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Assessing the Efficiency of Local Government in Malaysia

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Abstract

The objective of this paper is to assess the level of efficiency of local government in Malaysia. Using data envelopment analysis (DEA), the research provides evidence on the efficiency of Malaysian local governments in terms of technical (TE), pure (PTE) and scale efficiency (SE). Secondary data obtained from financial statements of 35 local governments over a period of seven years are used. DEA is performed using three inputs (tax revenues, fees and charges, subsidies from central government) and four outputs (net book value of land and buildings, net book value of motor vehicles, net book value of equipment and fittings, cost of goods and services). The results show that most Malaysian local governments recorded high technical efficiency (TE), pure technical efficiency (PTE) and scale efficiency (SE) with above 0.90 mean scores.

Keywords: Local Government, Efficiency, Malaysia, Data Envelopment Analysis

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1.0 Introduction

Local government is responsible for providing goods and services to the people living within its localities or areas (Ibrahim and Karim, 2004; Fogarty and Mugeru, 2013; Da Cruz and Marques, 2014). The services provided cover a wide range that include waste collection, street lighting, road maintenance, development and maintenance of leisure amenities, recreational facilities and activities related to public health (Ibrahim and Karim, 2004; Balaguer-Coll et al., 2007; Geys and Moesen, 2009; Fogarty and Mugeru, 2013; Doumpos and Cohen, 2014). Rapid changes in the global environment and the increase in citizens' demand for a diverse range of services and facilities create challenges for local government (Phang, 2008; Benito et al., 2010;) in terms of the scope of services, as well as the quality and efficiency of the facilities and services provided (Gohbadian and Ashworth, 1994; Phang, 2008). Local government is expected to efficiently utilise its financial resources in providing quality goods and services to the public (Gohbadian and Ashworth, 1994; Renne, 1937 as cited in Da Cruz and Marques, 2014; Doumpos and Cohen, 2014). However, statistics from the Public Complaints Bureau (2016) show that public complaints about local government's quality of service have been increasing from year to year. This to some extent indicates some inefficiency of local government in delivering their services.

Various efforts have been undertaken by the federal government to improve local government service delivery efficiency. For example, in the 10th Malaysia Plan, improving local government efficiency was among the important initiatives outlined. The introduction of the Star Rating system, as outlined in the plan, is aimed at encouraging competitiveness among local governments to improve the efficiency of their service delivery (Ministry of Housing and Local Government, 2008). On the other hand, through the federalisation of waste management it is hoped this will allow local government to focus on core functions such as licensing, enforcement, planning and development, which ultimately should result in better efficiency in their service performance (Yahaya and Larsen, 2008). Unfortunately, despite the admirable objectives of these initiatives, the level of citizens' complaints about the inefficiency of local government is still alarming (Osman et al., 2014). These seemingly endless public complaints about Malaysian local government have raised issues that have prompted the researcher to carry out this study. The researcher is attempting to measure the efficiency level of individual local governments in Malaysia, specifically, 8-year efficiency levels from 2008 to 2015 are being observed to examine the efficiency trend.

The remainder of the paper is organised as follows: Section 2 describes local government in Malaysia, Section 3 presents review of previous literature and Section 4 discusses research methods and findings, while section 5 concludes the paper.

2.0 Local Government in Malaysia

Local government is the lowest level of the government system of Malaysia (Khalid, 2010). Under the Local Government Acts, there are three main types of local government: City Hall or City Council, Municipal Council and District Council. The categorisation is based on

specified characteristics such as population size, annual revenues, level of infrastructure and services offered (Local Government Department, 2016). A City Council has its administrative centre in a state that has not less than 500,000 people. It has a stable annual revenue of not less from RM100 million, a structured organisation and the ability to provide comprehensive infrastructural facilities and public utilities. A Municipal Council is situated in a capital city or administrative centre of a state or district that has not less than 150,000 people. It has an annual income of not less than RM20 million. A District Council is located in areas other than major towns and has less than 150,000 people. It has a total annual revenue of less than RM20 million (Local Government Department, 2016).

At present, there are 149 local governments in Malaysia, consisting of 13 City Councils, 38 Municipal Councils and 98 District Councils (Local Government Department, 2016). Table 1 shows the list of local government in each state in Malaysia. In addition to the 149 local governments, there are five special local councils that are authorised by the State Government to function as local government, namely, Perbadanan Putrajaya, Perbadanan Labuan, Lembaga Bandaran Johor Tenggara, the Local Government of Taman Perindustrian Hi-Tech Kulim and Lembaga Pembangunan Tioman.

Table 1: Local Government in States within Malaysia

State	City Council / Hall	Municipal Council	District Council	Total
Johor	1	6	8	15
Kedah	1	3	7	11
Kelantan	-	1	11	12
Melaka	1	3	-	4
Negeri Sembilan	-	3	5	8
Pahang	-	3	8	11
Penang	1	1	-	2
Perak	1	4	10	15
Perlis	-	1	-	1
Selangor	2	6	4	12
Terengganu	1	2	4	7
Sabah	1	2	21	24
Sarawak	3	3	20	26
Wilayah Persekutuan	1	-	-	1
Total	13	38	98	149

Source: Local Government Department (2016).

Local government responsibilities may be classified into mandatory and discretionary services (Ibrahim and Karim, 2004; Kuppusamy, 2008). Mandatory services refer to services provided by every local government, such as road maintenance, street lightning and rubbish collections. Discretionary services refer to optional services based on the ability of local government to cater for the public's needs, such as providing recreational parks, sports facilities and wet

markets.

The Local Government Act 1976 outlines the revenues for local government as taxes, license fees, rentals, rates, interests received on money invested, charges or profits from any trade or services, grants or subsidies, loans from state or federal government or financial institutions (Local Government Department, 2016). The main portion of the source of local government revenue comes from tax revenues, which include assessment taxes (Local Government Department, 2016). The non-tax revenue consists of all other forms of income that are collected or charged on a user pay basis, such as license fees, processing fees, parking charges, rental of halls, rental of business space, fines and compounds earnings, and interests received on investment or fixed deposits interest received on monies kept in financial institutions (Kuppusamy, 2008). Additionally, local government receives grants from the state or federal government.

3.0 Literature Review

Previous studies on the efficiency of local government may be classified into two categories. The first category refers to studies that examine the efficiency of local government in general (Ibrahim and Karim, 2004; Storto, 2013; Balaguer-Coll et al., 2007; Revelli and Tovmo, 2007; Fogarty and Mugeru, 2013; Da Cruz and Marques, 2014; Doumpos and Cohen, 2014), and the second category covers studies that evaluate the efficiency of a specific service provided by local government, such as water services (Woodbury and Dollery, 2004; García-Sánchez, 2006; Wibowo and Alfen, 2015), road infrastructure (Lopez et al., 2009), the police force (Drake and Simper, 2003; Aristovnik et al., 2014) and refuse collection and street cleaning (Benito et al., 2010; Benito-López et al., 2011). Of the two categories, the present study focuses on the first category, which is the efficiency of local government in general. Hence, the following paragraphs review in more detail literature under the first category.

Storto (2013) uses the DEA to examine the efficiency of 103 large municipalities in Italy. The researcher argues that the sudden requirement to reduce public expenditure has led to concern for measuring efficiency and economies of scale. The findings show that the efficiency level of local government is high, with average efficiency recorded at 80 per cent. However, in terms of economies of scale, more local governments have decreasing rather than increasing returns to scale. The findings also reveal that municipalities are able to increase their efficiency through contracting out services; the contracting out option has been used to overcome local government inefficiency.

Similarly, Balaguer-Coll et al. (2007) examine the efficiency of local government in Spain. The study uses data from budgeted figures from the Audit Institution and survey results from the Public Ministry to calculate efficiency using DEA. From 414 observations, only 32 (7.73%) local governments in Spain were found to be efficient, while most of the other local governments (42.8%) recorded low efficiency. However, these results may have some limitations as municipalities with smaller populations may not have to disclose as much accounting information as larger municipalities, which may demotivate them to monitor their

expenditures.

In Norway, Revelli and Tovmo (2007) tested for the existence of any yardstick competition pattern among local government. Yardstick competition refers to the situation where a spillover from the fiscal policies adopted in a nearby area or district or country has an effect on the trust of the people in the competency and honesty of their own government. Thus, yardstick competition enables local government to learn more about their own administrators' quality and efficiency through comparison with other nearby governments' performance. To analyse the yardstick against 205 municipalities, the study uses the efficiency index and survey information; it is found that yardstick competition does contribute to the spatial pattern of efficiency. However, this implication only applied to municipalities that compare their public service provision to those of nearby localities.

In another study, in measuring the efficiency of 98 local councils in Western Australia, Fogarty and Mugeru (2013) gathered information from local government websites and performed a DEA to calculate their efficiency. The analysis covers the entire range of local government activities, including library services, environmental services, recreational services, community services, planning and regulatory services, waste management and recycling services, and road maintenance services. The results show that only 70 per cent efficiency is attained. They discovered that inefficiencies among local government in an area are mainly due to incorrect scale, whereby some of the findings showed that the local government is either too small or too large.

In Portugal, Da Cruz and Marques (2014) apply DEA to compute the efficiency of 308 Portuguese local governments. The data used is obtained from local government financial statements and from the National Statistics Institute. The findings indicate average efficiency scores of 70 per cent. However, the main source of Portuguese local government inefficiency is not caused by their scale; from 308 municipalities, only 5% of inefficiency is due to scale inadequacy. Additionally, Da Cruz and Marques (2014) examine local government scale of operations. Overall, more than 60 per cent of the municipalities show increasing returns to scale, while 20 per cent of municipalities show constant returns and 14 per cent show decreasing returns.

In Greece, Doumpos and Cohen (2014) apply a unique approach to computing local government efficiency. In contrast to earlier studies that use a variety of quantitative non-monetary measures such as tonnes of waste collected, number of schools, number of recreational buildings and such like, this study uses publicly available financial data from local government financial statements. This study relies on the net book value of corresponding assets as proxies of the magnitude and quality of services. Based on DEA of 2,017 observations, the results show average efficiency scores of 70 per cent. Moreover, 53 per cent of Greek local governments were found to be operating in decreasing returns to scale compared to 37 per cent operating in increasing returns to scale, with larger municipalities recording lower scale efficiency than smaller municipalities. These results indicate that municipalities operating in increasing returns to scale should focus on increasing their outputs related

to the value of their assets, for example on their new investments, and the municipalities operating in decreasing returns to scale should be cutting down their inputs' usage.

In the context of Malaysia, Ibrahim and Karim (2004) evaluate the efficiency of Malaysian local government in utilising resources to provide public services. Applying data envelopment analysis (DEA) to 46 local governments' financial statements, the results reveal an average of 70 per cent efficiency, which implies that the average observed cost is 30 per cent less than the best practice costs. In another study, Osman et al. (2014) evaluates the effectiveness and efficiency of local government in the Malaysian state of Perak. The main objective was to identify the departments in local government that delivered effective and efficient services. The results indicate that the majority of the departments in operation are providing poor services. Osman et al. (2014) argue that interaction between local government and the surrounding communities is important in increasing local government's awareness of public needs and in this manner provides encouragement to increase its efficiency in order to deal with the demands of the public.

From these reviews, it is noticeable that most of the research on efficiency involves developed countries (Balaguer-Coll et al., 2007; Da Cruz and Marques, 2014; Fogarty and Mugeru, 2013; Doumpus and Cohen, 2014). Developed countries are known for their high per capita income and stable population growth rate. These characteristics are very different from developing countries, such as Malaysia, which have lower per capita income levels and a high population growth rate. Consequently, research conducted in developed countries may reach conclusions different to those of research conducted in developing countries because of the difference in economic background. In addition, aspects contributing to differences in research findings are geography, politics and culture. As a consequence, the results of most efficiency studies in developed countries may not apply to developing countries. Therefore, research on efficiency in developing countries may provide more relevant findings for local government in countries such as Malaysia.

In addition, although earlier studies were conducted on the efficiency of local government in Malaysia such as Ibrahim and Karim (2004) and Osman et al. (2014), their publications were presented more than five years ago. Since their studies, there have been many changes in population demographics and political movements. Considering these changing circumstances, the current study utilises data from 2008 to 2015 to encapsulate the latest information surrounding local government in Malaysia. This study will, therefore, add to the literature on local government performance by providing an updated study on the efficiency of local government in Malaysia.

4.0 Research Method and Discussion

4.1 Data and Variables

The efficiency of local government in Malaysia is measured using the Data Envelopment Analysis (DEA) method by applying a DEA computer programme developed by Coelli (1996).

DEA is a non-parametric programming method performed to establish the production frontier and to calculate the efficiency of decision-making units (DMU), such as organisations or countries using inputs the units consume and outputs that they produce (Douplos and Cohen, 2014). The DEA scores are expressed as either a number between zero and one or 0 per cent and 100 per cent. Any DMU with a score less than one or 100 per cent is deemed inefficient relative to the most efficient unit. The frontier methodology compares the “best practice” with all other observations in a particular study (Da Cruz and Marques, 2014).

DEA computes the relative efficiency of a group of DMUs that consume identical inputs and produce identical outputs. If we assume data on K inputs and M outputs for N municipalities, for i th municipality, inputs are represented by the vectors x_i and outputs are represented by the vectors y_i . The efficiency of the i th municipality may be measured by the ratio,

$$\theta_i = \frac{u_i y_i}{v_i x_i}$$

where $u_i, v_i \geq 0$ are weight vectors corresponding to outputs and inputs of the i th municipality. Under the DEA, an optimisation programme allows each municipality to specify its own input–output weights (u_i and v_i) in order to maximise its relative performance (Avkiran, 1999; Douplos and Cohen, 2014; Sufian and Kamarudin, 2015). This maximisation is subject to the constraints (one for each municipality) that the ratio of weighted outputs to weighted inputs is equal to or less than one.

For all municipalities, data is represented by the $K \times N$ input matrix X and the $M \times N$ output matrix Y . The efficiency scores of DMUs may be computed through the primal form of linear programming:

$$\begin{array}{ll} \text{Maximise} & u_i y_i \\ \text{Where,} & v_i X - u_i Y \geq 0 \\ & v_i x_i = 1 \\ & u_i, v_i \geq 0 \end{array} \quad (1)$$

or the dual form as follows:

$$\begin{array}{ll} \text{Minimise} & \theta \\ \text{Where,} & \theta_c x_i - X \lambda \geq 0 \\ & Y \lambda \geq y_i \\ & \lambda \geq 0, \theta \in R \end{array} \quad (2)$$

Efficient DMUs will have efficiency scores equal to one and inefficient DMUs will score less than the value of one. The linear programming above provides a global technical efficiency measure where it assumes constant returns to scale (CRS) without taking into consideration

any scale effects. Efficiency scores calculated using the CRS model represent technical efficiency (TE).

The scale effect may be incorporated through the extension of the CRS model by introducing a new variable in the linear programming (2) that creates a VRS model:

$$\lambda_1 + \dots + \lambda_N = 1 \quad (3)$$

This variable separates the scale effect from TE. The efficiency scores achieved under the VRS model represent pure technical efficiency (PTE). The VRS scores incorporate the possibility that some DMUs may not be operating at an optimal scale and this affects the scores of the technical efficiencies. Scale efficiencies (SE) are computed by dividing CRS scores by VRS scores.

This study carries out the input-oriented DEA models (CRS and VRS) in analysing the efficiency level of local government in Malaysia. This study adopts an input-oriented measure, in line with most prior studies on efficiency of local government (Balaguer-Coll et al., 2007; Doumpos and Cohen, 2014). In a study of local government, the most suitable choice of orientation would be measured because local government has the capacity to control inputs (Ibrahim and Karim, 2004; García-Sánchez, 2006; Balaguer-Coll et al., 2007; Benito-López et al., 2011; Storto, 2013; Doumpos and Cohen, 2014). The efficiency measure investigated under this model is technical efficiency (TE), which can be split into two components, namely pure technical efficiency (PTE) and scale efficiency (SE). The analyses are performed on individual local governments.

For this study, the total of local government revenues representing the inputs as the main source of local government revenues is income from tax. Local government uses the revenues to provide various services and facilities to the public. Similar information of local government total revenues has been used in previous studies, including Doumpos and Cohen (2014) and El Mehdi and Hafner (2014). There are three inputs for this study, namely tax revenues, fees and charges, and subsidies.

Output should include a measure of the way facilities are actually utilised by the public, how they benefit their wellbeing and the kind of social as well as economic value the facilities add to the community (Doumpos and Cohen, 2014). However, due to the unavailability of quantitative data on the magnitude of services (e.g. number of lighting points, tonnes of waste, street infrastructure surface area), the value-based approach introduced by Doumpos and Cohen (2014) is used to represent the outputs.

The value-based approach uses the net book values of assets as a proxy for the magnitude of services provided and the cost of goods and services as a proxy of the value of resources used in providing these services. Assumptions are made where the higher net book value of assets and higher costs of goods and services indicate the magnitude and quality of services provided to the public. There are four outputs for this study: the net book value of land and

buildings, the net book value of motor vehicles, the net book value of equipment and fittings and the total costs of goods and services. Table 2 presents the summary of inputs and outputs used.

Table 2: Input and Output Variables

Inputs	Outputs
1. Tax revenues	1. Land and buildings
2. Fees and charges	2. Motor vehicles
3. Subsidies from central government	3. Equipment and fittings
	4. Costs of goods and services

The information used for the efficiency computation is extracted from local government financial statements and related information from websites. Not all local governments were included in the study as the selection of those included was based on data availability. The study covers the period from 2008 to 2015. The numbers of local government yearly financial statements available for the study were 30 (2008), 29 (2009), 30 (2010), 30 (2011), 31 (2012), 33 (2013), 29 (2014) and 24 (2015).

4.2 Efficiency Analysis Results

Table 3 presents descriptive statistics of all input and output variables for the 8 years of panel data used in this study. All amounts indicated are to the nearest thousand. During the 8-year period, the minimum amounts recorded for respective inputs were RM 526,001 (fees and charges), RM 51,344 (tax revenues) and RM 940,295 (subsidies), while the maximum amounts recorded were RM 1,916,089,790 (fees and charges), RM 1,060,064,774 (tax revenues) and RM 172,620,094. The mean amount for inputs was RM 46,653,272 (fees and charges), RM 56,577,708 (tax revenues) and RM 9,360,853 (subsidies).

Table 3: Descriptive Statistics of Inputs and Outputs of Panel Data from 2008 to 2015

	Minimum (RM'000)	Maximum (RM'000)	Mean (RM'000)
Inputs			
Fees and charges	526	1,916,090	46,653
Tax revenue	51	1,060,065	56,578
Subsidies	940	172,620	9,361
Outputs			
Land and buildings	0*	2,679,561	106,491
Motor vehicles	0*	41,315	2,173
Equipment and fittings	77	154,633	5,525
Costs of goods and services	2,721	1,936,609	92,415

Note: The above amount of land and building, motor vehicles, equipment and fittings are based on assets' net book value.

*Minimum amount is RM2 (Land and Building), RM1 (Motor vehicles).

In terms of the outputs, the minimum amounts were stated as RM 2 (land and buildings), RM 1 (motor vehicles), RM 77,491 (equipment and fittings) and RM 2,720,851 (costs of goods and services), while the maximum amounts for respective variables were stated as RM 2,679,561,082 (land and buildings), RM 41,315,079 (motor vehicles), RM 154,632,554 (equipment and fittings) and RM 1,936,608,695 (costs of goods and services). The mean amount for each variable was stated as RM 106,491,432 (land and buildings), RM 2,172,756 (motor vehicles), RM 5,524,731 (equipment and fittings) and RM 92,415,007 (costs of goods and services).

