and stratified probability proportionate sampling methods are adopted. The data collection is through a structured questionnaire covering four corporate governance indicators: board size, director's qualification, ownership structure, and board audit committee. The co-variance based structural equation modelling (CB-SEM) technique ensures the collective analysis. The result indicates that corporate governance has a significant positive effect on firms' non-financial performance. This outcome supports the urgent need to develop and execute the corporate

governance code of ethics for the non-listed firms alongside a regulatory agency for ensuring monitoring and compliance. The drawbacks include measuring variables on a linear relationship basis and non-adoption of the longitudinal approach for the study. Future studies need to look at the usage of the intervening variables which, can further aid the evaluation of the relationships of the research variables and their indirect and total effects.

Keywords: Corporate governance, non-financial performance, medium-sized firms, structural equation model, Nigeria

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Audit Committee Shareholder's Representatives and Audit Report Lag in Nigeria

Ishaq Ahmed Mohammed

Ayoib Che Ahmad,

Mazrah Malek

Abstract

The study examines the impact of shareholder' representatives in the audit committee and external audit quality on audit delay. The data were collected from firms listed on the Nigerian Stock Exchange (NSE) for the 2011 to 2015 financial years. The study employs a dynamic panel data model using the Generalized Moment (GMM) method in data analysis. The results indicate that shareholders in the audit committee play a critical and significant negative relationship in reducing audit delay. In particular, the result shows that shareholders with financial expertise and shareholders who served as audit committee chairs played influential roles in improving the financial reporting process and enhancing timeliness. Their presence provided a good atmosphere for external auditors to operate. However, the result suggests that the presence of individual shareholders increases audit delay. The results also affirmed that an external audit proxy by audit fees relates to lower audit delays. Additionally, the results also show that the interaction role of institutional ownership could effectively influence the performance of the audit committee members. Therefore, this study recommends that regulators consider increasing the number of years shareholders representatives serve in the audit committee from three to at least five years to continuously improve the quality of the financial reporting process and reduce audit delays.

Keywords: shareholders, audit committee, external audit, audit delay, institutional ownership

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Board of Directors' Interest in Share Ownership and Earnings Management

Philip Jehu, Mohammad

Azhar Ibrahim

Abstract

The corporate board of directors have interests in shareholding. This study examines the effect of directors' ownership on earnings management practices. Specifically, we draw from the agency theory to distinguish between non-executive directors and ownership by executive directors to investigate reasons for directors and opportunistic managerial behaviour. Using data from a sample of 864-firm-year observations ranging from 2009 to 2017, we test our hypothesis through OLS regression. We find that non-executive directors' interests in shareholding are significantly associated with higher levels of earnings management. We observed a decrease in abnormal accruals on the overall basis of both executive and non-executive directors' ownership. By contrast, there is no evidence that executive directors'

ownership mitigates managerial opportunism. This paper contributes to corporate governance literature, mainly when the independence of board members is essential. This study disaggregates board ownership into executive and non-executive holdings, dimensions hitherto rendered as managerial or board ownership. These findings imply firms' corporate governance policy and regulations.

Keywords: earnings management, the board of directors, ownership, interest, Nigeria

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Internal control systems towards controlling procrastination

Afzal Izzaz Zahari
Jamaliah Said
Roshayani Arshad

Abstract

Internal control is a control mechanism that maintains the structure to operate within the predetermined parameters and target objectives. The paper offers overview effectiveness of internal control on whether it achieves the purpose of controlling the organisation in reducing the laziness in public sector employees. The overall design approach is through analysing internal control systems from the Committee of Sponsoring Organisation (COSO) framework. Data was collected through the distribution of questionnaires towards 106 government organisations based on the contents of five components of internal control, which consist of the control environment, risk assessment, control activities, information and monitoring activities. A total sample of 118 government employees returned the questionnaires. The overview is then observed through the internal control system analysis on whether it would improve overall organisational performance. The study indicated that only a single component of internal control systems (monitoring) effectively reduces procrastination. The usefulness of whether strong controls can improve overall organizational performance in the public sector provides a different perspective as government employees have different motivations from private-sector employees. The paper contributes towards understanding human behaviour in terms of its reaction towards control systems. From a public sector viewpoint, internal control effectiveness must be strong to increase effectiveness.

Keywords: Effectiveness, internal control systems, public sector and procrastination

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Who is more accountable? Federal or state Malaysian statutory bodies

Nurhidayah Yahya
Jamaliah Said
Nor Balkish Zakaria

Abstract

In Malaysia, statutory bodies are parts of the Malaysian public sector. The World Bank on Governance Indicators in the aspect of "Voice and Accountability" reported accountability for Malaysia had declined to 34% in 2017 from 37% in 2013. Data from the International Country Risk Guide showed a decrease in accountability since 2011 from 4.46 to 4 points out of 6 points in 2012. Public sector organisations like statutory bodies might also face issues of accountability. Malaysian statutory bodies are divided into two tiers, federal and state. Federal statutory bodies are accountable to more extensive coverage area, community and budget and liable to their respective federal ministries and Parliament.