The descriptive statistics results show that there is a big difference between the maximum and minimum for all input and output amounts generated by local government in Malaysia. One of the main reasons for these differences is the panel data used in the study, which is comprised of 8 years of data from 35 local governments, ranging across district, municipal and city councils. The stretch of 8-year data may present a high variation in data amounts for several reasons. One of the reasons could be the variation in yearly economic growth, whereby more recent data may be higher than the previous year's data. The variation could also be due to the source of data, whereby higher amounts may be contributed by city councils, whereas lower amounts may be contributed by district councils.

In order to assess the relationship between inputs and outputs, the correlation between them is calculated. The correlation result identifies whether the inputs are associated with the outputs (de Vaus, 2002). Following Lin et al. (2011), among others, the assumption is made for $p \geq 0.05$ as not significant, $p \leq 0.05$ as significant, $p \leq 0.01$ as more significant and $p \leq 0.001$ as most significant.

Positive correlations were found (see Table 4), which indicates consistency in the relationship between the inputs and outputs selected. All correlations have a p value of less than 0.01, indicating that all results of the correlation analysis are very strong and significant. In other words, output variables will be affected by input variables and the relationship between cause and effect is significant.

Table 4: Correlation Coefficients of Inputs and Outputs

	Outputs				Inputs		
	Land and buildings	Motor vehicles	Equipment and fittings	Costs of goods and services	Fees and charges	Tax revs.	Subsidies
Correlation coefficient							
Land and buildings	1						
Motor vehicles	0.664*	1					
Equipment and fittings	0.654*	0.607*	1				
Costs of goods and services	0.754*	0.716*	0.672*	1			
Fees and charges	0.766*	0.655*	0.600*	0.914*	1		
Tax revenues	0.736*	0.713*	0.700*	0.966*	0.857*	1	
Subsidies	0.529*	0.466*	0.462*	0.678*	0.561*	0.59	1
						0*	

*Correlation is significant at the 0.01 level (2-tailed).

Table 5 presents the mean scores of technical efficiency (TE), pure technical efficiency (PTE) and scale efficiency (SE) for the year 2015 to represent the current level of efficiency of Malaysian local government.

Table 5: Mean of Efficiency Scores for Year 2015

N	TE	PTE	SE
24	0.939	0.960	0.976

Technical efficiency (TE) refers to overall efficiency of local government, while pure technical efficiency (PTE) and scale efficiency (SE) refer to the efficiency of local government in utilising inputs and efficiency in operating at the optimal scale respectively. As shown in Table 5, scale efficiency (SE) has the highest value at 0.976, which indicates that generally all local governments are operating at an almost optimal scale of operations. This is followed by pure technical efficiency with an efficiency value of 0.960 and overall efficiency of 0.939.

As all efficiency measures scored well above 0.900, on average local government is considered to be efficient in managing its resources by optimising inputs and operating at a reasonable scale of operation in providing public services, although it should be noted that there is still room for improving efficiency, as the efficiency values have yet to reach 1.000.

To scrutinise in greater detail the efficiency of local governments, Table 6 provides information on the TE, PTE and SE for the year 2015 for each local government.

Table 6: Efficiency Scores for the Year 2015 by Local Government

	TE	PTE	SE
<u>City Council</u>			
1) DB Kuala Lumpur	1.000	1.000	1.000
2) MB Alor Setar	0.916	1.000	0.916
3) MB Johor Bahru	0.895	0.896	0.999
4) MB Kuala Terengganu	0.986	1.000	0.986
5) MB Shah Alam	1.000	1.000	1.000
<u>Municipal Council</u>			
6) MP Batu Pahat	1.000	1.000	1.000
7) MP Kluang	0.889	0.923	0.963
8) MP Kuala Kangsar	1.000	1.000	1.000
9) MP Sg Petani	1.000	1.000	1.000
10) MP Teluk Intan	1.000	1.000	1.000
<u>District Council</u>			
11) MD Bachok	0.918	1.000	0.918
12) MD Besut	1.000	1.000	1.000
13) MD Gerik	1.000	1.000	1.000
14) MD Hulu Selangor	0.628	0.633	0.992
15) MD Hulu Terengganu	1.000	1.000	1.000
16) MD Jelebu	1.000	1.000	1.000
17) MD Kemaman	1.000	1.000	1.000
18) MD Ketereh	1.000	1.000	1.000
19) MD Mersing	0.962	1.000	0.962
20) MD Pontian	0.772	0.806	0.957
21) MD Rompin	0.576	0.780	0.739
22) MD Sabak Bernam	0.992	1.000	0.992
23) MD Sik	1.000	1.000	1.000
24) MD Tanjung Malim	1.000	1.000	1.000
MEAN	0.939	0.960	0.976

No information is available for 2015 for 11 of the 35 local governments. Of the remaining 24 local governments, 14 achieved a maximum efficiency score of 1.000 for their technical efficiency (TE), pure technical efficiency (PTE) and scale efficiency (SE), which indicates that these local governments are relatively more efficient in utilising their inputs (resources) and operating at an optimal scale than the other 10 local governments in Table 5.5. These comparatively efficient best-practice local governments comprise 2 city councils (DB Kuala Lumpur and MB Shah Alam), 4 municipal councils (MP Batu Pahat, MP Kuala Kangsar, MP Sg Petani and MP Teluk Intan) and 8 district councils (MD Besut, MD Gerik, MD Hulu Terengganu, MD Jelebu, MD Kemaman, MD Ketereh, MD Sik and MD Tanjung Malim). For the other 10 local governments that are relatively inefficient, i.e. they have not achieved technical

efficiency (TE) mean scores of 1.000, their TE results may be further clarified according to their pure technical efficiency (PTE) and scale efficiency (SE) mean scores.

Four of the 10 local governments, namely the MB Alor Setar, MB Kuala Terengganu, MD Bachok, MD Mersing and MD Sabak Bernam, recorded relatively high PTE mean scores of 1.000 but relatively low SE mean scores. Therefore, they were not able to attain the status of a comparatively efficient best-practice local government, i.e. with a relative score of 1.000 overall (technical efficiency). The remaining 6 local governments are relatively inefficient among the 24 local governments listed in Table 5.5 with a score less than 1.000 in all the efficiency measures, i.e. technical efficiency (TE), pure technical efficiency (PTE) or scale efficiency (SE). The lowest TE mean score was recorded by MD Rompin with 0.576, plus 0.780 (PTE) and 0.739 (SE). Based on individual PTE and SE scores, MD Hulu Selangor proved to be the least efficient in terms of PTE mean scores of 0.633 and MD Rompin recorded the lowest SE mean score of 0.739.

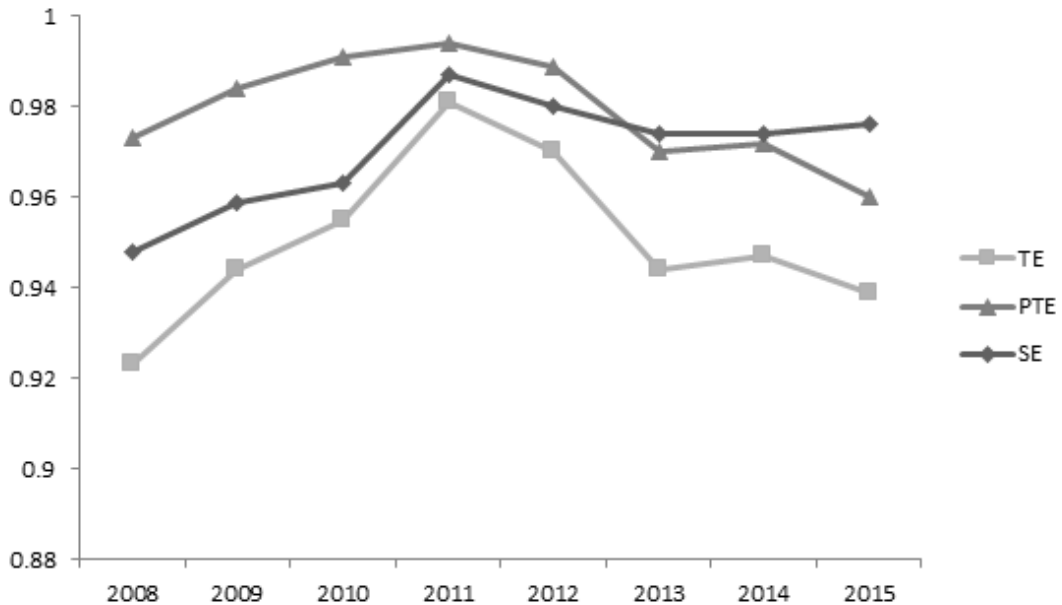
Table 7 below presents efficiency results in terms of TE, PTE and SE over the period of 8 years from 2008 to 2015. The number of observations varies each year depending on data availability. For clearer illustration, the data of Table 7 has been presented graphically in Figure 1. As shown in Table 7 and Figure 1, over the respective 8 year period three measures of efficiency – technical efficiency (TE), pure technical efficiency (PTE) and scale efficiency (SE) – have fluctuated. The TE, PTE and SE mean scores show an increasing trend from 2008 to 2011, followed by a decreasing trend in the following two years and a slight increase again from 2014 onwards.

Table 7: Yearly Mean of Efficiency Scores

Year	2008	2009	2010	2011	2012	2013	2014	2015
N	30	29	30	30	31	33	29	24
TE	0.923	0.944	0.955	0.981	0.970	0.944	0.947	0.939
PTE	0.973	0.984	0.991	0.994	0.989	0.970	0.972	0.960
SE	0.948	0.959	0.963	0.987	0.980	0.974	0.974	0.976

* Note: Number of observations vary each year depending on data availability.

Figure 1: Trend of the Yearly Mean of TE, PTE and SE from 2008 to 2015



The increasing trend in efficiency measures after the 2008 may be interpreted as a boost in Malaysian local government efforts to achieve better performance in line with the enforcement of a new Star Rating system for local government introduced under the 10th Malaysian Plan. This impressive increment in efficiency continued until 2011, at which time a decline in local government efficiency began.

This decline in local government efficiency in the years after 2011 may be associated with the additional responsibility and pressure on them to achieve immediate and effective results – goals of the Government Transformation Programme (GTP), which was initiated in the same year. One of the reasons for the GTP is to improve service delivery in Malaysia. As a result, Malaysian local governments have been forced to set higher goals and deliver consistent and better results.

Table 8 presents the technical efficiency (TE) scores for the respective local governments for the period 2008 to 2015. These scores provide efficiency measures based on the assumption that all local governments are operating at optimal scale. Among the 35 local governments, 7 recorded a constant trend of 1.000 TE efficiency scores within the 8-year period of this study. Of the 7 local governments, 2 are municipal councils and 5 are district councils. The 7 local governments are the MP Kuala Kangsar, MP Sungai Petani, MD Gerik, MD Hulu Terengganu, MD Kemaman, MD Ketereh and MD Sik. None of the 7 local governments listed is a city council. This result is inconsistent with findings from previous studies by Balaguer-Coll et al. (2007), Kristo (2013) and Okuda et al. (2014), which reveal that larger units (referred to as *local government* in Balaguer-Coll et al., 2007 and *banks* in Kristo (2013) and Okuda et al., 2014) are more efficient than smaller ones.

The efficiency trend of the other local governments has been fluctuating, with the lowest score recorded at 0.576 by MD Rompin in 2015. The yearly fluctuation of efficiency scores has been moderate, ranging approximately from 0.700 to 1.000 except for two obvious fluctuations in trend that may be observed in MD Pontian and MD Mersing. With MD Pontian, its upward trend from 2008 suddenly dropped in 2013, recording an abrupt drop in the technical efficiency mean score from a maximum score of 1.000 (2012) to 0.658 (2013), while with MD Mersing, the increasing trend of the technical efficiency scores of 0.988 (2011) dropped abruptly to 0.680 (2012).

Table 8: Technical Efficiency (TE) Scores of Local Government

	2008	2009	2010	2011	2012	2013	2014	2015	MEAN
City Council									
1) DB Kuala Lumpur	1.000	1.000	1.000	0.984	0.801	0.736	0.846	1.000	0.921
2) MB Alor Setar	0.925	0.948	0.921	0.961	0.850	1.000	0.972	0.916	0.937
3) MB Johor Bahru	1.000	1.000	1.000	1.000	0.966	1.000	1.000	0.895	0.983
4) MB Kuala Terengganu	0.784	0.672	0.835	0.880	0.989	0.852	1.000	0.986	0.875
5) MB Petaling Jaya	1.000	0.921	1.000	1.000	1.000	1.000	1.000	#N/A	0.989
6) MB Shah Alam	0.948	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.994
Municipal Council									
7) MP Alor Gajah	0.946	0.919	0.867	1.000	1.000	1.000	0.994	#N/A	0.961
8) MP Batu Pahat	0.856	0.926	0.757	0.848	0.868	0.908	0.996	1.000	0.895
9) MP Hang Tuah Jaya	#N/A	#N/A	1.000	1.000	1.000	1.000	#N/A	#N/A	1.000
10) MP Kluang	0.858	1.000	1.000	1.000	0.982	0.942	0.737	0.889	0.926
11) MP Kuala Kangsar	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12) MP Kuantan	0.823	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.823
13) MP Manjung	1.000	1.000	1.000	1.000	1.000	1.000	#N/A	#N/A	1.000
14) MP Port Dickson	#N/A	#N/A	#N/A	#N/A	1.000	1.000	1.000	#N/A	1.000
15) MP Sg Petani	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
16) MP Taiping	0.793	#N/A	#N/A	#N/A	#N/A	1.000	1.000	#N/A	0.931
17) MP Teluk Intan	0.812	0.861	1.000	1.000	1.000	1.000	0.759	1.000	0.929
18) MP Temerloh	0.930	1.000	0.910	0.920	1.000	0.827	#N/A	#N/A	0.931
District Council									
19) MD Bachok	1.000	1.000	0.886	1.000	0.971	1.000	0.855	0.918	0.954
20) MD Besut	#N/A	#N/A	#N/A	#N/A	1.000	1.000	1.000	1.000	1.000
21) MD Gerik	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
22) MD Hulu Selangor	0.979	1.000	1.000	1.000	0.961	0.849	0.894	0.628	0.914
23) MD Hulu Terengganu	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
24) MD Jelebu	0.900	1.000	1.000	1.000	#N/A	#N/A	1.000	1.000	0.983
25) MD Jeli	#N/A	#N/A	#N/A	#N/A	#N/A	1.000	1.000	#N/A	1.000

26) MD Kemaman	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
27) MD Ketereh	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
28) MD Mersing	0.879	0.852	0.897	0.988	0.680	0.756	0.978	0.962	0.874
29) MD Padang Terap	1.000	1.000	1.000	1.000	1.000	0.914	#N/A	#N/A	0.986
30) MD Perak Tengah	1.000	1.000	1.000	1.000	1.000	0.879	#N/A	#N/A	0.980
31) MD Pontian	0.589	0.685	0.805	0.910	1.000	0.658	0.802	0.772	0.778
32) MD Rompin	0.826	0.985	1.000	0.967	0.996	0.837	0.783	0.576	0.871
33) MD Sabak Bernam	0.852	0.694	0.879	1.000	1.000	1.000	0.845	0.992	0.908
34) MD Sik	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
35) MD Tanjung Malim	#N/A	0.913	0.905	0.976	1.000	1.000	1.000	1.000	0.971
MEAN	0.923	0.944	0.955	0.981	0.970	0.944	0.947	0.939	0.951

Note: "N/A" refers to data not available.

Table 9 presents the pure technical efficiency (PTE) scores for 35 local governments. In contrast to the earlier TE scores, these PTE scores incorporate the scale effect by comparing the efficiency of local government operating in the same region of return-to-scale or similar in size. High pure technical scores indicate the advanced ability of local government to utilise their inputs (tax fees and charges, and subsidies) to convert them into outputs (infrastructures, facilities, goods and services).

From 35 local governments, 11 have shown a constant efficiency trend within the 8-year period of study. The 11 local governments, comprising 3 city councils, 2 municipal councils and 6 district councils, recorded pure technical efficiency (PTE) scores of 1.000 in all 8 years. These local governments are DB Kuala Lumpur, MB Alor Setar, MB Shah Alam, MP Kuala Kangsar, MP Sungai Petani, MD Gerik, MD Hulu Terengganu, MD Kemaman, MD Ketereh, MD Sabak Bernam and MD Sik.

The efficiency trends of the other local governments have been fluctuating, with the lowest score recorded at 0.633 by MD Hulu Selangor in 2015. Among possible reasons for MD Hulu Selangor's comparative inefficiency compared to other nearby local governments would be due to its small population size and lack of development needs. The small number of population produces fewer public complaints and thus leads to lack of staff motivation to provide better services. A less developed area creates fewer requirements for local government to upgrade or replenish their public service assets.

Table 9: Pure Technical Efficiency (PTE) Scores of Local Government

	2008	2009	2010	2011	2012	2013	2014	2015	MEAN
City Council									
1) DB Kuala Lumpur	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2) MB Alor Setar	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3) MB Johor Bahru	1.000	1.000	1.000	1.000	0.995	1.000	1.000	0.896	0.986
4) MB Kuala Terengganu	0.977	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.997

5) MB Petaling Jaya	1.000	0.996	1.000	1.000	1.000	1.000	1.000	#N/A	0.999
6) MB Shah Alam	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<u>Municipal Council</u>									
7) MP Alor Gajah	1.000	1.000	1.000	1.000	1.000	1.000	1.000	#N/A	1.000
8) MP Batu Pahat	0.963	0.978	0.874	0.917	0.873	0.925	1.000	1.000	0.941
9) MP Hang Tuah Jaya	#N/A	#N/A	1.000	1.000	1.000	1.000	#N/A	#N/A	1.000
10) MP Kluang	0.896	1.000	1.000	1.000	0.983	0.952	0.760	0.923	0.939
11) MP Kuala Kangsar	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12) MP Kuantan	0.890	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.890
13) MP Manjung	1.000	1.000	1.000	1.000	1.000	1.000	#N/A	#N/A	1.000
14) MP Port Dickson	#N/A	#N/A	#N/A	#N/A	1.000	1.000	1.000	#N/A	1.000
15) MP Sg Petani	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
16) MP Taiping	1.000	#N/A	#N/A	#N/A	#N/A	1.000	1.000	#N/A	1.000
17) MP Teluk Intan	0.830	0.866	1.000	1.000	1.000	1.000	0.815	1.000	0.939
18) MP Temerloh	0.981	1.000	0.946	0.925	1.000	0.829	#N/A	#N/A	0.947
<u>District Council</u>									
19) MD Bachok	1.000	1.000	0.953	1.000	1.000	1.000	1.000	1.000	0.994
20) MD Besut	#N/A	#N/A	#N/A	#N/A	1.000	1.000	1.000	1.000	1.000
21) MD Gerik	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
22) MD Hulu Selangor	0.982	1.000	1.000	1.000	0.999	1.000	1.000	0.633	0.952
23) MD Hulu Terengganu	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
24) MD Jelebu	1.000	1.000	1.000	1.000	#N/A	#N/A	1.000	1.000	1.000
25) MD Jeli	#N/A	#N/A	#N/A	#N/A	#N/A	1.000	1.000	#N/A	1.000
26) MD Kemaman	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
27) MD Ketereh	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
28) MD Mersing	0.963	0.934	1.000	1.000	0.807	0.756	0.998	1.000	0.932
29) MD Padang Terap	1.000	1.000	1.000	1.000	1.000	0.915	#N/A	#N/A	0.986
30) MD Perak Tengah	1.000	1.000	1.000	1.000	1.000	1.000	#N/A	#N/A	1.000
31) MD Pontian	0.698	0.751	0.961	1.000	1.000	0.660	0.807	0.806	0.835
32) MD Rompin	1.000	1.000	1.000	0.967	1.000	0.975	0.801	0.780	0.940
33) MD Sabak Bernam	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
34) MD Sik	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
35) MD Tanjung Malim	#N/A	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
MEAN	0.973	0.984	0.991	0.994	0.989	0.970	0.972	0.960	0.979

Note: "N/A" refers to data not available.

Whereas the PTE scores trend for most local governments is relatively stable fluctuating between scores of 0.700 and 1.000, the trend shown by MD Rompin, MD Pontian and MD Mersing are less stable. MD Rompin was maintaining a constant trend of above 0.900 PTE scores until 2013 when its scores started to show a decreasing trend.

With MD Pontian, its upward trend from 2008 suddenly dropped in 2013, recording an abrupt drop in pure technical efficiency mean score from its maximum score of 1.000 in 2012 to 0.660 in 2013. However, the trend went upward again in 2014 and 2015. Likewise, with MD Mersing, the increasing trend of its pure technical efficiency scores hit a downward trend in 2012 and 2013, but later moved up again in 2014.

Table 10 presents scale efficiency (SE) scores by local government. These are computed by dividing efficiency scores under CRS by the efficiency scores under VRS. The SE scores indicate how well a local government is optimising its scale of operations. According to Table 10, 7 local governments are found to have a constant trend of 1.000 scale efficiency (SE) scores within the 8-year period of study. These local governments appear to be the same as those listed under the Table 8 (TE), which record a constant trend of 1.000 for technical efficiency (TE). The 7 local governments are MP Kuala Kangsar, MP Sungai Petani, MD Gerik, MD Hulu Terengganu, MD Kemaman, MD Ketereh and MD Sik. The efficiency trend of the other local governments has been fluctuating over the 8-year period, with the lowest score recorded at 0.672 by MB Kuala Terengganu in 2009.

Table 10: Scale Efficiency (SE) Scores of Local Government

	2008	2009	2010	2011	2012	2013	2014	2015	MEAN
<u>City Council</u>									
1) DB Kuala Lumpur	1.000	1.000	1.000	0.984	0.801	0.736	0.846	1.000	0.921
2) MB Alor Setar	0.925	0.948	0.921	0.961	0.850	1.000	0.972	0.916	0.937
3) MB Johor Bahru	1.000	1.000	1.000	1.000	0.971	1.000	1.000	0.999	0.996
4) MB Kuala Terengganu	0.803	0.672	0.835	0.880	0.989	0.852	1.000	0.986	0.877
5) MB Petaling Jaya	1.000	0.924	1.000	1.000	1.000	1.000	1.000	#N/A	0.989
6) MB Shah Alam	0.948	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.994
<u>Municipal Council</u>									
7) MP Alor Gajah	0.946	0.919	0.867	1.000	1.000	1.000	0.994	#N/A	0.961
8) MP Batu Pahat	0.889	0.947	0.866	0.924	0.994	0.982	0.996	1.000	0.950
9) MP Hang Tuah Jaya	#N/A	#N/A	1.000	1.000	1.000	1.000	#N/A	#N/A	1.000
10) MP Kluang	0.957	1.000	1.000	1.000	0.999	0.990	0.970	0.963	0.985
11) MP Kuala Kangsar	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12) MP Kuantan	0.925	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.925
13) MP Manjung	1.000	1.000	1.000	1.000	1.000	1.000	#N/A	#N/A	1.000
14) MP Port Dickson	#N/A	#N/A	#N/A	#N/A	1.000	1.000	1.000	#N/A	1.000
15) MP Sg Petani	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
16) MP Taiping	0.793	#N/A	#N/A	#N/A	#N/A	1.000	1.000	#N/A	0.931
17) MP Teluk Intan	0.979	0.995	1.000	1.000	1.000	1.000	0.930	1.000	0.988
18) MP Temerloh	0.948	1.000	0.962	0.995	1.000	0.998	#N/A	#N/A	0.984

District Council									
19) MD Bachok	1.000	1.000	0.930	1.000	0.971	1.000	0.855	0.918	0.959
20) MD Besut	#N/A	#N/A	#N/A	#N/A	1.000	1.000	1.000	1.000	1.000
21) MD Gerik	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
22) MD Hulu Selangor	0.996	1.000	1.000	1.000	0.963	0.849	0.894	0.992	0.962
23) MD Hulu Terengganu	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
24) MD Jelebu	0.900	1.000	1.000	1.000	#N/A	#N/A	1.000	1.000	0.983
25) MD Jeli	#N/A	#N/A	#N/A	#N/A	#N/A	1.000	1.000	#N/A	1.000
26) MD Kemaman	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
27) MD Ketereh	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
28) MD Mersing	0.913	0.913	0.897	0.988	0.843	0.999	0.980	0.962	0.937
29) MD Padang Terap	1.000	1.000	1.000	1.000	1.000	0.999	#N/A	#N/A	1.000
30) MD Perak Tengah	1.000	1.000	1.000	1.000	1.000	0.879	#N/A	#N/A	0.980
31) MD Pontian	0.843	0.912	0.837	0.910	1.000	0.996	0.994	0.957	0.931
32) MD Rompin	0.826	0.985	1.000	1.000	0.996	0.859	0.977	0.739	0.923
33) MD Sabak Bernam	0.852	0.694	0.879	1.000	1.000	1.000	0.845	0.992	0.908
34) MD Sik	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
35) MD Tanjung Malim	#N/A	0.913	0.905	0.976	1.000	1.000	1.000	1.000	0.971
MEAN	0.948	0.959	0.963	0.987	0.980	0.974	0.974	0.976	0.970

Note: "N/A" refers to data not available.

While 7 local governments recorded constant TE and SE scores, 11 local governments recorded a constant PTE score of 1.000 throughout the 8-year period. The higher number of local government best practices (score of 1.000) for the PTE compared to the number of local government best practices for the SE imply that most local governments are reasonably competent in managing their resources to provide public services, but are still deficient in operating at the correct scale of operations. These findings support earlier studies by García-Sánchez (2006) and Fogarty and Mugeru (2013), which found that most local governments are not operating at an optimal scale. This incorrect operation scale may be caused by these local governments being either too small or too large.

5.0 Conclusions

The present study was designed to assess the efficiency of local government in Malaysia using the DEA approach. The findings suggest that in general local governments in Malaysia are efficient due to all efficiency measures mean scores (TE, PTE and SE) from 2008 to 2015 being above 0.900. The result also shows that the efficiency trend from 2008 to 2015 fluctuates with a combination of upward and downward trends. Although there was improvement in the efficiency scores in 2015 compared to 2008, the highest achievement of mean efficiency scores in the 8-year period are found in 2010, whereby the TE is at 0.955, PTE at 0.991 and SE at 0.963.

There are several implications in the present study. Examining the efficiency level enables the respective local government to understand its current overall efficiency level compared to other local governments across the country. Through identifying the most and least efficient local governments, regulators will be able to gain an understanding of the rank of respective local governments in Malaysia. Close monitoring of the least efficient local governments will allow regulators to ensure that these local governments take the necessary initiatives to improve their efficiency. As the trend of efficiency measures fluctuated over the 8-year period of study, this longitudinal study allows local governments to make better assessment of their own performance as it provides several perspectives, including possible connection to new local government related guidelines.

The findings of the present study also provide insightful information to the government in formulating an alternative measurement or indicator for the purpose of determining annual allocations to individual local governments. In other words, more or additional allocations may be given to those local governments that have proven themselves to be efficient. This will not only motivate local governments that are efficient to continue to be so, but more importantly to inspire less efficient local governments to improve their efficiency. Ultimately in the long run, more local governments will become efficient and thereby, the public at large will benefit from the better and more efficient services provided by local governments.

Finally, a number of limitations need to be considered, the first being the sample size. Due to a slow response time and unavailability of financial statements' information required, the study has had to exclude certain local governments in Peninsular Malaysia from the analysis, thus leading to a smaller sample size. In addition, although the study was completed in 2017, most local governments in the sample have still not published their financial statements for the year ending 2016. Second, the study analyses only technical efficiency (TE), pure technical efficiency (PTE) and scale efficiency (SE) and excludes cost and allocative efficiency. The exclusion of cost and allocative efficiency is due to the unavailability of input price details. Future research can be extended to other efficiency measures, such as allocative efficiency and cost efficiency. In addition, both DEA output and input orientation may be measured to enable comparison of both results. While this study uses a combination of revenues (inputs) and expenses (outputs), future studies may opt for a different combination of inputs and outputs, such as labour cost (inputs) and revenues (outputs) or expenses (inputs) and revenues (outputs). This input and output information may be gathered through interviews and questionnaires, as opposed to the current use of secondary data. Alternatively, future research may use other parametric or non-parametric methods in measuring efficiency, such as the Stochastic Frontier Approach and Distribution Free Approach. Despite the limitations, the findings of the current study offer insightful information on the efficiency level of local government in Malaysia.

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Konsep *Dhimmah*, Entiti Perundangan dan Implikasinya Terhadap Amalan Perakaunan oleh Majlis Agama Islam Negeri di Malaysia¹

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Abstrak

Para fuqaha' dan pengkaji semasa telah mengiktiraf peranan manusia dan bukan manusia (*non-human*) dalam menjalankan tanggungjawab sebagai hamba kepada Allah SWT dan menunaikan amanah sebagai entiti yang bertanggungjawab kepada manusia sejagat. Kebanyakan perbincangan di bawah korpus ilmu perundangan Islam mengatakan entiti yang merupakan organisasi yang dikelolakan oleh sekumpulan manusia (*syahsiyyah iktibariyyah*) ditubuhkan bagi menjalankan tanggungjawab serta amanah daripada Allah SWT yang tidak mampu dilaksanakan oleh seseorang individu secara efisien disamping kewujudannya secara mampan dalam tempoh masa yang panjang berbanding umur manusia. Persoalannya ialah adakah penubuhan Majlis Agama Islam Negeri (MAIN) memenuhi ciri dan konsep entiti yang telah dibahaskan oleh para fuqaha semasa dan silam. Sekiranya hipotesis kajian ini benar maka entiti MAIN adalah merupakan entiti perundangan yang mempunyai *dhimmah* terhadap di mana segala kegiatan entiti MAIN adalah diikat oleh Enakmen pentadbiran agama Islam negeri serta akta yang bersangkutan dengan perundangan sivil di peringkat persekutuan. Justeru objektif kajian ini ialah mengkaji konsep *dhimmah* terhadap menurut syarak terhadap operasi serta kegiatan muamalat MAIN secara umumnya dan implikasinya kepada amalan semasa perakaunan MAIN. Kajian ini menggunakan kaedah kualitatif iaitu temu bual separa berstruktur dengan beberapa orang pakar rujuk yang terdiri daripada pengurusan tertinggi MAIN, jawatankuasa penasihat syariah institusi kewangan Islam

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serta jawatankuasa fatwa negeri. Hasil kajian mendapati konsep *dhimmah* terhad terpakai kepada MAIN. Justeru MAIN bagi setiap negeri di Malaysia perlu menjalankan tanggungjawab serta amanah dengan mematuhi piawaian perakaunan semasa yang telah ditetapkan oleh pihak pemerintah. Ini selaras dengan kaedah fiqh iaitu *tasarruf Imam al-manut bil maslahah* iaitu segala kegiatan oleh MAIN adalah bertujuan menjaga kepentingan serta kemaslahatan umat Islam. Beberapa cadangan dan implikasi dasar turut dibincangkan dalam kajian ini.

Kata kunci: Entiti Perundangan, *Dhimmah*, *Syahsiyyah Iktibariyyah*, Amalan Perakaunan, Enakmen

Abstract

The fuqaha and current scholars have recognised the role of human beings and jinn in fulfilling their responsibilities as servants of the Almighty and their trusted responsibilities to the rest of mankind. Certain of discussion under the corpus of Islamic legal knowledge declare that an entity organised by a group of people (syahsiyyah iktibariyyah) is set up to shoulder the responsibilities and fulfil the trusts from Almighty God that cannot be carried out efficiently by an individual due to its existence over a longer period of time than the average human age. The question is whether the establishment of a State Islamic Religious Council (MAIN) is in line with the characteristics and concept of entities that have been debated by current and previous fuqaha. If this study hypothesis is true, then a MAIN is a legal entity with limited dhimmah in which all its activities are bound by the State Islamic Religious Administration Enactment as well as other statutes relating to civil law at the federal level. The objective of this study is to analyse the concept of limited dhimmah in accordance with Islamic law on the operations and activities of a MAIN in general and its implications regarding current accounting practices by a MAIN. This study has used a qualitative method through semi-structured interviews with, a number of experts including the upper management of MAIN, Shari'ah advisory committees of Islamic financial institutions and States Fatwa committees. The study has found that a limited concept of dhimmah applies to a MAIN. Therefore, the MAIN of each state in Malaysia must carry out its trusted and responsibilities in compliance with current accounting standards set by the government. This is in line with the fiqh method of tasarruf al-Imam Manut bil-maslahah, which indicates that all activities conducted by the MAIN are aimed at safeguarding the interests and maslahat of Muslims. Several policy recommendation and implication are also discussed in this study.

Keywords: Legal Entity, *Dhimmah*, *Sakhsiyyah I'tibariyyah*, Accounting Practice, Enactment

Pengenalan

Entiti Majlis Agama Islam Negeri (MAIN) merupakan suatu pertubuhan perbadanan yang menjaga kepentingan semua aspek termasuk ekonomi umat Islam dalam sesebuah negeri berasaskan kepada enakmen yang berkaitan. Contohnya Seksyen 5, Enakmen Pentadbiran Agama Islam (Negeri Selangor) 2003 menyatakan bahawa MAIN dibenarkan membuat sesuatu kontrak dan mentadbir serta menguruskan segala jenis harta alih dan tidak alih menurut hukum syarak melibatkan dana di bawah kumpulan wang baitulmal (Seksyen 81), kuasa memungut zakat dan fitrah (Seksyen 86) dan pemegang amanah tunggal wakaf, nazr dan amanah (Seksyen 89). Dalam konteks ekonomi, ini jelas menunjukkan MAIN adalah merupakan satu entiti yang diikat dengan perundangan sama ada perundangan berkaitan agama di peringkat negeri (Enakmen) mahupun berkaitan perundangan sivil di peringkat persekutuan (akta) dalam urus tadbir harta umat Islam menurut hukum syarak. MAIN juga berperanan bukan sahaja menjaga kepentingan harta, malah ia juga turut berperanan memajukan ekonomi dan sosial umat Islam berdasarkan Seksyen 7, Enakmen Pentadbiran Agama Islam (Negeri Selangor) 2003 di mana di bawah seksyen ini jelas menyatakan bahawa adalah menjadi kewajipan MAIN untuk menggalakkan, mendorong, membantu dan mengusahakan kemajuan dan kesejahteraan ekonomi dan sosial masyarakat Islam selaras dengan hukum syarak. Termaktub juga di bawah seksyen 7 (2) ini MAIN dibenarkan (1) menubuhkan badan lain untuk menjalankan apa-apa kegiatan sedemikian sama ada di bawah kawalan atau kawalan separa oleh MAIN; dan (2) melabur dalam apa-apa pelaburan yang dibenarkan sebagaimana yang ditakrifkan oleh Akta Pemegang Amanah 1949 [Akta 208], dan melupuskan pelaburan itu atas apa-apa terma dan syarat yang ditentukan oleh Majlis. Penjelasan ini menunjukkan MAIN adalah sebuah entiti perundangan yang menjaga kepentingan umat Islam dan dalam konteks kajian ini, MAIN berfungsi dalam menjaga kepentingan harta orang Islam di dalam negeri tertentu.

Kajian berkaitan konsep entiti perundangan banyak dibincangkan melalui kajian yang dibuat berkenaan konsep personaliti korporat (*Corporate Personality*) bagi penubuhan syarikat korporat. Konsep ini merupakan antara konsep yang telah diguna pakai dalam undang-undang syarikat Inggeris. Contohnya di Malaysia, Akta Syarikat 1965 (Akta 125)³ telah dimodelkan berdasarkan kepada Akta Syarikat Inggeris 1948 dan Akta Syarikat Seragam Australia 1961. Ini menunjukkan dalam pembentukan asas undang-undang tubuh syarikat, Malaysia telah menjadikan undang-undang syarikat Inggeris sebagai rujukan dan menggunakan prinsip yang diguna pakai dalam perundangan mereka ke dalam perundangan di Malaysia. Konsep personaliti korporat yang terkandung dalam perundangan Inggeris juga turut diambil masuk ke dalam undang-undang Akta Syarikat di Malaysia (Ghadas, Ariff, & Rumaizi, 2008). Terdapat beberapa kajian lepas yang banyak membincangkan konsep entiti perundangan yang berkaitan dengan institusi tertentu, contohnya dalam kerangka perbankan Islam (Zuryati, Yusoff, & Azrae, 2009; h.145), dalam aspek tanggungjawab sosial korporat oleh entiti perbankan Islam (Wan Noor Hazlina, Uzaimah & Mohammad Deen, 2017; h.308),

3 Akta Syarikat 1965 telah digantikan dengan Akta Syarikat 2016.

serta kajian yang melihat aspek teori entiti terhadap syarikat yang patuh syariah (Zuhairah Arif & Hartinie, 2018). Terdapat juga kajian yang mengiktiraf institusi zakat sebagai sebuah entiti bertanggungjawab membayar zakat perniagaan (Aznan, 2018) dan mengkaji daripada aspek perundangan di Malaysia dan perspektif syariah (Ramli & Abdul Ghadas, 2019).

Menurut Wahbah Zuhaili (1995; hlm 10), fiqh Islam mengakui apa yang dinamakan di sisi undang-undang iaitu *syahsiyyah i'tibariyyah* atau *syahsiyyah ma'nawiyah* atau *syahsiyyah mujarradah* melalui pengiktirafan terhadap sebahagian daripada pihak umum seperti yayasan, pertubuhan, syarikat, serta institusi masjid yang sebenarnya mempunyai keperibadian yang menyerupai individu manusia biasa daripada aspek keahlian (*ahliyyah*) untuk memiliki, sabitan hak dan melaksanakan tanggungjawab yang berasingan tanpa melihat tanggungan (*dhimmah*) individu yang menganggotainya. Justeru, institusi seperti yayasan, pertubuhan, syarikat, masjid dan sebagainya dikenali sebagai entiti perundangan. Kebanyakan ulama' kontemporari berpendapat wujudnya hukum *taklif*⁴ ke atas entiti tersebut yang diikat dengan perundangan. Contohnya, MAIN dalam melaksanakan amanahnya adalah tertakluk kepada enakmen pentadbiran agama Islam negeri seperti yang dijelaskan sebelum ini serta perundangan sivil berkaitan dengan urusan bermuamalat dengan entiti yang lain. Justeru, persoalan kajian ini adalah sejauh manakah amalan semasa perakaunan oleh MAIN menepati kehendak syarak selaras dengan konsep *dhimmah* dan *ahliyyah* sesebuah entiti yang diikat secara perundangan oleh enakmen negeri. Oleh itu, kajian ini akan membincangkan konsep *dhimmah* serta *ahliyyah* dan perkaitannya dengan perundangan MAIN iaitu enakmen dan implikasinya terhadap amalan perakaunan entiti MAIN tersebut.

Berdasarkan penelitian kepada kajian yang dibuat berkenaan konsep entiti perundangan sebelum ini, didapati perbincangan konsep entiti perundangan lebih banyak tertumpu kepada aspek perundangan dan perkaitan dengan institusi perbankan dan kewangan Islam sahaja. Kajian terdahulu juga didapati tidak mengaitkan penceritaan konsep entiti perundangan kepada naratif penceritaan entiti Majlis Agama Islam Negeri (MAIN) di Malaysia. Oleh itu, kepentingan kajian ini amat signifikan kerana membincangkan konsep entiti perundangan dengan menumpukan kepada aspek perbincangan fiqh dan perundangan syarak dan memfokuskan kepada konteks entiti MAIN sebagai sebuah entiti penting yang menguruskan hal ehwal agama Islam di Malaysia.