On the other hand, state statutory bodies are responsible to the State Legislative Assembly and only serve their states. This study aims to evaluate and compare the accountability outcomes of federal and state statutory bodies through a questionnaire. The measurement for accountability is based on four dimensions: transparency, evaluation, stakeholders' participation, and complaint and response. Based on 194 responses received from the top management of Malaysian statutory bodies, the overall accountability outcome has shown an above-average score of 5.97 for federal and state statutory bodies. This shows that Malaysian statutory bodies have delivered a high level of accountability. The test for difference between the means scores of independent T-tests also shows no significant difference between the accountability level of federal and state statutory bodies. Despite the different levels of obligation and legislation, both types of statutory bodies seem to deliver an equally high accountability outcome.

Keywords: Accountability, transparency, stakeholders' participation, evaluation, complaint and response, statutory bodies

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Use ICT Development as control of corruption: Evidence from ASEAN Countries

Darusalam Darusalam

Kazi Sohag

Normah Omar

Jamaliah Said

Marijn Janssen

Abstract

This study assesses the relationship between ICT developments as a tool for fighting against corruption in ASEAN (Association of Southeast Asian Nations). In a panel of the ASEAN region, we reinforce the existing literature on the effect of Information Communication and Technology (ICT) development, such as open data on Control of Corruption (CoC). By utilising Panel Autoregressive Distributed Lags (ARDL), we analyse the panel time-series data from 1984 to 2016. Our investigation affirms the presence of a quadratic (non-linear) inverted U-shaped relation between ICT development and CoC, which implies no further opportunity for ICT development to foster CoC after the threshold is reached.

Keywords: ICT Development, ARDL, ASEAN, Control of Corruption

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Regulatory Changes, Audit Fees and Firm Characteristics in Nigeria

Abdulmalik Olarinoye Salau

Ayoib B Che-Ahmad

Abstract

The objective of this study is to investigate the effect of regulatory changes on audit fees and test whether this effect was moderated by firm characteristics (political connections and overlapping directorship) in Nigeria. This study utilised the data of 90 companies listed on the Nigerian stock exchange from 2008-to 2013. They were using the Generalized Method of Moments (GMM) techniques that take into account the endogeneity nature of the audit fees model. This study found an increase in the amount paid as audit fees in the regulatory changes periods, which varied with the perceived riskiness of firm characteristics. Even though there is much research on regulatory changes and audit fees, this study provides additional insight

by investigating how firm characteristics (political connection and overlapping directorship moderates the relationship in Nigeria. Also, the findings of this study are robust concerning the issues of unobserved heterogeneity and endogeneity mostly ignored in previous audit fees research.

Keywords: regulatory changes, audit fees

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The effect of the Fourth Industrial Revolution on Professional Accountants

Oluwatoyin Muse Johnson Popoola

Ayoib B Che-Ahmad

Aidi Ahmi

Opeyemi Akinniyi Kehinde

Abstract

This paper aims to examine the effect of the industrial revolution 4.0 (IR 4.0) on professional accountants. Some scholars claim that granting the internet of things (IoT) and communication between devices, which lead to numerous results, indicate a gap in professional accountants' characteristics, traits, and skills in 2022. In the era of IR 4.0, devices will communicate (real-time financial flows) and use information and data analysis (Big data) to enhance decision-making and drive future actions in all sectors. In this study, professional accountants (as proxied by accountants and auditors) job demand is in focus. Hence, the current study explicitly explores whether a severe threat to the growing job demands of professional accountants beyond the Year 2022 in light of IR 4.0. Therefore, the study seeks to examine the characteristics, skills, and traits of professional accountants on one part; and examine the niche areas for professional accountants' education and training for the future. The study results will form the framework for professional accountants' education and training in niche areas and guidance to the regulators and standard setters in accounting and auditing fields. Furthermore, the findings are expected to create awareness among professional accountants on job demand realities and the evolvement of roles from reporting and compliance to business advisors forward thinkers.

Keywords: Industry Revolution 4.0, professional accountants, characteristics, skills, traits, knowledge

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A multidimensional framework for understanding tax audit effectiveness in developing countries

Mohammed Abdullahi Umar

Chek Derashid

Oluwatoyin Muse Johnson Popoola

Abstract

Taxation in developing countries is different from practice in advanced countries. There is, therefore, the need to contextualize tax research in developing countries. One of the significant differences between the two regions is the practice of tax audits. In advanced countries, the probability of tax audit is seen as a deterrence to tax noncompliance. However, this study argues that this may not be the case in developing countries. The paper presents tax audits in developing countries as a three-dimensional process consisting of audit probability, detection and sanction. The paper argues that these three aspects are distinct and

must all work together to ensure an effective audit. For instance, there is a need for detection; otherwise, the entire process will be ineffective. Furthermore, after detection, there is a need for sanction before the audit process can serve as a deterrent. Detection without sanction renders the entire process ineffective. In developing countries, audits can occur without detection, and detection may occur without any sanction because tax evaders can compromise the system through bribery and corruption. The paper makes a significant contribution both to the literature and practice. Researchers need to focus on the three dimensions of a tax audit in developing countries rather than a holistic audit probability, as found in some studies from advanced countries. Additionally, practitioners should measure tax audit effectiveness based on the three dimensions proposed in this study.