Kajian ini merujuk kepada buku-buku yang lazim (*mainstream*) dan dominan yang dirujuk oleh pelbagai ilmuan Islam yang ditulis oleh para ilmuwan Islam silam dan kontemporari terutamanya karangan oleh Wahbah al-Zuhaili, Al-Mawardi dan Ali al-Qaradaghi yang mana kajian ini akan menerangkan secara lebih sistematik dan terfokus tentang pendirian Islam terhadap konsep entiti perundangan bagi sesebuah entiti dan mengaitkannya dengan peranan entiti MAIN. Kajian ini juga akan mengeksplorasi beberapa konsep berkaitan entiti perundangan dalam Islam dan menerangkan bagaimana konsep ini boleh memberi kesan kepada entiti MAIN. Artikel ini akan menjelaskan terlebih dahulu secara ringkas konsep

4 Taklif: *Khitab* atau perintah Allah yang berkait dengan tindakan mukalaf sama ada dalam bentuk *iqtidai* (perintah atau arahan), *takhyir* (pilihan) atau *wad'i* (ketentuan) [Rujukan: Kitab *Al-wajiz fi Usul Tasyri'*].

entiti perundangan di bawah perundangan sivil (*common law*) dan perundangan Islam, dan seterusnya membincangkan mengenai konsep dan teori fiqh berkaitan entiti perundangan. Perbincangan yang selanjutnya akan diikuti dengan kupasan metodologi kajian, dapatan kajian, implikasi dasar, dan diakhiri dengan rumusan kajian.

Prinsip Entiti Perundangan di bawah Perundangan Sivil dan Islam

Konsep entiti perundangan pada dasarnya ialah sebuah konsep yang mengiktiraf entiti sebagai *legal person* yang mempunyai *jurisdic personality*. Mula diperkenalkan pada awal kewujudan undang-undang Rom (Friedman, 1967), konsep ini memberikan entiti sifat atau personaliti watak manusia oleh undang-undang untuk memiliki aset dan tertakluk kepada hak dan kewajiban undang-undang serta dibenarkan untuk mendakwa dan didakwa (Ghadas, & Aziz, 2018). Secara umum, entiti perundangan ialah individu juristik (*juristic person*) bukan manusia yang dibentuk oleh kuasa undang-undang dengan pemberian hak dan liabiliti seperti individu sebenar. Terma atau istilah entiti perundangan pula telah muncul buat pertama kalinya dalam *English Common Law* melalui kes *Salomon v Salomon & Co. Ltd.* (1897) (Ramli, & Abdul Ghadas, 2019). Dalam kata lain, entiti perundangan adalah entiti yang dibenarkan untuk berkelakuan dan membuat tindakan seperti manusia dengan segala komitmen dan tanggungannya di bawah kuasa undang-undang.

Dalam percubaan membincangkan konsep entiti perundangan di bawah perundangan Islam, adalah menjadi kewajiban untuk merujuk kembali kepada buku serta penulisan klasik ilmuwan Islam silam. Namun begitu, melalui pembacaan dan penelitian, kajian ini mendapati perbincangan berkenaan konsep entiti perundangan secara khusus adalah satu perkara yang hampir asing di dalam kitab klasik. Malah menurut pandangan pakar rujuk yang telah ditemu bual dalam bidang ilmu usul fiqh, mengatakan bahawa tiada langsung perbincangan berkenaan entiti perundangan oleh imam empat mazhab yang utama. Hal ini kerana mengikut syara', hukum *taklif* diletakkan ke atas obligasi individu, bukan kepada institusi. Walaupun begitu, pengkajian berkenaan prinsip entiti perundangan di bawah perundangan Islam ini tidaklah sekadar terhenti di situ sahaja. Para sarjana ilmuwan Islam kontemporari telah mengambil peranan yang signifikan dalam usaha meneruskan penyelidikan berkenaan konsep ini dalam menerima hipotesis kewujudan konsep entiti perundangan daripada lipatan sirah perundangan Islam atau pelbagai sumber perundangan Islam lain yang boleh diterima secara lazim. Oleh itu, perbincangan tentang konsep entiti perundangan hanya mula dibincangkan secara khusus oleh ulama' kontemporari dengan menggunakan pelbagai konsep yang dilihat selari dengan konsep entiti perundangan iaitu berkaitan dengan konsep *ad-dhimmah* dan *syakhsyiyah i'tibariyyah* yang akan dijelaskan di bahagian seterusnya.

Konsep *Dhimmah* dan *Syakhsyiyah i'tibariyyah* oleh Majlis Agama Islam Negeri

Di dalam perundangan Islam, perbincangan berkenaan *legal entity* atau entiti perundangan didapati berakar daripada konsep *ad-dhimmah*. Konsep atau teori *ad-dhimmah* ini bukanlah konsep yang asing di dalam perbincangan cabang ilmu fiqh. Ahli ilmuwan fiqh kontemporari

seperti Mustafa Ahmad al-Zarqa dan Muhammad Abu Zuhrah juga cenderung meletakkan perbincangan mengenai persoalan memberikan watak individu kepada bukan makhluk di bawah konsep *ad-Dhimmah* (Hassan, Ghadas, & Rahman, 2012). *Ad-dhimmah* menurut istilah adalah sifat yang melayakkan seseorang yang berkelayakan, untuk menerima hak (*ahliyyah al-wujub*) dan menunaikan tanggungjawab (*ahliyyah al-ada'*) ('Abd Al-Rahman Al-Jaziri, 1990). Terma *ad-dhimmah* dan *al-Ahliyyah* ini mempunyai persamaan kerana keduanya membawa maksud sesuatu entiti boleh mempunyai hak menanggung tanggungjawab dan kewajipan (Muhammad Ikhlas, 2016).

Oleh itu, entiti sebenarnya terdiri daripada sekumpulan manusia yang boleh diberikan tanggungjawab ke atasnya. Walaupun terdapat segelintir ulama' yang mengkritik kewajaran konsep *ad-dhimmah* ke atas entiti seperti tokoh al-Bahuti, al-Bazdawi dan al-Nawawi (Zuryati, Yusoff, & Azrae, 2009), namun majoriti para ulama' fiqh kontemporari masih menerima kewujudan konsep ini ke atas entiti selain manusia dan ia berhak memperoleh pelbagai hak yang tertentu (Hassan, Ghadas, & Rahman, 2012). Oleh yang demikian, konsep *ad-dhimmah* boleh diklasifikasikan kepada dua jenis pertanggungjawaban yang berbeza iaitu: (1) tanggungjawab komitmen yang diletakkan ke atas seorang *mukallaf* secara individu yang mana merupakan konsep yang diterima sepenuhnya dalam Islam, dan (2) pertanggungjawab komitmen yang diletakkan ke atas entiti bukan manusia. Pertanggungjawab jenis yang kedua inilah yang dibincangkan oleh para ulama' fiqh kontemporari sebagai asas untuk meneroka pendirian Islam terhadap konsep entiti perundangan dengan kata kunci *syakhsiiyyah i'tibariyyah*.

Perkataan *dhimmah* telah banyak dibincangkan oleh ramai fuqaha' dengan melihat daripada pelbagai aspek. Contohnya, kumpulan mazhab Syafie mentakrifkan *al-dhimmah* adalah tanggungjawab oleh manusia daripada aspek tugas (*al-ilzam*) dan kewajipan (*al-iltizam*) dan takrif ini hampir sama dengan pandangan tiga mazhab utama yang lain iaitu mazhab Hanafi, Maliki dan Hanbali (Zuhairah Arif & Hartinie, 2018; h.914). Manakala Al-Sarakhsi⁵ pula mentakrifkan *dhimmah* sebagai tanggungjawab yang ditetapkan kepada manusia untuk menerima kewajipan dan tugas yang berkaitan dengan kelayakan (*al-ahliyyah*) seseorang manusia untuk menjalankan tanggungjawabnya (Zuhairah Arif & Hartinie, 2018). *Al-dhimmah* juga membawa maksud jaminan dan akauntabiliti (Nasri, 2007). Para fuqaha silam seperti al-Izibn, al-Bahuti, Ibn 'Abidin, al-Bazdawi dan al-Nawawi mengatakan *dhimmah* adalah tindakan yang berkaitan dengan manusia yang sabit dengan hak dan tanggungjawab (Zuryati, Yusoff, & Azrae, 2009; h.145).

5 Fuqaha dalam kalangan Mazhab Hanafi.

Rajah 1: Perbezaan Pandangan Ulama' Berkenaan Hukum Taklif ke atas Entiti Perundangan



Manakala, secara literal perkataan *syakhsyiyah i'tibariyyah* jika diterjemahkan daripada bahasa Arab akan membawa maksud personaliti yang diiktibarkan atau personaliti anggapan. Istilah *syakhsyiyah i'tibariyyah*, membawa maksud yang sama dengan *syakhsyiyah ma'nawiyah* dan juga *syakhsyiyah qanuniyyah* (Muhammad Ikhlas, 2016) dan merupakan lawan kepada istilah *syakhsyiyah tabii'yyah* atau *syakhsyiyah hakikiah*, iaitu individu yang sebenar. Secara istilah pula, *syakhsyiyah i'tibariyyah* bermaksud pemberian sifat keahlian manusia; kecuali aspek sifat insani; dengan tujuan untuk bersyarikat atau tujuan lain yang tertentu yang meletakkan pengasingan komitmen dan tanggungjawab daripada (individu) pemegang saham syarikat (Ali al-Qaradaghi, 2009). Personaliti anggapan (*syakhsyiyah i'tibariyyah*) ini adalah amat berbeza dengan personaliti hakiki (*syakhsyiyah tabii'yyah*) yang dianugerahkan personaliti dan kapasiti sebagai individu. Dalam kata lain, *shakhsyiyah i'tibariyyah* ialah satu konsep di dalam perundangan Islam yang memberikan ruang kepada bukan individu untuk mendapatkan peranan seperti individu dalam menjalankan urusan dan tujuan tertentu. Mengikut undang-undang madani Mesir, sebuah entiti yang diberikan sifat *syakhsyiyah i'tibariyyah* memperoleh segala hak-haknya yang umum. Antara hak-hak yang digariskan tersebut termasuklah komitmen kewangan berasingan, hak pada perkara yang dipersetujui dalam kontrak dan hak untuk mendapatkan keadilan perbicaraan melalui undang-undang. Selain daripada itu, satu sisi menarik yang disentuh berkenaan konsep *syakhsyiyah i'tibariyyah* melalui undang-undang madani Mesir ialah sesebuah entiti yang mengambil sifat *syakhsyiyah i'tibariyyah* disyaratkan untuk mempunyai *naib* (نائب) atau pemangku yang beraqal. Kenyataan ini menarik kerana daripada satu sudut, Islam meletakkan kepentingan untuk meletakkan watak individu sebenar (*syakhsyiyah tabii'yyah*) di sebalik sebuah entiti (*syakhsyiyah i'tibariyyah*).

Para fuqaha' moden seperti Mustafa Ahmad al-Zarqa, Muhammad Abu Zuhrah, Yusuf al-Qaradhwani, Ali Qurrah Daghi dan lain-lain yang sependapat bahawa konsep *dhimmah* juga menunjukkan pengiktirafan terhadap kewujudan sesebuah entiti selain manusia iaitu dalam konteks kajian ini ialah entiti perundangan (Zuryati, Yusoff, & Azrae, 2009). Ini disebabkan oleh beberapa faktor iaitu; (1) kewujudan dalil yang tidak secara langsung, (2) adanya konsep *walayah* (pemimpin) iaitu berkaitan dengan kaedah *tasarruf al-Imam ala al-raiyyati manutun*

bil al-maslahah (pemikiran seorang pemimpin terhadap rakyatnya bergantung kepada kemaslahatan); dan (3) merujuk kepada keperluan dan *masalah*. Fara fuqaha semasa merujuk kepada pelbagai dalil yang tidak langsung yang berkaitan dengan beberapa konsep yang berkaitan dengan entiti iaitu: (1) konsep *syirkah*⁶ dalam perkara pemilikan modal dalam kontrak *mudarabah*, (2) konsep *al-khultah* dalam perkara pengiktirafan pemilikan secara bersama dalam pengiraan zakat *al-an'am* (ternakan) yang dinamakan sebagai *Khultah al-Shuyu* yang juga diterima oleh pengikut mazhab Maliki dan Hanbali (Zuryati, Yusoff, & Azrae, 2009; h.146); dan (3) konsep *wakalah* dalam pengurusan harta wakaf, baitulmal dan masjid yang mana contohnya harta wakaf bukan diletakkan di bawah pemilikan mana-mana individu tetapi diletak hak kepada wakil sesebuah entiti untuk menguruskan harta tersebut; dan (4) hak dan obligasi jabatan baitulmal yang boleh mengambil alih pemilikan harta umat Islam yang tidak ada pemilikan individu yang spesifik seperti harta *fai'*, *ghanimah* dan harta zakat. Harta peninggalan wasiat yang tidak mempunyai waris juga termasuk dalam kategori harta yang diletakkan di bawah pemilikan baitulmal. Ulama' fiqh juga telah mengesahkan komitmen kewangan ke atas baitulmal melalui penerangan yang dipetik daripada tulisan Ali al-Qaradaghi (2009),

“Sesungguhnya baitulmal ialah waris kepada siapa yang tidak mempunyai waris dan ke atasnya ada obligasi dan kepadanya ada hak”

Kewujudan komitmen kewangan ke atas institusi baitulmal ini menunjukkan bahawa baitulmal sebagai sebuah entiti telah diberikan hak untuk memiliki, memberi hutang dan berurus niaga dengan keizinan daripada pemerintah. Perkara ini dilihat konsisten dengan peranan institusi MAIN yang juga diberikan tanggungjawab menguruskan harta umat Islam melalui penguatkuasaan enakmen negeri yang telah diberikan.

Fuqaha moden seperti Taqi Usmani telah mengembangkan konsep entiti kepada prinsip entiti perundangan yang mana wujudnya konsep entiti perundangan berasingan di bawah perundangan syariah dengan merujuk amalan oleh institusi Islam seperti wakaf, masjid dan baitulmal seperti yang dijelaskan dalam konsep *wakalah* sebelum ini. Menurut beliau, dalam kitab *Al-Mabsut* karangan Imam al-Sarakshi ada menerangkan bahawa institusi baitulmal mempunyai hak dan tanggungjawab yang agak luwes dalam menguruskan harta. Contohnya beliau menjelaskan, sekiranya ketua negara tidak mempunyai dana yang mencukupi untuk membayar gaji para tentera bersumberkan dana percukaian daripada Jabatan *Kharaj*, maka ketua negara tersebut dibenarkan untuk menggunakan dana zakat secara hutang daripada Jabatan *Sadaqah (Zakat)* dan hutang tersebut direkodkan di Jabatan *Kharaj* sebagai penghutang manakala Jabatan *Sadaqah* menjadi pemiutang (Zuryati, Yusoff, & Azrae, 2009; h.146). Jika dilihat kepada amalan perakaunan semasa oleh MAIN di Malaysia yang

6 Perkataan *syarikah* atau *syirkah* secara literal boleh dimaksudkan kepada dua perkara iaitu (1) *ikhtilat* atau percampuran yang mana dalam hal ini merujuk kepada percampuran saham atau modal; dan (2) sebuah kontrak kerjasama itu sendiri iaitu kontrak *syirkah* (Nyazee, 1997). Kontrak *syirkah* dalam Islam boleh datang dalam beberapa bentuk kerjasama antaranya ialah jika mengikut pembahagian Hanbali, *Sharikat al-l'nan*, *Sharikat al-Mufawadah*, *Sharikat al-Wujuh*, *Sharikat al-A'mal* dan *Mudarabah* (Tahir Mansuri, 2006).

mempunyai tiga kumpulan wang utama yang diasingkan iaitu Kumpulan Wang Baitulmal atau Sumber Am (KWB), Kumpulan Wang Zakat (KWZ) dan Kumpulan Wang Wakaf (KWW), jelas menunjukkan konsep entiti perundangan sememangnya perlu diaplikasikan dalam menguruskan harta umat Islam mengikut enakmen dan/atau fatwa negeri masing-masing. Justeru, takrif entiti perundangan adalah diperlukan agar entiti MAIN dapat menjalankan fungsi dan peranan dengan baik dan mematuhi syarak.

Takrif entiti perundangan menurut perundangan konvensional ialah "*Legal person*" yang mempunyai hak dan kewajiban undang-undang yang boleh mendapatkan pembelaan daripada mahkamah dan didakwa atas namanya (Oliver & Marshall, 1991). Manakala menurut perundangan Islam, entiti perundangan ialah pemberian status undang-undang kepada syarikat (atau yang sepeertinya) kecuali yang berkaitan aspek insani, dan pengasingan komitmen (*dhimmah*) syarikat daripada pemegang saham (Ali al-Qaradaghi, 2009). Daripada kedua-dua takrif ini, konsep *dhimmah* dan pengasingan *dhimmah* yang berkaitan dengan MAIN adalah jelas menunjukkan MAIN adalah entiti perundangan yang mempunyai identiti daripada aspek perundangan yang selari dengan fungsi MAIN.

Merujuk kepada Enakmen Pentadbiran Agama Islam Negeri seperti Selangor, Negeri Sembilan, Melaka, Johor dan Sabah, kesemua negeri mempunyai satu peruntukan statut pentadbiran agama Islam yang hampir sama dalam menguruskan perkara-perkara yang berhubungan dengan agama Islam. Contohnya peruntukan dalam Enakmen Pentadbiran Agama Islam Selangor 2003, Seksyen 4 iaitu penubuhan Majlis dan Seksyen 5 iaitu identiti di sisi undang-undang dan fungsi Majlis. Menurut peruntukan Seksyen 4, penubuhan Majlis ada menyatakan:

'Maka hendaklah ada suatu badan bernama "(Majlis Agama Islam Negeri Masing-masing)" untuk membantu dan menasihati Duli Yang Maha Mulia Sultan dalam perkara-perkara yang berhubungan dengan agama Islam'

Serta peruntukan Seksyen 5 yang menyatakan fungsi MAIN secara terperinci iaitu:

- (1) *Majlis hendaklah menjadi suatu pertubuhan perbadanan yang kekal turun-temurun dan mempunyai suatu meterai perbadanan, dan meterai itu boleh dari semasa ke semasa dipecahkan, ditukar, diubah dan dibuat baharu sebagaimana yang difikirkan patut oleh Majlis, dan, sehingga suatu meterai diadakan di bawah seksyen ini, meterai Majlis terdahulu bolehlah digunakan sebagai meterai perbadanan bagi Majlis.*
- (2) *Majlis boleh mendakwa dan didakwa dengan nama perbadanannya.*
- (3) *Majlis boleh membuat kontrak dan boleh memperoleh, membeli, mengambil, memegang, dan menikmati segala jenis harta alih dan tak alih dan, tertakluk kepada mana-mana undang-undang*

bertulis yang menyentuh harta itu, boleh memindahkan, menyerahkan, menyerahkan dan memulangkan, menggadaikan, menggadaikan, mendemis, menyerahkan semula, memindahkan hakmilik atau selainnya melupuskan, atau membuat apa-apa urusan tentang mana-mana harta alih atau tak alih yang terletak hak pada Majlis atas apa-apa terma yang difikirkan patut oleh Majlis menurut Hukum Syarak.

- (4) *Majlis hendaklah mempunyai kuasa untuk bertindak sebagai wasi sesuatu wasiat atau sebagai pentadbir harta pusaka seseorang si mati atau sebagai pemegang amanah mana-mana amanah.*
- (5) *Majlis hendaklah mempunyai apa-apa kuasa selanjutnya dan menjalankan apa-apa kewajipan yang diberikan kepadanya oleh Enakmen ini atau mana-mana Enakmen lain.*

Peruntukan ini menunjukkan secara jelas peranan MAIN sebagai entiti perundangan yang menguruskan hal ehwal agama Islam terutamanya berkaitan dengan pengurusan harta atau aset yang berkait dengan KWB, KWZ dan KWW. Segala kegiatan muamalat yang dilaksanakan oleh MAIN perlu mematuhi enakmen yang telah diwujudkan untuk menjaga kepentingan umat Islam di sesebuah negeri.

Metodologi Kajian

Kajian ini menggunakan pendekatan kaedah kualitatif. Kaedah ini menggunakan data primer dan data sekunder yang diperoleh melalui kajian lapangan dan kajian kepustakaan. Data primer diperoleh daripada temu bual secara semi struktur dengan beberapa pakar rujuk yang terlibat dengan pengurusan MAIN dan perundangan Islam. Proses temu bual ini mengambil masa antara 40 hingga 50 minit untuk setiap responden dan soalan yang dikemukakan berdasarkan objektif kajian serta mengikut kepakaran masing-masing. Maklumat daripada temu bual telah direkodkan untuk ditukar kepada bentuk transkrip untuk memudahkan proses penganalisaan. Senarai pakar rujuk yang telah ditemu bual adalah seperti di Jadual 1.

Jadual 1: Profil Responden

Bil.	Responden	Singkatan Responden	Jawatan
1	Sahibus Samahah Dato' Dr Haji Anhar Haji Opir	(R1)	Timbalan Mufti Selangor
2	Dr Luqman Haji Abdullah	(R2)	Ketua Jabatan Fiqh & Usul, Akademi Pengajian Islam Universiti Malaya
3	Dr Muhammad Ikhlas Rosele	(R3)	Pensyarah Kanan, Jabatan Fiqh & Usul, Akademi Pengajian Islam Universiti Malaya
4	Prof. Dr Engku Rabiah Adawiah Engku Ali	(R4)	Ahli Majlis Penasihat Syariah Bank Negara Malaysia

Sumber: Maklumat kajian.

Kaedah pengumpulan data juga disokong oleh kaedah kajian kepustakaan bagi mendapatkan maklumat penting yang akan melengkapkan dapatan kajian. Dapatan kajian ini seterusnya dianalisis secara deskriptif iaitu dengan menghuraikan dapatan kajian selaras dengan objektif dan permasalahan kajian dengan terperinci.

Dapatan Kajian

Pandangan Berkenaan Konsep *Dhimmah* dan *Ahliyyah* dengan MAIN Sebagai Entiti Perundangan

R1: *'...Syakhsiiyyah i'tibariyyah* maknanya mesti kita kaitkan jugak dengan orang-orang yang ada sebagai lembaga pengarah ataupun board di situ mesti cukup syarat sebagaimana individu...'

'...Kalau ada orang yang boros dalam syarikat tu, boleh merosakkan keahlian jugak tu. Beli barang-barang yang tak perlu, maknanya Al-Rusyd takda. Al-Rusyd tu. Mazhab syafie syartkan al-Rusdy. Bukan berakal je, mesti Al-Rusyd. Mazhab lain ada bahaskan jugak contohnya mazhab Hanbali, ...'

R2: *'... Ulum Amri lah. Dia maknanya sekarang ni, itu yang ana sebut balik pada isu Legal Entiti tu. Bila kita terima Legal Entiti, maknanya isu kawalan tadi, sebab dia sekarang ni, saya tengok macam ni...Sesuai perkara itu apabila dia telah di'impose' oleh **Ulul Amri**. Oleh pemerintah. Oleh kerajaan. Maka dengan sendiri, dia mempunyai kuasa dan diterima dari segi hukum syaraknya Sebab dalam sistem negara ni, asas utama kepada siasah syari'yyah ni ialah kelurusan, keharmonian. Itu maqasidnya pada pemerintah ni kan. Keharmonian keadilan kelurusan urusan semua tu. Apa-apa polisi untuk mencapai ke arah **Maqasid Syariah** tu, dibenarkan la. ...Jadi bila kita terima, syarikat tu sebagai satu **Legal Entiti**, maka sebarang undang-undang yang diwujudkan untuk mengurus Legal Entiti itu tadi maka itu dia dibenarkan...'*

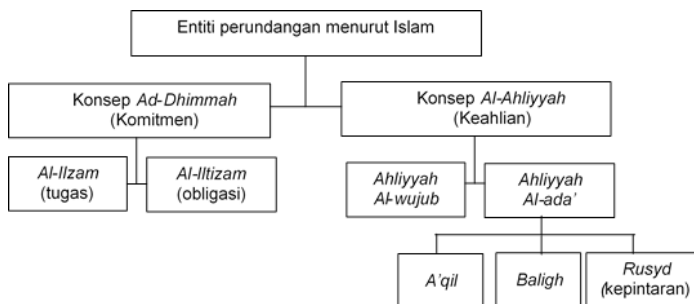
R4: *'...dari segi konsep makna ada satu entiti yang boleh **menerima pemilikan** dan boleh **melakukan transaksi** yang macam kita kata wakaf, konsep wakaf itu sendiri bila dah masuk wakaf, dia dah bukan milik pewakaf lagi dah, dan dia juga bukan milik penerima manfaat. Dia sebenarnya kalau dari segi kiasan, dia kata milik Allah. Milik Allah macam adil kan. Macam tu jugak konsep baitulmal. So baitulmal tu bila duit masuk ke dalam baitulmal, baitulmal boleh terima duit, boleh buat bayaran. So dia ada institution la. Satu institution yang seolah-olah*

dia ada lah, suatu dhimmah maliah ke dhimmah yang menyebabkan dia boleh melakukan beberapa transaksi...'

'...Aah yang uruf. Tapi the custom of that time include dia punya law la. Sebab kita tak boleh go against the law kan. So dalam banyak keadaan pun MAIN saya nampak dia mengambil manfaat jugak daripada peruntukkan undang-undang tu....So dia kena tengoklah dari segi keperluan, kebijaksanaan nak pilih. Sama ada nak, decision making tu pun dia kena ada. Ilmu profesional lah. Dari segi bisnes, dari segi financial...'

Merujuk kepada perbincangan dengan pakar rujuk iaitu dari R2 dan R4, kajian mendapati kedua-dua responden bersetuju bahawa institusi MAIN adalah merupakan entiti perundangan (*syahsiyyah i'ktibariyyah*) yang diturunkan kuasa melaksanakan tanggungjawab urusan hal ehwal agama Islam negeri oleh pemerintah (*ulil amri*) yang diikat secara perundangan dengan enakmen yang telah digubal untuk memastikan segala amanah yang dilaksanakan oleh institusi MAIN mematuhi maqasid syariah seperti yang dijelaskan oleh R1 dan R2. Dalam aspek kegiatan ekonomi yang dilaksanakan oleh MAIN menurut perundangan, R4 berpendapat adalah dibenarkan MAIN sebagai sebuah entiti perundangan menerima pemilikan, melakukan transaksi bayaran dan sebagainya seperti harta wakaf dan baitulmal kerana MAIN memiliki *dhimmah* maliah berbentuk harta. Namun begitu, seperti disarankan oleh R4, MAIN perlu bijaksana melaksanakan amanah tersebut dengan memiliki *ahliyyah* (keahlian) dengan melantik profesional dalam bidang kewangan dan bidang-bidang lain yang relavan untuk menganggotai Ahli Lembaga Pengarah MAIN. Disamping ahli MAIN perlu profesional dalam pengurusan kewangan dan memiliki kelayakan dalam bidang-bidang lain yang diperlukan, ahli MAIN juga perlu mempunyai kelayakan *al-rusyd* iaitu kepintaran dalam pengurusan seperti dinyatakan oleh R1. Dalam konteks kajian ini, berkemungkinan besar bidang perakaunan adalah salah satu syarat *al-rusyd* dalam memastikan konsep *dhimmah maliah* terpelihara dalam menguruskan kewangan MAIN. Ringkasan integrasi kesemua konsep tersebut ditunjukkan dalam Rajah 2.

Rajah 2: Konsep Ad-Dhimmah dan Al-Ahliyyah dalam Entiti Perundangan



Nota: *Ahliyyah Al-wajib* atau keahlian wajib bermaksud kelayakan manusia untuk menerima hak dan tanggungjawab padanya dari segi syarak. *Ahliyyah Al-ada'* atau keahlian bertindak bermaksud kelayakan seseorang melakukan perbuatan yang diterima syarak.

Pandangan Berkenaan Konsep Syirkah dan Khultoh dengan Institusi MAIN

R1: ‘...Ana nak komen yang dari segi agama tu. Dari segi syariah muamalah dengan **non-muslim, tidak dilarang**. Kalau kita baca kesimpulan dalam, nak senang sekarang ni kita tengok mausu’ah fiqhiah al-kuwaitiah lah. Situ dia simpulkan mazhab 4 dah kan. Dia kata asalnya adalah tidak ada larangan berlainan agama untuk setup syarikat ataupun untuk buat kerjasama untuk buat sesuatu. Itu asalnya dalam hukum tapi para ulama berselisih takda larangan tu dia pergi mana? Harus ke makruh? Sebab dua-dua ni tidak berdosa kalau kita buat. Kalau kita ambik imam al-haramain al-juwarni, guru kepada imam al-ghazali dalam al-waraqat ketika dia hukum hakam taklifi al-ljab, al-Tahrim, kita akan jumpa maknanya satu persamaan harus contohnya terpulang untuk kita buat ataupun tidak. Dan kalau buat tidak berdosa, kalau tinggal jugak tidak berdosa. Kalau dalam tajuk berkaitan dengan makruh, dia kata apa ما يساب على ترقية ولا يعاقب على فعله, sesuatu yang kalau ditinggal dapat pahala, dibuat tak berdosa. Kat sini sama dengan harus...’

‘...Ada pun kalau kita pergi real majlis agama dia ada pertimbangan lain pulak. Satu memang pertimbangan syarak, dia akan tengok betul-betul, walaupun takda dokumen... Walaupun tak disebut tak boleh, tapi tak semestinya boleh mutlak. Dia akan tengok kalau haram memang tak akan pergi. Dari segi pelaksanaan pulak dia ada pertimbangan lain berkenaan **reputation**. Tiba-tiba majlis agama buat kerjasama dengan mana-mana anak syarikat genting. Ini reputasi akan jatuh sebagai contoh, mungkin dia akan elakkan...’

R2: ‘...So maknanya lebih kepada aktiviti bisnes itu mesti aktiviti **bisnes yang patuh syariah** baru dia boleh buat kerjasama. Kalau kita balik kepada accounting Islamic punya tu, kena aktiviti yang patuh syariah...’

‘...Dia kalau dalam banking, dalam bank, dia ambil kira dari segi reputasi. **Reputational risk**. Risiko reputasi tu ada, dia tak ambil imej. Maknanya kalau dia involve macam bank, macam yang saya cakap tadilah. Dia akan fikir walaupun anak syarikat Genting, tapi dari segi reputasi syariah macam mana? Reputasi bank yang declare sebagai sebuah patuh syariah. Ada isu tak reputasi? Ada kesan tak dari segi reputasi? Kalau ada kesan dia takkan ambil...’

R3: ‘...Jadi maknanya kita membenarkan dia mengawal selia, tapi masih lagi meletakkan syarat-syarat. Maknanya syarikat yang dia bekerjasama tu, mestilah yang patuh syariah. Pastu syarikat yang ditubuhkan itu adalah yang **naturenya** adalah masih lagi dalam **urus niaga syariah**...’

R4: “...Ya. Itu satu dari segi hukumlah. Hukum dia selagi mana joint venture itu berkaitan dengan perkara yang halal. Sebenarnya tak kisahlah muslim ke non-muslim ke macamana kan, tapi sebab dia berkaitan dengan sesuatu yang halal; contoh kalau kita pergi ke pasar nak berjual beli dengan seseorang mungkin muslim mungkin non-muslim, tapi kalau barang yang dijual tu haram tak boleh la...”

‘...Tapi dari segi yang kedua pulak, iaitu dari segi **siyasa syari’iyyah** la. Dari segi polisi. Dari segi apa ni wisdom behind that, ataupun **reputation**. Contohnya imej lah. Saya rasa kalau yang biasa-biasa mungkin tak ada imej yang teruk sangat kot. Tapi macam contohnya katalah Genting kan, tapi dia ada Genting Plantation. So katalah MAIN buat kerjasama dengan Genting Plantation. So kat sini dia tak ada daripada segi hukum sangat, dia daripada segi reputation la. Sama ada nak kata, ‘ooo MAIN buat kerjasama dengan Genting’, so kalau nama tu sendiri ada reputation menyebabkan orang menyalah anggapkan, mungkin **lebih baik mengelakkan fitnah** lah...’

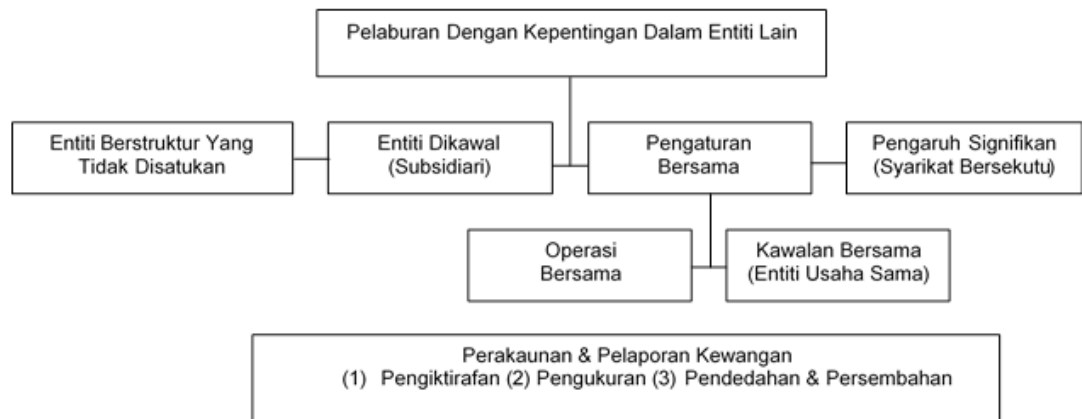
Berdasarkan pandangan pakar yang dinyatakan di atas, kajian mendapati institusi MAIN adalah diharuskan untuk menjalankan kegiatan bermuamalah dan menjalankan usaha sama dengan entiti lain (*syirkah*) termasuklah dengan syarikat bukan Islam selama mana kegiatan muamalat adalah mengikut syariat dan kegiatan yang halal seperti dijelaskan oleh R2, R3 dan R4. Namun, timbul persoalan berkaitan dengan usaha sama dengan sebuah syarikat yang menjalankan kegiatan ekonomi yang patuh syariah tetapi merupakan anak syarikat kepada syarikat induk yang tidak patuh syariah. Contohnya syarikat Genting Malaysia Bhd yang menjalankan perniagaan berbentuk rekreasi dan perhotelan yang meliputi taman tema, perjudian, perhotelan, hiburan dan sebagainya di dalam dan luar negara. Kesemua responden bersetuju bahawa segala bentuk usaha sama dengan anak syarikat kepada syarikat induk yang menjalankan perniagaan yang tidak halal seperti judi, arak dan sebagainya adalah tidak menepati *siyasa syari’iyyah*. Ia membawa maksud tindakan pemerintah terhadap sesuatu perkara kerana mendapatkan suatu kemaslahatan walaupun tindakan itu tidak mempunyai dalil pada juzuknya atau dalam penakrifan lain ialah menguruskan kemaslahatan manusia dengan mengikut ketentuan syarak (Abd Jalil Borham, 2013). Ini kerana melaksanakan *syirkah* dengan syarikat tersebut akan menjejaskan serta memberi impak negatif terhadap reputasi MAIN sebagai entiti perundangan yang menjaga kepentingan umat Islam. Justeru, adalah lebih baik mengelakkan fitnah yang timbul dalam kalangan masyarakat walaupun kegiatan

ekonomi yang bakal dihasilkan akan memberi manfaat ekonomi yang besar iaitu melibatkan prinsip pertimbangan antara mudarat dan maslahat, maka kaedah fiqh yang terpakai ialah keutamaan untuk menolak mudarat.

Perbincangan dan Implikasi Dasar

Pelaksanaan kegiatan muamalat oleh MAIN di beberapa negeri menunjukkan wujudnya pelbagai kontrak pelaburan yang dimeterai antara MAIN dengan entiti yang lain seperti kontrak pelaburan sama ada berbentuk (1) pelaburan biasa; dan (2) pelaburan dengan mempunyai kepentingan dalam entiti yang lain. Manakala pelaburan oleh MAIN dengan kepentingan dalam entiti yang lain pula terbahagi kepada empat iaitu (1) entiti berstruktur yang tidak disatukan, (2) entiti dikawal (subsidiari), (3) pengaturan bersama; dan (4) entiti dengan pengaruh signifikan (syarikat bersekutu). Di bawah item pengaturan bersama pula terbahagi kepada dua jenis iaitu: (1) operasi bersama; dan (2) kawalan bersama (entiti usaha sama-*syirkah*).

Rajah 3: Ringkasan Konsep Fiqh Entiti Perundangan dengan Amalan Perakaunan Semasa



Rajah 3 meringkaskan konsep fiqh entiti perundangan berdasarkan amalan perakaunan semasa yang melibatkan aspek pengiktirafan, pengukuran dan pendedahan bagi elemen-elemen asas penyata kewangan. Rajah 3 dirangka berdasarkan kepada cadangan kajian ini terhadap gambaran amalan pelaburan semasa MAIN dan Institusi Baitulmal, Zakat dan Wakaf (BZW) yang memberikan implikasi kepada aspek perakaunan dan pelaporan kewangan entiti.

Justeru, amalan semasa perakaunan menuntut institusi MAIN untuk menunjukkan akauntabiliti mereka dalam menguruskan harta atau aset umat Islam. Contohnya dalam aspek pendedahan, secara umumnya maklumat yang perlu didedahkan perlulah relevan, objektif dan material (Haniffa et. al, 2004) di samping memenuhi ciri-ciri lain seperti telus, tepat, komprehensif, tidak mengelirukan, mengelak daripada perkara yang boleh memberi kesan

negatif serta pertimbangan antara mudarat dan masalah (keutamaan menolak mudarat). Berbanding dengan prinsip pendedahan yang dinyatakan dalam *The International Public Sector Standard Board (IPSASB) 2014*, prinsip pendedahan oleh institusi MAIN perlulah lebih berhati-hati kerana persepsi negatif daripada masyarakat mungkin akan timbul daripada pelaporan kewangan yang didedahkan disebabkan kesalahfahaman masyarakat terhadap sesuatu isu yang berkaitan dengan hal ehwal agama Islam. Ada kemungkinan pertimbangan antara mudarat dan masalah perlu diberi penekanan terutama bagi tujuan mengelakkan risiko timbulnya persepsi yang negatif kepada entiti MAIN.

Jadual 2: Cadangan Prinsip Pendedahan Maklumat Perakaunan oleh MAIN

The Conceptual Framework For General Purpose Financial Reporting by Public Sector Entities (IPSASB) 2014	Kerangka Syariah	
Prinsip persembahan dan pendedahan (<i>dharurriyyah, hajjiyyah, tahsiniyyah</i>)	Memenuhi ciri-ciri kualitatif: <ul style="list-style-type: none"> • Relevan (<i>relevance</i>) • Perwakilan benar (<i>faithful representation</i>) • Kebolehfahaman (<i>understandability</i>) • Pemasaan (<i>timeliness</i>) • Kebolehbandingan (<i>comparability</i>) • Kebolehsahan (<i>verifiability</i>) 	Maklumat yang didedahkan mesti mengandungi ciri berikut– Polisi Pendedahan dari Perspektif Islam): <ul style="list-style-type: none"> • Relevan – maklumat tepat dan menunjukkan pihak terlibat telah memenuhi obligasi kepada Allah S.W.T dan masyarakat. • Objektif – maklumat berdasarkan ukuran yang adil dan patuh syariah • Material – maklumat yang menunjukkan keadilan dalam penilaian dan yang menunjukkan hak Allah, masyarakat dan individu telah dipenuhi. Mengikuti pandangan pakar: <ul style="list-style-type: none"> • Telus • Tepat • Komprehensif • Tidak mengelirukan • Tidak menimbulkan fitnah • Elak dari perkara yang boleh beri kesan negatif • Pertimbangan antara mudarat dan masalah (keutamaan menolak mudarat)

Sumber: IPSASB (2014) & Haniffa, Hudaib & Mirza (2004), Maklumat kajian.