Keywords: Tax audit, developing countries, audit probability, detection, sanction

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Bibliometric Trend Analysis of Forensic Accounting Research

Aidi Ahmi

Oluwatoyin Muse Johnson Popoola

Siti Zabedah Saidin

Abstract

Forensic accounting is a precipitously emerging discipline, especially in this current fourth industrial revolution. With the development of various kinds of technologies and different methods of fraud occurred, many challenges need to be faced by the accountants and legal enforcers. There is also much research that has been conducted in order to understand the issues and phenomena related to forensic accounting. Thus, this study aims to analyze the research on forensic accounting using bibliometric analysis. Scopus database was utilized to collect all literature in forensic accounting. SPSS and Microsoft Excel were employed for data analysis. Harzing's Publish or Perish software was used to incorporate the acquired data. In contrast, VOSviewer was used for constructing and visualizing bibliometric networks. Based on the search results, a total of 62 documents were retrieved. The growth rate of literature in forensic accounting indexed in the Scopus database, although shown some increment, is still relatively small from year to year. Most of the articles were published in journals, mainly in English, published in the United States, and focused on business management and accounting. The other keywords used along with forensic accounting include fraud and crime. This study presents the trend of the scientific literature in forensic accounting. It identifies areas of current research interests and potential directions for future research.

Keywords: Forensic Accounting; Bibliometric Analysis; Scopus Database

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Does the educational background of directors important to foreign investors? A case in Malaysia from the Institutional approach perspective

Zaimah Abdullah

Abstract

At the height of the Asian financial crisis 1997-1998, there are signs that corporate governance in Malaysia is gradually converging towards the Anglo-American model. This study embraces an institutional theory to investigate a previous phenomenon in corporate governance reformation, namely the directors' educational background and the level of foreign equity ownership (FEO) in Malaysian companies. The antecedents of corporate governance

reformation are examined to understand the link between foreign investors about the directors' educational background. The hypotheses are constructed using panel data procured from 1,836 observations throughout 12 years, between 2000 and 2011. The generalised least square (GLS) method was employed to estimate the model, suggesting that the FEO level in Malaysian companies is significantly related to professional directors and Western education directors as widely proposed in the extant literature. The findings may have a broader impact on the regulatory bodies in Malaysia, such as the Malaysian Institute of Corporate Governance (MICG), the Minority Shareholder Watchdog Group (MSWG), as well as other interested parties, in setting up a new policy, designing new rules or strengthening the existing regulations in terms of directors' background in order to increase the level of foreign investment.

Keywords: Corporate Governance, Foreign Equity Ownership, Institutional Theory, Board Educational Backgrounds, Western Directors

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Internal Audit Ingenious Practice Through Utilization of Social Media and Networking for Tackling Constraints and Sustainability

Azharudin Ali

Wan Norhayati Wan Ahmad

Abstract

This paper examines if and how the Institute of Internal Auditors (IIA) and internal auditors utilize social media and other networking mediums to deal with their constraints and progress as a practical function. It aims to explore ingenuity culture, especially in building internal audit capability and grooming the internal audit profession to meet its changing role mandate, fulfil its key stakeholders' expectations, and sustain in the challenging business environment. The desirable data was attained using a qualitative approach through interviews conducted with the Public Listed Companies (PLCs) in the United Kingdom and analyzed interpretatively using thematic analysis. The thematic analysis revealed the extensive usage of social media as a medium for sharing, promoting, exchanging, and disseminating internal audit knowledge. It is an ingenious solution used by internal auditors and the IIA to deal with constraints such as insufficient resources and capabilities. The utilization of social media and other networking mediums are crucial in enabling internal auditors and the IIA to exercise creative and innovative ways in improving the capability, quality and proper understanding of internal audit framework and practice.

Keywords: Ingenuity, Internal Audit, Social Media, Social Networking, Internal Audit Constraints, Internal Audit Effectiveness, Internal Audit Innovation

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Greater Responsibilities of Internal Auditor in Mitigating Financial Statement Fraud

Norazida Mohamed

Ro McCusker

Morrison Handly Schachler

Abstract

The prominence of reliable and quality financial information are crucial for financial information on investment decision (Sunardi and Amin, 2018). The past reported surveys indicated that

internal controls were behind the internal fraud cases (Delloite, 2018). These sights motivate this study to examine the roles of an internal auditor and internal auditing functions towards financial statement fraud mitigation. This study uses case studies and utilizes the data from the two commercial companies in Malaysia. This study provides valuable insights into the role of the internal auditors in respect of the accuracy and validity of the recorded financial information, and therefore, offers a deterrent for financial statement fraud.

Keywords: Financial Statement Fraud, Internal auditor, Internal auditing