Institusi MAIN menjalankan kegiatan bermuamalat dalam menguruskan harta dan dana umat Islam memenuhi dan menepati konsep fiqh yang telah dijelaskan sebelum ini iaitu konsep *ad-dhimmah, al-ahliyyah, syirkah, khultoh* dan *wakalah*. Justeru, dalam memastikan amalan perakaunan semasa menepati kehendak syarak, maka prinsip kegiatan urus niaga dan muamalat yang dilaksanakan oleh MAIN juga perlu menepati kehendak syarak seperti prinsip keredhaan, tiada unsur gharar, riba, qimar dan maysir dan akhirnya menepati maqasid syariah. Manakala dalam aspek pelaburan, prinsip pelaburan mengikut syarak juga perlu dipatuhi iaitu antaranya ialah subjek dan aktiviti pelaburan mestilah yang diharuskan dalam Islam dan juga penekanan kepada prinsip menjaga maruah melalui pertimbangan reputasi institusi MAIN dalam melaksanakan konsep *syirkah* dengan entiti dan syarikat lain.

Perbincangan konsep fiqh entiti perundangan, prinsip muamalat dan pelaburan dalam Islam yang berkait rapat dengan aspek pelaburan dalam kepentingan entiti lain memberi implikasi kepada cadangan kerangka kerja konseptual (KKK) perakaunan dan pelaporan kewangan Islam iaitu wujudnya keperluan untuk menambah perbincangan tentang konsep dan prinsip tersebut dalam teori asas yang mendasari pembentukan KKK iaitu berhubung teori fiqh. Perbincangan berhubung konsep dan prinsip yang dicadangkan ini penting bagi membolehkan aspek pelaburan dalam kepentingan entiti lain didasari oleh konsep fiqh yang jelas, dan seterusnya 'uruf perakaunan akan boleh dilaksanakan bagi mengakaunkan aktiviti-aktiviti tersebut. Selain itu prinsip bagi pertimbangan antara mudarat dan maslahat (keutamaan menolak mudarat) perlu dimasukkan sebagai salah satu prinsip pendedahan dalam KKK disebabkan perlunya panduan asas bagi entiti MAIN dalam membuat pertimbangan berhubung aspek pendedahan yang boleh memberikan implikasi antara mudarat dan maslahat kepada entiti MAIN dan juga pihak-pihak berkepentingan MAIN.

Kesimpulan

Konsep entiti perundangan adalah satu konsep yang diterima oleh ahli ulama Islam kontemporari. Beberapa konsep dan perbincangan fiqh yang berkaitan seperti penubuhan jabatan baitulmal, pemilikan harta wakaf, konsep *khultah* dan kontrak kerjasama *syirkah* dilihat membawa kepada pendirian Islam untuk mengiktiraf konsep ini. Institusi MAIN juga merupakan badan yang dilantik untuk menguruskan dana dan harta umat Islam juga adalah tertakluk dalam konsep ini. Melalui konsep entiti perundangan ini, MAIN bertanggungjawab untuk memelihara fungsi dan peranannya mengikut undang-undang syara'. Hal ini kerana dalam Islam, konsep entiti perundangan berasal daripada konsep *ad-Dhimmah* (tanggungjawab) dan konsep *al-Ahliyyah* (kelayakan) yang menuntut MAIN untuk melaksanakan tanggungjawab yang diberikan dengan berpandukan kepada undang-undang syariah. Cadangan daripada kajian ialah supaya institusi MAIN terus memerhatikan amalan pentadbirannya agar dapat kekal berperanan dengan amanah dan penuh tanggungjawab (*dhimmah*) di samping memerhatikan ciri-ciri individu yang layak (*ahliyyah*) untuk diberikan amanah menjaga dan mengurus harta umat Islam. Institusi MAIN adalah sebuah entiti perundangan di mana enakmen pentadbiran agama di sesebuah negeri akan mengikat secara perundangan segala bentuk kegiatan yang berkaitan dengan hal ehwal urusan agama Islam negeri termasuklah kegiatan muamalat yang berkaitan seperti *syirkah* dengan entiti lain yang melibatkan *khultoh* dalam modal dan wakalah kepada entiti yang pakar dalam membantu menguruskan harta dan dana umat Islam. Melalui kontrak *syirkah* ini, liabiliti, hak dan pemilikan MAIN dan entiti yang terlibat perlu ditentukan sebelum sesuatu usaha sama dilaksanakan. Konsep *syirkah* bukan semata-mata melibatkan transaksi perniagaan tetapi *syirkah* juga boleh melibatkan pengurusan sesebuah organisasi. Dalam konteks MAIN, pengurusan MAIN mungkin berkerjasama dengan pakar dari entiti luar MAIN, contohnya dalam menguruskan harta wakaf. Namun apa yang penting, ahli MAIN adalah terikat dengan *dhimmah maliah* dalam segala pengurusan dan untuk menguatkannya, setiap ahli MAIN perlu mempunyai *ahliyyah* dalam mengurus termasuklah mempunyai *al-ruysd* dalam pengurusan kewangan. Justeru, nilai akauntabiliti MAIN perlu dijelmakan dengan amalan semasa perakaunan MAIN yang menggambarkan segala transaksi MAIN

yang patuh syariah. Ini akhirnya akan meningkatkan reputasi MAIN sebagai institusi agama Islam yang berwibawa di Malaysia.

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Amalan dan Keperluan Pembentangan dan Pendedahan Penyata Kewangan bagi Majlis Agama Islam Negeri di Malaysia

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Abstrak

Kajian ini bertujuan untuk meninjau amalan dan keperluan pelaporan kewangan Majlis Agama Islam Negeri (MAIN) di lima negeri di Malaysia. Kajian ini telah dilaksanakan dengan mengguna pakai pendekatan kajian kes. Dua kaedah pengumpulan data telah digunakan iaitu semakan dokumen dan temu bual separa berstruktur. Bagi kaedah pertama, penelitian ke atas Laporan Tahunan MAIN bagi tahun kewangan 2016 dan 2017 telah dibuat dengan membandingkan amalan semasa pelaporan dan pendedahan Penyata Kewangan MAIN dengan peruntukan dalam sembilan MPSAS yang berkaitan dengan pembentangan dan pendedahan. Kajian turut membuat semakan dan penelitian ke atas Enakmen dan Ordinan Pentadbiran Agama Islam Negeri-Negeri yang di kaji. Ini diikuti dengan temu bual dengan empat belas orang responden yang terlibat secara langsung atau tidak langsung dengan penyediaan penyata kewangan MAIN. Selain daripada itu, sesi perundingan dengan pakar-pakar Syariah, Muamalat atau Ekonomi Islam, Undang-Undang dan Perakaunan/ Perakaunan Islam turut diadakan. Dari segi amalan semasa, tidak semua urusan niaga atau item yang disentuh oleh sembilan MPSAS yang dikaji wujud di kesemua MAIN. Sementara itu, kajian mendapati kesemua MAIN menyediakan penyata kewangan berasingan dan disatukan serta membuat pendedahan kepentingan dalam entiti lain. Namun begitu, dapatan menunjukkan tiada MAIN yang membuat pendedahan maklumat kewangan tentang sektor am kerajaan dan pengaturannya bersama. Seterusnya, kajian mengenal pasti keperluan piawaian perakaunan baharu yang boleh dijadikan garis panduan kepada MAIN dalam membangunkan Piawaian Perakaunan

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Islam bagi Institusi Baitulmal, Zakat dan Wakaf (PPIIBZW) berkaitan aspek pembentangan dan pendedahan. Selain daripada itu, beberapa cadangan elemen penambahbaikan penyata kewangan MAIN turut dikemukakan. Dapatan kajian ini diharapkan dapat membantu pihak-pihak berkepentingan seperti MAIN dan Jabatan Akauntan Negara Malaysia (JANM) dalam menyediakan kerangka kerja perakaunan dan piawai perakaunan yang sesuai bagi MAIN.

Kata kunci: Penyata Kewangan, Piawaian Perakaunan, Majlis Agama Islam Negeri, Kajian Kes, Malaysia

Abstract

This study examines the practice and financial reporting requirements of the State Islamic Religious Councils (SIRCs) of five states in Malaysia using a case study approach. Two data collection methods are used, namely document review and semi-structured interviews. Review of the SIRCs' annual reports for the financial years 2016 and 2017 is made by comparing the SIRCs' current practice of financial reporting and disclosure with respect to nine MPSAS (Malaysian Public Sector Accounting Standards) related to the presentation and disclosure of financial statements. In addition, this study reviews and examines the Enactments/Ordinance of the Administration of Muslim Religious Affairs of each state. This is followed by interviews with fourteen respondents who are directly or indirectly involved in the preparation of the SIRCs' financial statements. Apart from that, consultation sessions with experts in Shari'ah, Muamalat or Islamic Economics, Law and Accounting/ Islamic Accounting have also been held. This study finds that not all transactions or items of the nine MPSAS exist in all SIRCs. However, all SIRCs prepare Separate and Consolidated Financial Statements. They also prepare Disclosure of Interests in Other Entities. Nevertheless, none of the SIRCs prepares Disclosure of Financial Information pertaining to General Government Sector and Joint Arrangements. After this, the study outlines the requirements of the proposed PPIIBZW that may be used as guidelines for the presentation and disclosure of SIRCs' financial statements. In conclusion, this study proposes certain recommendations aimed at improving the financial statements of SIRCs. It is expected that the findings of the study could be able to assist relevant parties such as a SIRC and Accountant General's Department of Malaysia in developing an accounting conceptual framework, as well as the accounting standards that suit SIRC.

Keywords: Financial Statements, Accounting Standards, State Islamic Religious Council, Case Study, Malaysia

Pengenalan

Majlis Agama Islam Negeri (MAIN) dan Lembaga Zakat yang ditubuhkan oleh beberapa negeri (semuanya dikenali sebagai institusi baitulmal, zakat dan wakaf (IBZW)) merupakan badan berkanun penting kerana ia merupakan penyumbang yang besar kepada ekonomi negara. Institusi yang ditubuhkan di setiap negeri di Malaysia ini diberi tanggungjawab untuk mengurus kutipan dan pengagihan zakat, mengurus wang baitulmal serta harta wakaf di negeri masing-masing. IBZW memainkan peranan penting dalam mengurus harta orang Islam di Malaysia dan sumbangan yang dibuat melalui zakat, wakaf dan baitulmal oleh umat Islam kepada sosioekonomi negara adalah sangat signifikan. Ku Nor Izah *et al.* (2019) telah melaporkan beberapa statistik yang dikeluarkan oleh Jabatan Wakaf, Zakat dan Haji (JAWHAR) dan hasil analisis penyata kewangan IBZW. Pada tahun 2016, sejumlah RM2.8 bilion zakat telah dikutip oleh institusi zakat di seluruh Malaysia. Sementara itu, bagi tahun yang sama tanah baitulmal yang berpotensi untuk dimajukan adalah berkeluasan 41,407.33 hektar dengan nilai RM320 juta. Jumlah yang begitu besar ini semestinya memerlukan kepada pengurusan yang cekap serta sifat ketelusan dan akauntabiliti sesebuah IBZW dalam menjalankan amanahnya.

Dalam konteks IBZW, akauntabiliti bermaksud tanggungjawab institusi tersebut dalam melaksanakan tugas-tugas yang diamanahkan kepadanya. Akauntabiliti yang dilaksanakan haruslah menjaga hubungan dengan Allah SWT (*Hablul Min Allah*) dan juga sesama manusia (*Hablul Min An-Nas*) (Abdullah *et al.*, 2018). Sebagai institusi yang mengurus harta yang sangat besar amaunnya, IBZW menjadi perhatian ramai. Berbeza dengan syarikat, pemegang taruh IBZW adalah lebih umum dan sukar dikenal pasti. Antaranya adalah pemberi zakat, penerima zakat, pewakaf, penerima manfaat wakaf, penyumbang baitulmal, penggubal undang-undang dan piawaian, badan kerajaan yang menyelia dan memajukan IBZW seperti JAWHAR, badan kerajaan yang memberi sumbangan, penyelidik, ahli akademik, ahli politik, badan sukarela, ahli dan badan perniagaan, masyarakat dan orang ramai.

Sebagai institusi yang diberikan amanah untuk mengurus harta umat Islam di Malaysia, adalah menjadi tanggungjawab IBZW untuk menyediakan laporan kewangan yang relevan dan berguna kepada pemegang taruh dalam membuat keputusan. Ini adalah kerana kecekapan, ketelusan serta akauntabiliti sesebuah IBZW dapat dinilai melalui penyata kewangannya. Laporan kewangan merupakan salah satu media komunikasi yang penting bagi menyampaikan maklumat berguna sesebuah entiti, sama ada di sektor swasta atau kerajaan, kepada pelbagai pemegang taruh dalam membuat keputusan. Bagi memastikan maklumat yang disampaikan adalah berguna, maklumat tersebut haruslah relevan dan boleh dipercayai. Selain daripada itu, maklumat yang dipersembahkan harus mempunyai ciri-ciri kebolehbandingan. Susulan itu, piawaian perakaunan telah digubal oleh badan-badan penggubal piawaian di serata dunia bagi memberi garis panduan kepada entiti agar maklumat yang disampaikan memenuhi ciri-ciri kualiti yang ditetapkan. Penggunaan piawaian perakaunan yang bersesuaian adalah perlu kerana

pelaporan kewangan memainkan peranan penting bagi menggambarkan akauntabiliti, ketelusan, dan kebolehgunaan maklumat dalam sesebuah entiti, sama ada di sektor awam mahupun swasta.

Di Malaysia, bermula pada tahun 2020, entiti kerajaan perlu menggunakan pakai Piawaian Perakaunan Sektor Awam Malaysia (*Malaysian Public Sector Accounting Standards*) (MPSAS) yang dikeluarkan oleh Jabatan Akauntan Negara Malaysia (JANM) dalam mengakaun dan melaporkan urus niaga kewangan mereka. Ini termasuklah institusi baitulmal, zakat dan wakaf. Namun, disebabkan operasi IBZW yang unik dan berlandaskan hukum syarak, JANM merasakan adalah satu keperluan untuk mewujudkan piawaian perakaunan yang khusus bagi IBZW, yang dikenali sebagai Piawaian Perakaunan Islam Institusi Baitulmal, Zakat dan Wakaf (PPIIBZW). Terdapat 35 MPSAS yang telah dikeluarkan oleh JANM untuk diterima pakai oleh sektor kerajaan, namun kajian ini hanya tertumpu kepada sembilan MPSAS yang berkaitan dengan aspek pembentangan dan pendedahan penyata kewangan. Terdapat tiga objektif kajian ini iaitu, pertama, untuk memahami amalan semasa pembentangan dan pendedahan penyata kewangan IBZW dan, dengan menjadikan sembilan MPSAS sebagai asas, mengemukakan cadangan kandungan piawaian perakaunan untuk IBZW, kedua, untuk mengenal pasti keperluan piawaian baharu yang boleh dijadikan garis panduan kepada MAIN dalam membangunkan PPIIBZW berkaitan aspek pembentangan dan pendedahan, dan yang terakhir, untuk memberikan beberapa cadangan elemen penambakan penyata kewangan IBZW.

Kajian ini adalah signifikan dalam membantu JANM membentuk kerangka kerja konseptual perakaunan Islam dan menggubal piawaian perakaunan yang dapat diterima pakai oleh IBZW. Kajian ini juga dapat membantu meningkatkan kepercayaan pihak pemegang taruh terhadap ketelusan dan akauntabiliti pihak IBZW dalam mengurus sumber ekonomi Islam. Di samping itu, penggubalan piawaian perakaunan bagi IBZW ini bukan sahaja dapat digunakan oleh IBZW di Malaysia. Ia juga boleh dijadikan asas kepada penggubalan piawaian perakaunan Islam oleh negara lain yang mempunyai struktur institusi IBZW yang serupa.

Sorotan Kajian

Pendedahan dalam Penyata Kewangan

Pendedahan maklumat dalam penyata kewangan adalah selari dengan tuntutan Syariah (Al-Sartawi & Reyad, 2018). Amalan pendedahan ini membolehkan institusi atau organisasi Islam memenuhi tanggungjawab kewangan dan sosial yang dijangkakan oleh pemegang taruh (Amran et al., 2017). Secara umumnya, pendedahan berkaitan dengan maklumat perakaunan akan dibuat pada muka penyata kewangan, nota-nota kepada akaun dan melalui polisi-polisi organisasi yang berkaitan. Pendedahan maklumat perakaunan seperti aset, liabiliti, hasil dan belanja merupakan tuntutan penting dalam Islam. Ini jelas

seperti mana firman Allah SWT yang bermaksud:

“Wahai orang-orang yang beriman! Apabila kamu menjalankan sesuatu urusan dengan hutang piutang yang diberi tempoh hingga ke suatu masa yang tertentu maka, hendaklah kamu menulis (hutang dan masa bayarannya) itu dan hendaklah seorang penulis di antara kamu menulisnya dengan adil (benar) dan janganlah seseorang penulis enggan menulis sebagaimana Allah telah mengajarkannya. Oleh itu, hendaklah ia menulis dan hendaklah orang yang berhutang itu merencanakan (isi surat hutang itu dengan jelas). Dan hendaklah ia bertaqwa kepada Allah Tuhannya, dan janganlah ia mengurangkan sesuatu pun dari hutang itu. Kemudian jika orang yang berhutang itu bodoh atau lemah atau ia sendiri tidak dapat hendak merencanakan (isi itu), maka, hendaklah direncanakan oleh walinya dengan adil dan benar); dan hendaklah kamu mengadakan dua orang saksi lelaki dalam kalangan kamu. Kemudian kalau tidak ada saksi dua orang lelaki, maka bolehlah, seorang lelaki dan dua orang perempuan daripada orang-orang yang kamu setuju menjadi saksi, supaya jika yang seorang lupa daripada saksi-saksi perempuan yang berdua itu, maka dapat diingatkan oleh yang seorang lagi. Dan jangan saksi-saksi itu enggan apabila mereka dipanggil menjadi saksi. Dan janganlah kamu jemu menulis perkara hutang yang bertempoh masanya itu, sama ada kecil atau besar jumlahnya. Yang demikian itu, lebih adil di sisi Allah dan lebih membetulkan (menguatkan) keterangan saksi, dan juga lebih hampir kepada tidak menimbulkan keraguan kamu. Kecuali perkara itu mengenai perniagaan tunai yang kamu edarkan sesama sendiri, maka tiadalah salah jika kamu tidak menulisnya. Dan adakanlah saksi apabila kamu berjual-beli. Dan janganlah mana-mana jurutulis dan saksi itu disusahkan. Dan kalau kamu melakukan (apa yang dilarang itu), maka sesungguhnya yang demikian adalah perbuatan fasik (derhaka) yang ada pada kamu. Oleh itu hendaklah kamu bertaqwa kepada Allah; dan (ingatlah), Allah (dengan keterangan ini) mengajar kamu; dan Allah sentiasa Mengetahui akan tiap-tiap sesuatu”.

(QS Al-Baqarah 2:282)

Usaha penambahbaikan amalan pendedahan maklumat dalam penyata kewangan secara berterusan oleh institusi Islam adalah sebahagian usaha penting ke arah menjadi institusi yang baik (Amran et al. 2017). Kajian lepas menunjukkan terdapat hubungan yang signifikan di antara amalan pendedahan dengan kepercayaan, kepuasan, dan kesetiaan pemegang taruh (El-Halaby, Hussainey & Abou-El-Sood, 2018). Islam menyarankan dua prinsip utama pendedahan maklumat perakaunan iaitu “Pendedahan Penuh”, dan “Akauntabiliti Sosial” yang dijelaskan dengan lebih lanjut dalam perenggan berikutnya.

Pendedahan Penuh

Menurut Lewis (2001) prinsip pendedahan penuh dalam Islam dikaitkan dengan pendedahan maklumat yang relevan dengan mendedahkan semua fakta secara benar dan adil tentang perkara-perkara yang sedang berlaku dalam sesebuah entiti. Sebagai contoh, dalam konteks institusi BZW, pendedahan maklumat perakaunan perlulah dibuat berdasarkan kepada kumpulan wang tertentu seperti wakaf, baitulmal dan zakat agar lebih telus. Ini disokong dengan nas-nas Al-Quran yang mana Allah SWT telah berfirman yang bermaksud:

“Musa berkata: Sesungguhnya Allah berfirman bahawa lembu betina itu adalah lembu betina yang belum pernah dipakai untuk membajak tanah dan tidak pula untuk mengairi tanaman, tidak bercacat, tidak ada belangnya. Mereka berkata: Sekarang barulah kamu menerangkan hakikat lembu betina yang sebenarnya. Kemudian mereka menyembelihnya dan hampir saja mereka tidak melaksanakan perintah itu”.

(QS Al-Baqarah 2:71)

“Wahai orang-orang yang beriman, jadilah kamu orang yang benar-benar penegak keadilan, menjadi saksi kerana Allah biarpun terhadap dirimu sendiri atau ibu bapa dan kaum kerabatmu. Jika ia kaya ataupun miskin, maka Allah lebih tahu kemaslahatannya. Maka janganlah kamu mengikuti hawa nafsu kerana ingin menyimpang dari kebenaran. Dan jika kamu memutar balikkan (kata-kata) atau enggan menjadi saksi, maka sesungguhnya Allah adalah Maha Mengetahui segala apa yang kamu kerjakan”.

(QS An-Nisa' 4:135)

Lewis (2001) menambah bahawa tujuan pendedahan maklumat perakaunan adalah untuk menjaga kepentingan awam kerana masyarakat atau “ummah” mempunyai hak untuk mengetahui tentang kesan operasi sesebuah organisasi itu sama ada membawa kesejahteraan dan memenuhi kehendak syariat ataupun tidak. Pendedahan maklumat yang benar dan relevan adalah penting dalam pelbagai aspek kehidupan Islam. Ini kerana terdapat tanggungjawab seperti membayar zakat yang mana pengiraannya memerlukan pendedahan nilai aset dan liabiliti berdasarkan tuntutan Islam demi membantu golongan yang memerlukannya. Prinsip pendedahan penuh juga diperlukan untuk meramal obligasi masa hadapan dan risiko pelaburan dalam urus niaga yang membabitkan perkongsian perniagaan yang mana para MAIN terlibat dengannya.

Akauntabiliti Sosial

Dalam Al-Quran, perkataan “*hisab*” diulang lebih daripada lapan kali dalam ayat-ayat yang berlainan (Askary & Clarke, 1997). “*Hisab*” atau “*akaun*” adalah asas kepada perakaunan. Menurut Al-Quran, “*hisab*” adalah kewajiban untuk “*mengakaunkan*” kepada Allah segala

perbuatan manusia dan manusia adalah bertanggungjawab terhadap perbuatan tersebut.

Manusia hanyalah pemegang amanah terhadap apa yang telah diberikan oleh Allah SWT dalam bentuk barang, harta benda dan aset tidak nyata. Kejayaan seseorang muslim di dunia dan akhirat bergantung kepada sejauh mana dia menggunakan apa yang telah diamanahkan kepadanya. Ini bermakna setiap muslim mempunyai “*akaun*” dengan Allah SWT yang mana ia tercatat segala tindakan yang baik dan buruk sepanjang kehidupannya di dunia ini. “*Akaun*” itu akan berterusan sehingga hari kematian dan Allah SWT akan menunjukkan kepada semua akaun mereka pada hari pembalasan. Perbincangan ini adalah amat bertepatan dengan firman Allah SWT yang bermaksud:

“Maka bagaimanakah halnya apabila mereka (orang-orang munafik) ditimpa sesuatu musibah disebabkan perbuatan tangan mereka sendiri, kemudian mereka datang kepadamu sambil bersumpah: Demi Allah, kami sekali-kali tidak menghendaki selain penyelesaian yang baik dan perdamaian yang sempurna”.
(QS An-Nisa’ 4:62)

Oleh itu, persamaan asas antara “*hisab*” dalam Islam dan “*perakaunan*” terletak kepada akauntabiliti setiap muslim untuk menjalankan tugas seperti yang telah disyariatkan oleh Islam. Abdul Rahim (2010) menyatakan bahawa dua prinsip di atas bermaksud keperluan kepada para penyedia akaun untuk mendedahkan segala maklumat yang berguna dan penting kepada pengguna maklumat perakaunan untuk membuat keputusan. Pendedahan sebegini rupa dibuat kerana itu adalah suruhan daripada Allah SWT demi menjaga kepentingan “*umma*” atau masyarakat. Kesimpulannya, pendedahan menurut perakaunan konvensional adalah terhad untuk memenuhi undang-undang sekular dan menekankan kepada akauntabiliti peribadi (contoh, agen dan prinsipal) berlandaskan falsafah rasional ekonomi (contoh, sistem ekonomi kapitalis), manakala perakaunan Islam menekankan pendedahan telus dan akauntabiliti sosial (moral) (Baydoun & Willet, 2000; Khoramin, 2012; Lewis, 2001).

Kaedah Kajian

Kajian ini telah dilaksanakan dengan mengguna pakai pendekatan kajian kes yang melibatkan lima IBZW yang semuanya merupakan Majlis Agama Islam Negeri (MAIN) di Malaysia yang terdiri daripada MAIN A, MAIN B, MAIN C, MAIN D dan MAIN E. Selain itu, terdapat sepuluh buah anak syarikat yang dimiliki sepenuhnya (100 peratus milikan) oleh kelima-lima MAIN tersebut di mana MAIN A, MAIN B dan MAIN E masing-masing memiliki dua anak syarikat, MAIN C memiliki tiga buah anak syarikat dan MAIN D pula memiliki sebuah anak syarikat.

Bagi pengumpulan data, terdapat dua kaedah yang telah digunakan dalam kajian ini iaitu semakan dokumen dan temu bual separa berstruktur. Bagi kaedah pertama, penelitian ke atas Laporan Tahunan MAIN bagi tahun kewangan 2016 dan 2017 telah dibuat dengan

membandingkan amalan semasa pelaporan dan pendedahan Penyata Kewangan dengan peruntukan yang terdapat dalam sembilan MPSAS yang berkaitan dengan aspek berkenaan (rujuk Jadual 1). Kajian turut membuat semakan dan penelitian ke atas Enakmen dan Ordinan Pentadbiran Agama Islam Negeri-Negeri yang dikaji khususnya peruntukan berkaitan dengan pengurusan kewangan dan pelaporan MAIN.

Jadual 1: Senarai MPSAS yang Dikaji

Bil.	MPSAS
1	Penyata Kewangan Berasingan (MPSAS 34)
2	Peristiwa Selepas Tarikh Pelaporan (MPSAS 14)
3	Pendedahan Pihak Berkaitan (MPSAS 20)
4	Pendedahan Maklumat Kewangan Tentang Sektor Am Kerajaan (MPSAS 22)
5	Pembentangan Maklumat Bajet Dalam Penyata Kewangan (MPSAS 24)
6	Penyata Kewangan Disatukan (MPSAS 35)
7	Pelaburan Dalam Syarikat Bersekutu Dan Usaha Sama (MPSAS 36)
8	Pengaturan Bersama (MPSAS 37)
9	Pendedahan Kepentingan Dalam Entiti Lain (MPSAS 38)

Ini diikuti dengan temu bual dengan empat belas orang responden yang terlibat secara langsung atau tidak langsung dengan penyediaan penyata kewangan MAIN. Pada setiap sesi temu bual, masa yang diambil adalah sekitar satu hingga dua jam. Temu bual ini bertujuan untuk mendapatkan maklumat lanjut dan gambaran yang lebih jelas tentang amalan semasa pelaporan dan pendedahan Penyata Kewangan MAIN. Setiap perbualan direkodkan oleh penyelidik, dengan mendapat keizinan pegawai yang ditemu bual, yang kemudiannya dipindahkan dalam bentuk teks (*transcribed*) untuk tujuan analisa data dan rujukan kemudiannya.

Penyelidik turut menyediakan nota catatan semasa sesi temu bual berlangsung. Penyelidik juga turut membandingkan nota catatan dengan transkrip yang disediakan untuk memastikan maklumat yang diperolehi melalui temu bual lisan dan yang dicatat adalah sama seperti yang terdapat dalam transkrip. Sekiranya maklumat yang diperolehi ketika sesi temu bual tidak mencukupi atau memerlukan penjelasan lanjut, penyelidik akan menghubungi pegawai-pegawai MAIN berkenaan melalui telefon atau e-mel bagi mendapatkan maklumat tersebut.

Kajian turut mengadakan sesi perundingan bersama pakar iaitu melibatkan pakar dalam bidang Syariah, Muamalat atau Ekonomi Islam, Undang-Undang dan Perakaunan/Perakaunan Islam. Sesi perundingan ini secara umumnya dilaksanakan bagi mendapatkan input, pandangan serta maklum balas berkenaan Kerangka Kerja Konseptual Perakaunan dan Pelaporan Kewangan Islam (KKPI) yang dibangunkan, amalan semasa perakaunan MAIN, keperluan Syariah dan batasan undang-undang serta cadangan pembangunan piawaian perakaunan bagi elemen pendedahan maklumat dan peristiwa lain dalam Penyata

Kewangan serta urus niaga unik berkaitan Institusi BZW.

Dapatan Kajian dan Perbincangan

Kewujudan Urus Niaga serta Amalan Pembentangan dan Pendedahan

Kewujudan urus niaga serta amalan pembentangan dan pendedahan oleh MAIN adalah seperti dalam Jadual 2. Kajian mendapati kesemua MAIN menyediakan penyata kewangan berasingan dan disatukan serta membuat pendedahan kepentingan dalam entiti lain. Pendedahan peristiwa selepas tarikh pelaporan dan pendedahan pihak berkaitan pula disediakan masing-masing oleh tiga MAIN (MAIN A, C & E) dan dua MAIN (MAIN B & D). Sementara itu, pembentangan maklumat bajet dan pelaburan dalam syarikat bersekutu dan usaha sama pula hanya dibuat oleh sebuah MAIN sahaja iaitu masing-masing oleh MAIN A dan MAIN E. Dapatan menunjukkan tiada MAIN yang membuat pendedahan maklumat kewangan tentang sektor am kerajaan dan pengaturan bersama.

Jadual 2: Kewujudan Urus Niaga dan Amalan Semasa Pembentangan dan Pendedahan

	MAIN A	MAIN B	MAIN C	MAIN D	MAIN E
Penyata Kewangan Berasingan	√	√	√	√	√
Peristiwa Selepas Tarikh Pelaporan	√	x	√	x	√
Pendedahan Pihak Berkaitan	√	√	x	x	x
Pendedahan Maklumat Kewangan Tentang Sektor Am Kerajaan	x	x	x	x	x
Pembentangan Maklumat Bajet dalam Penyata Kewangan	√	x	x	x	x
Penyata Kewangan Disatukan	√	√	√	√	√
Pelaburan Dalam Syarikat Bersekutu dan Usaha Sama	x	x	x	x	√
Pengaturan Bersama	x	x	x	x	x
Pendedahan Kepentingan dalam Entiti Lain	√	√	√	√	√

Keperluan Piawaian Baru Berkaitan Pembentangan dan Pendedahan Penyata Kewangan

Keperluan piawaian baru berkaitan pembentangan dan pendedahan penyata kewangan MAIN adalah seperti yang dapat dilihat dalam Jadual 3 di mana sembilan MPSAS berkaitan telah dijadikan sebagai asas penyediaan PPIIBZW. Keperluan ini dikenal pasti dan dikemukakan dengan mengambil kira dapatan amalan semasa pembentangan dan pendedahan penyata kewangan MAIN, input daripada pakar-pakar yang ditemu bual serta

konteks dan bentuk operasi/aktiviti IBZW yang berbeza atau unik berbanding dengan institusi atau organisasi yang berorientasikan keuntungan atau organisasi sektor awam yang lain.

Jadual 3: Keperluan Piawaian Baru Berkaitan Pembentangan dan Pendedahan Penyata Kewangan

MPSAS	PPIIBZW	Ringkasan Keperluan Piawaian Baru
Penyata Kewangan Berasingan (MPSAS 34)	Penyata Kewangan Berasingan	<ul style="list-style-type: none"> Istilah penyata lebih atau defisit ditukar kepada penyata prestasi kewangan. Perenggan-perenggan yang berkaitan dengan entiti pelaburan dikeluarkan memandangkan institusi BZW bukanlah entiti pelaburan.
Peristiwa Selepas Tarikh Pelaporan (MPSAS 14)	Peristiwa Selepas Tarikh Pelaporan	<ul style="list-style-type: none"> Istilah penyata lebih atau defisit ditukar kepada penyata prestasi kewangan. Perenggan yang berkaitan dengan dividen dibayar, pengstrukturkan semula dan cukai perlu dikeluarkan. Istilah "pinjaman" digantikan dengan "pembiayaan".
Pendedahan Pihak Berkaitan (MPSAS 20)	Pendedahan Pihak Berkaitan	<ul style="list-style-type: none"> Keluarkan "<i>domestic partner</i>" (pasangan tak sah taraf) dalam definisi ahli keluarga terdekat. Gunakan contoh yang lebih dekat dengan MAIN bagi personel pengurusan utama atau badan pengawal MAIN, sebagai contoh, Mufti, Setiausaha Kerajaan Negeri, Ketus Hakim Syarie, dan Pegawai Kewangan Negeri.
Pendedahan Maklumat Kewangan Tentang Sektor Am Kerajaan (MPSAS 22)	Pendedahan Maklumat Kewangan Tentang Sektor Am Kerajaan	<ul style="list-style-type: none"> Penggunaan istilah-istilah yang lebih sesuai dengan operasi IBZW seperti "hasil cukai" dipinda kepada "hasil" sahaja dan "pinjaman" dipinda kepada "pembiayaan". Menambah dua lagi ciri-ciri kualitatif maklumat kewangan iaitu boleh ditentusahkan (<i>verifiability</i>) dan kekinian (<i>timeliness</i>). Pendedahan mengikut kumpulan wang sama ada Baitulmal, Zakat atau Wakaf.
Pembentangan Maklumat Bajet dalam Penyata Kewangan (MPSAS 24)	Pembentangan Maklumat Bajet dalam Penyata Kewangan	<ul style="list-style-type: none"> Definisi warta hendaklah diperhalusi sama ada untuk kegunaan pengurusan dalaman sahaja atau untuk kegunaan umum. Memberi pilihan kepada MAIN untuk mendedahkan atau tidak maklumat bajet di dalam penyata kewangan. Jika memilih untuk mendedahkan maklumat bajet, MAIN hendaklah mendedahkannya mengikut piawaian yang dibangunkan iaitu membentangkan maklumat perbandingan antara amaun bajet dengan amaun sebenar sebagai lajur tambahan di dalam penyata kewangan (hanya jika penyata kewangan dan bajet tersebut disediakan pada asas boleh banding). Pendedahan dibuat mengikut kumpulan wang.

Penyata Kewangan Disatukan (MPSAS 35)	Penyata Kewangan Disatukan	<ul style="list-style-type: none"> • Mengeluarkan perenggan-perenggan yang tidak relevan dengan MAIN. • Perenggan berkaitan keperluan pendedahan - polisi/prosedur penyatuan yang diguna pakai.
Pelaburan dalam Syarikat Bersekutu dan Usaha Sama (MPSAS 36)	Pelaburan dalam Syarikat Bersekutu dan Usaha Sama	<ul style="list-style-type: none"> • Perenggan berkaitan kaedah yang digunakan dalam mengukur pelaburan dalam syarikat bersekutu dan usaha sama. • Perenggan berkaitan keperluan pendedahan – dasar/polisi perakaunan berkaitan pelaburan yang digunakan dan nilai bawaan/saksama.
Pengaturan Bersama (MPSAS 37)	Pengaturan Bersama	<ul style="list-style-type: none"> • Perenggan berkaitan pendedahan mengikut kumpulan wang.
Pendedahan Kepentingan dalam Entiti Lain (MPSAS 38)	Pendedahan Kepentingan Dalam Entiti Lain	<ul style="list-style-type: none"> • Penggunaan istilah-istilah yang lebih sesuai dengan operasi IBZW seperti "pinjaman" dipinda kepada "pembiayaan". • Menambah satu lagi kaedah pengukuran iaitu model kos disamping dua kaedah sedia ada iaitu ekuiti dan model nilai saksama. • Pendedahan mengikut kumpulan wang sama ada Baitulmal, Zakat atau Wakaf.

Cadangan-cadangan tersebut boleh dirumuskan seperti berikut:

- (1) Peruntukan-peruntukan MPSAS 34, MPSAS 14, MPSAS 20, MPSAS 22, MPSAS 35, MPSAS 37 dan MPSAS 38 dijadikan asas bagi pembentukan PPIIBZW. Namun begitu, peruntukan atau perenggan yang tidak berkaitan dengan operasi IBZW seperti cukai, entiti pelaburan, hak mengundi dan saham tidak perlu diambil kira dalam PPIIBZW terlibat. PPIIBZW yang dibangunkan turut dicadangkan untuk mengguna pakai tajuk-tajuk MPSAS yang sama.
- (2) Memberi pilihan kepada IBZW untuk menerima pakai PPIIBZW *Pembentangan Maklumat Bajet dalam Penyata Kewangan*. Bagi yang memilih untuk mendedahkan maklumat belanjawan, maka peruntukan di dalam PPIIBZW *Pembentangan Maklumat Bajet Dalam Penyata Kewangan* hendaklah diikuti. Pendedahan maklumat belanjawan perlu dibuat mengikut kumpulan wang.
- (3) Bagi PPIIBZW *Pelaburan Dalam Syarikat Bersekutu dan Usaha Sama*, dicadangkan penambahbaikan ke atas objektif, kaedah pengukuran dan pendedahan. Kajian mencadangkan agar diberi pilihan kepada IBZW untuk memilih sama ada model kos, kaedah ekuiti atau model nilai saksama kerana bersesuaian dengan operasi IBZW yang lebih menjurus ke arah mengurus dan memegang amanah harta umat Islam yang merangkumi harta baitulmal, wakaf dan zakat.

- (4) Untuk PPIIBZW *Pendedahan Pihak Berkaitan*, kajian mencadangkan supaya definisi ahli keluarga perlu dipastikan mematuhi kehendak syariah.
- (5) Menyeragamkan dan menyesuaikan penggunaan istilah dalam piawaian yang akan dibentuk bersesuaian dengan operasi IBZW.

Keperluan Penyediaan PPIIBZW yang Komprehensif dan Cadangan Elemen Penambahbaikan Penyata Kewangan IBZW

Dalam usaha penyediaan PPIIBZW yang komprehensif, kajian berpandangan perlunya kepada Kerangka Kerja Konseptual Perakaunan dan Pelaporan Kewangan Islam (KKPI) yang akan dibincangkan dengan lanjut selepas ini. Selain daripada itu, kajian juga mengemukakan beberapa cadangan penambahbaikan penyata kewangan IBZW yang terdiri daripada (i) Set Penyata Kewangan bagi IBZW, (ii) Laporan Ahli Majlis, (iii) Maklumat Am dalam Nota kepada Penyata Kewangan, (iv) Senarai Penasihat Syariah IBZW dan Peranan serta (v) Sorotan Prestasi 5 Tahun.

Kerangka Kerja Konseptual Perakaunan dan Pelaporan Kewangan Islam

Bagi penyediaan PPIIBZW yang komprehensif, sepertimana set piawaian perakaunan yang telah dibangunkan seperti *International Financial Reporting Standards* (IFRS) yang mempunyai Kerangka Konseptual untuk Pelaporan Perakaunan, satu Kerangka Kerja Konseptual Perakaunan dan Pelaporan Kewangan Islam (KKPI) amatlah perlu untuk dibangunkan bersama dengan PPIIBZW. KKPI ini menetapkan konsep asas bagi pelaporan kewangan yang akan memberi panduan kepada pihak penggubal PPIIBZW dalam pembangunkan PPIIBZW yang komprehensif dan berintegrasi. Kerangka Konseptual ini juga akan membantu memastikan PPIIBZW adalah konsisten secara konseptual di mana urusan niaga yang sama dilayan dengan tatacara perakaunan yang sama. Namun begitu berbeza dengan Kerangka Konseptual untuk Pelaporan Perakaunan Konvensional, KKPI bukan hanya sekadar memastikan pembentangan dan pendedahan maklumat dalam laporan kewangan dapat memberikan maklumat yang berguna kepada pemegang-pemegang taruh malahan ia juga mengandungi elemen akauntabiliti sosial dan pendedahan penuh yang selaras dengan tuntutan Syariah.

KKPI bagi IBZW telah dibangunkan melalui empat fasa kajian (Jabatan Akauntan Negara Malaysia, 2017; Abdullah et al., 2018; Ku Nor Izah et al., 2019; Chek Derashid et al., 2020). Secara umumnya, KKPI yang dicadangkan mempunyai tiga tahap iaitu teori asas dan konsep asas sebagai khalifah (Tahap Pertama), matlamat (*Al-Adl, Al-Ihsan dan Al-Falah*) (Tahap Kedua) dan pelaksanaan amalan perakaunan (Tahap Ketiga). Pada Tahap Pertama terdapat dua elemen penting iaitu teori asas dan konsep asas sebagai khalifah. Teori asas yang telah dicadangkan terhadap KKPI adalah Tauhid, Fiqh dan Tasawuf. Ketiga-tiga teori tersebut melengkapkan tiga cabang ilmu utama dalam Islam. Tahap Kedua KKPI pula

adalah berkaitan dengan matlamat umum yang menekankan kepada aspek keadilan sosioekonomi yang membawa kejayaan di dunia dan di akhirat. Matlamat tersebut adalah *al-adl*, *al-ihsan* dan *al-falah* yang dikaitkan dengan maqasid syariah wakaf, zakat dan baitulmal yang boleh membawa manfaat dari segi sosial, ekonomi dan alam sekitar berdasarkan situasi masalah *dharuriyah* (keperluan asas), *hajiyyah* (kemudahan dan kelapangan), dan *tahsiniyyah* (kesempurnaan). Tahap Ketiga KKPI menekankan kepada aspek pelaksanaan. Peringkat pelaksanaan ini akan memberi tumpuan kepada amalan perakaunan secara langsung mengikut mekanisme utama iaitu pengiktirafan, pengukuran dan pendedahan bagi aset, liabiliti, ekuiti (dana), hasil dan belanja. Keperluan pendedahan maklumat kewangan di bawah KKPI yang dicadangkan oleh kajian ini terdiri daripada enam aspek utama iaitu pernyataan pematuhan Syariah, tanggungjawab institusi terhadap baitulmal, zakat dan wakaf, peranan ahli Majlis/penasihat Syariah IBZW, akauntabiliti sosial, pendedahan penuh dan berguna dalam membuat keputusan berdasarkan situasi masalah kemestian (*dharuriyah*), keperluan (*hajiyyah*), dan kesempurnaan (*tahsiniyyah*). Aspek-aspek ini diterapkan dalam penyediaan penyata kewangan dan didedahkan di dalam Nota kepada Penyata Kewangan.

Cadangan Elemen Penambahbaikan Penyata Kewangan IBZW

Dapatan kajian lepas menunjukkan terdapat beberapa kelemahan dalam amalan perakaunan dan pelaporan kewangan IBZW, selain daripada pendedahan yang tidak konsisten (Abdullah et al., 2018; Ku Nor Izah et al., 2018; Ku Nor Izah et al., 2019; Fathiyah et al., 2019; Norfaiezah et al., 2019; Chek Derashid et al., 2020). Justeru, kajian ini mengemukakan beberapa cadangan penambahbaikan untuk memantapkan kualiti pelaporan kewangan IBZW seperti set Penyata Kewangan bagi IBZW, penyediaan laporan ahli majlis sebagai komponen tambahan kepada penyata kewangan, pendedahan maklumat am di dalam Nota kepada Penyata Kewangan, penyeragaman format penyata kewangan dan pemantapan nota kepada penyata kewangan.

Kajian ini, berdasarkan input daripada rundingan bersama pakar, mencadangkan supaya IBZW menyediakan set penyata kewangan yang terdiri daripada beberapa penyata kewangan utama iaitu (i) Penyata Kedudukan Kewangan; (ii) Penyata Prestasi Kewangan; (iii) Penyata Kutipan dan Agihan Zakat; (iv) Penyata Perubahan Dana; (v) Penyata Aliran Tunai; (vi) Penyata Bajet; dan (vii) Nota kepada Penyata Kewangan (rujuk Rajah 1).

Dalam Penyata Kedudukan Kewangan (PKK), IBZW disarankan supaya mempersembahkan dua penyata secara berasingan iaitu (i) Penyata Kedudukan Kewangan Disatukan yang mengandungi PKK Kumpulan dan PKK Majlis bagi tahun semasa dan tahun sebelumnya. PKK Kumpulan merupakan penggabungan penyata Majlis dan subsidiari, manakala PKK Majlis merupakan penggabungan PKK Dana Wakaf, Dana Zakat dan Dana Sumber Am dan (ii) Penyata Kedudukan Kewangan Majlis, yang dibentangkan mengikut Dana atau Kumpulan Wang utama, iaitu Dana Wakaf, Dana Zakat, dan Dana Sumber Am bagi tahun semasa dan tahun sebelumnya.

Sementara itu, kajian mencadangkan supaya IBZW mempersembahkan Penyata Prestasi Kewangan Disatukan yang mengandungi Penyata Kumpulan dan Majlis bagi tahun semasa dan tahun sebelumnya. Selain daripada itu, IBZW disarankan supaya mempersembahkan Penyata Prestasi Kewangan Majlis, yang dibentangkan mengikut Dana Zakat, Wakaf, dan Sumber Am bagi tahun semasa dan tahun sebelumnya di dalam Nota kepada Penyata. Bagi Penyata Perubahan Dana Disatukan dan Penyata Aliran Tunai Disatukan kajian menyarankan supaya IBZW mempersembahkan Penyata Kumpulan dan Majlis bagi tahun semasa dan tahun sebelumnya. Sementara itu, IBZW disarankan supaya mempersembahkan Penyata Perubahan Dana Majlis dan Penyata Aliran Tunai Majlis mengikut Dana Zakat, Wakaf, dan Sumber Am bagi tahun semasa dan tahun sebelumnya. Selain daripada itu, kajian menyarankan supaya IBZW mempersembahkan Penyata Bajet sebagai salah satu penyata, sekiranya IBZW memilih untuk menerima pakai piawaian bagi Pembentangan Maklumat Bajet dalam Penyata Kewangan.

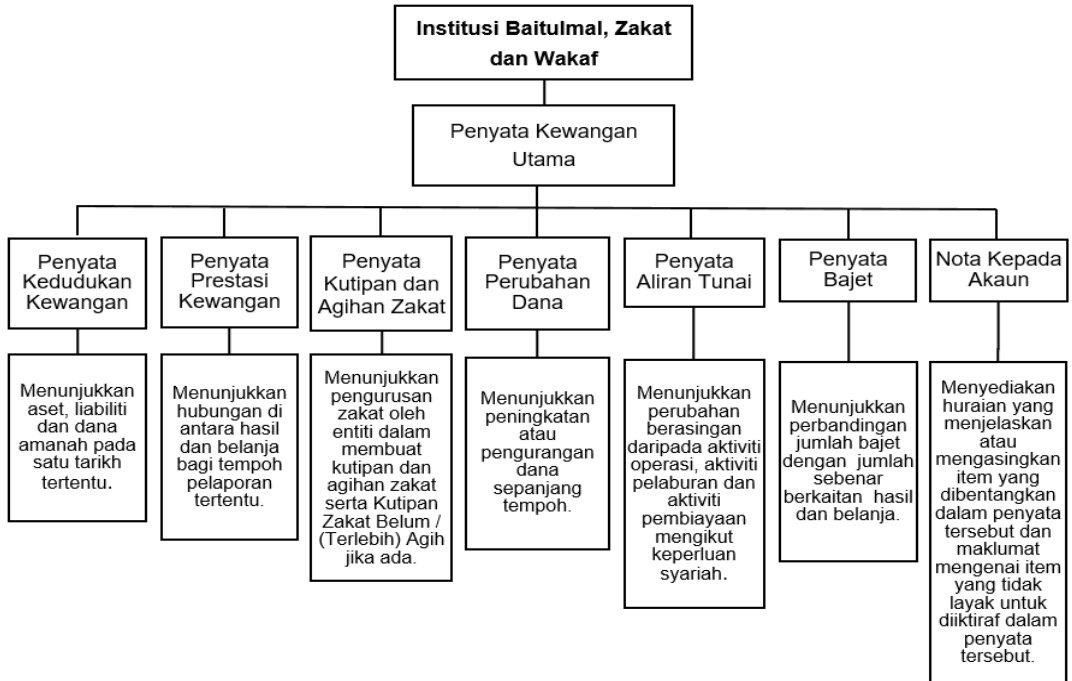
Kajian turut berpandangan laporan pihak pengurusan utama seperti yang disediakan oleh syarikat juga perlu diamalkan oleh IBZW bagi meningkatkan tahap ketelusan pelaporan kewangan. Oleh itu, kajian ini mencadangkan agar IBZW menyediakan Laporan Ahli Majlis (atau apa-apa nama seperti yang diperuntukkan dalam Enakmen negeri masing-masing, yang selepas ini hanya disebut sebagai Ahli Majlis) sebelum pembentangan laporan juruaudit dan penyata kewangan. Selain daripada itu, bagi memastikan laporan Ahli Majlis ini disediakan oleh IBZW, garis panduan tentang pelaporan kewangan harus memasukkan laporan Ahli Majlis sebagai salah satu item penyata kewangan.

Kajian ini mencadangkan agar pihak IBZW menyenaraikan Penasihat Syariah IBZW dan peranannya bagi memastikan penyata kewangan yang disediakan mematuhi semua undang-undang syariah yang telah ditetapkan dalam Islam. Peranan utama penasihat syariah IBZW adalah untuk menasihati IBZW berkaitan perkara-perkara syariah dan memastikan setiap aktiviti dan transaksi kewangan IBZW mematuhi syariah. Secara umumnya pendedahan ini perlulah merangkumi aspek (i) Peranan dan tanggungjawab ahli Majlis/ Penasihat Syariah IBZW terhadap penyata kewangan dan (ii) Bidang kuasa ahli Majlis/ Penasihat Syariah IBZW.

Secara umumnya pendedahan peranan dan tanggungjawab Ahli Majlis/Penasihat Syariah IBZW dalam laporan tahunan kewangan IBZW dianggap pendedahan yang keutamaannya bersifat *tahsiniyyah* iaitu meningkatkan nilai tambah dan kebergunaan laporan tahunan kewangan IBZW. Adalah diharapkan pendedahan maklumat ini dapat menambah keyakinan pengguna laporan tahunan kewangan IBZW terhadap institusi ini dalam menjalankan amanah dan tanggungjawab dalam menguruskan dana awam umat Islam. Walau bagaimanapun, Majlis sesebuah IBZW berkemungkinan juga diberikan peranan sebagai Penasihat Syariah institusi tersebut. Dalam keadaan demikian, kenyataan tersebut serta peranan dan tanggungjawabnya sebagai badan penasihat harus didedahkan.

Kajian juga mencadangkan agar diselitkan maklumat tentang ringkasan prestasi di dalam laporan tahun IBZW. Ringkasan ini dapat memberikan maklumat penting tentang prestasi IBZW yang telah dicapai dalam tahun pelaporan. Pengguna penyata kewangan dapat melihat trend prestasi IBZW selama lima tahun sama ada bertambah baik atau sebaliknya. Penyediaan maklumat ini menjadi amalan biasa syarikat korporat. Antara maklumat yang boleh dipaparkan dalam sorotan ini ialah jumlah kutipan, jumlah agihan, peratus agihan berbanding kutipan, jumlah hasil pertukaran dan jumlah dana untuk setiap kumpulan wang.

Rajah 1. Cadangan Set Penyata Kewangan bagi Institusi Baitulmal, Zakat dan Wakaf



Kesimpulan

Secara keseluruhan, dapatan kajian menunjukkan tidak semua urusan niaga atau item yang disentuh oleh sembilan MPSAS yang dikaji wujud di kesemua MAIN. Kajian mendapati kesemua MAIN menyediakan penyata kewangan berasingan dan disatukan serta membuat pendedahan kepentingan dalam entiti lain. Sementara itu, dapatan menunjukkan tiada MAIN yang membuat pendedahan maklumat kewangan tentang sektor am kerajaan dan pengurusan bersama. Seterusnya, kajian mengenal pasti keperluan piawai perakaunan baru yang boleh dijadikan garis panduan kepada MAIN dalam membangunkan PPIIBZW berkaitan aspek pembentangan dan pendedahan penyata kewangan MAIN yang melibatkan sembilan piawai perakaunan. Selain daripada itu, beberapa cadangan elemen penambahbaikan penyata kewangan MAIN turut dikemukakan termasuk keperluan membangunkan KKPI yang akan menjadi asas rujukan pembentukan PPIIBZW.

Terdapat dua limitasi kajian ini iaitu, pertama, kajian ini hanya memfokus kepada MAIN di lima negeri di Malaysia dan yang kedua, semakan dokumen yang dibuat adalah ke atas Laporan Tahunan MAIN bagi tahun kewangan 2016 dan 2017 sahaja. Walaupun begitu, adalah diharapkan dapatan kajian ini dapat membantu pihak-pihak berkepentingan seperti MAIN dan JANM dalam menyediakan kerangka kerja perakaunan dan piawaian perakaunan yang sesuai bagi MAIN. Kajian ini juga diharapkan dapat memberi ruang kepada penyelidik-penyelidik dalam menjalankan kajian mengenai perakaunan dan pelaporan MAIN di Malaysia.

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Distribution of Zakat in the Form of Productive Assets: Certain Theoretical, Practical and Accounting Implications

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Abstract

Recent innovations of zakat disbursement in Malaysia have significant implications on accounting. Traditionally, zakat has been distributed in the form of cash disbursed directly to zakat beneficiaries (*asnaf*). This is generally referred to as consumptive distribution. With an increase in the amount of zakat collected, zakat agencies have developed various schemes to distribute zakat in the form of productive assets. Sometimes referred to as productive distribution. Such distribution helps zakat beneficiaries in generating their own income in the long run, thus contributing to the self-sustenance of beneficiaries which may eventually lead to the *asnafs* “coming out” poverty. Consistent with this view, State Islamic Religious Councils (SIRCs) in Malaysia have also distributed zakat in the form of productive assets. Given this, it is interesting to examine the practical and theoretical implications on the accounting of such distributions. Data was collected from 4 SIRCs to examine the extent zakat is being distributed in the form of productive assets and the accounting treatment of such distribution. Suggestions of how productive zakat distribution should be accounted for have also been proposed.

Keywords: Zakat, Zakat Distribution, Productive Assets, Accounting, Malaysia

1.0 Introduction

Zakat, is one of the pillars of Islam that is an integral, compulsory and inseparable part of the Islamic way of life. Zakat covers the moral, social and economic aspects of human life. From the moral perspective, zakat purifies oneself from greed and the material pursuit of riches, whilst socially it functions as a unique measure to abolish poverty from society as well as encouraging the rich to live up to their social responsibilities (Mannan, 1986). Thus, the question as to how zakat is distributed is pertinent. More importantly, economists have often suggested

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that zakat be used as a tool for the alleviation of poverty and that the ultimate objective of zakat distribution is ensuring that beneficiaries will be able to sustain their own well being in the long run. Such an objective has led to various zakat agencies becoming more innovative in zakat distribution. While traditionally zakat was distributed directly to beneficiaries in the form of cash, food and clothing, currently zakat agencies provide assistance to beneficiaries in the form of training, consultancy services, the giving of specific assets (such as sewing machines and food lorries) as well as capital to finance beneficiaries in starting or continuing business. The former is termed consumptive distribution for the primary reason that such items are generally consumed or used by beneficiaries, while the latter (i.e. distribution in the form of productive assets) is regarded as productive distribution. Essentially, one may regard consumptive distribution as similar to operating expenditure, whilst productive distribution is akin to capital expenditure.

Suhaili and Nor 'Azzah (2009) argue that consumptive zakat distribution could create a permanent class of dependents. Productive zakat distribution, on the other hand, aims to ensure that beneficiaries achieve financial independence in the long run and to make them zakat payers themselves eventually. Given the fact that State Islamic Religious Councils (SIRCs) in Malaysia are actually distributing zakat monies on the basis of consumptive and productive distributions- and these are indeed different in terms of nature and objectives- there are various pertinent questions that may be raised. The paper is significant as it raises several important issues related to productive zakat distribution. First, it reviews scholars' discussions on the permissibility of productive zakat distribution. Second, it looks into the current practices by SIRCs on productive zakat distributions. Third, it discusses the accounting implications of productive zakat distribution.

Discussing accounting implications of productive zakat distribution is essential as they are various approaches toward productive zakat distribution. At the moment, all zakat distribution, be it consumptive or productive distribution, is expense off in a statement of receipt and payment. The first argument for a significant change to the current practise is, that if an asset is exist at the financial year end, it should be recognised in the statement of financial position. Second, small value assets such as sewing machines and boat engines could still be recognised as an expense if the purchase of such assets remain in the organisation for a while pending an immediate distribution to beneficiaries. However, if at the end of the year there is still a balance of assets from the purchase, it should be recognised as inventory in the statement of financial position. Third, long-term assets, such as buildings should clearly be recognised in the statement of financial position. However, the calculation of yearly benefits disbursed to beneficiaries should not be simply based on the useful life of a building. Rather, other approaches such as occupancy rates should be used to calculate the amounts of benefits disbursed.

The rest of the article is organised as follows. Section 2 provides a detailed discussion on the theoretical aspects of productive zakat distribution while section 3 presents prior literature on productive zakat distribution. Section 4 focuses on current practices of 4 SIRCs in Malaysia, particularly on the extent these SIRCs have undertaken productive distribution. Section 5 focuses on the accounting implications of productive zakat distribution, while section 6 is the

conclusion.

2.0 Productive Zakat Distribution

Shari'ah scholars have a firm view on how and when zakat received should be distributed. Most argue that zakat should be distributed immediately and, more often than not, in the form of direct cash distribution (Ibrahim Nuhu Tahir and Gapur Oziev, 2018). On the basis of this view, there is little room to allow for the distribution of zakat in the form of productive zakat distribution. The discussion on whether the distribution of zakat should only be restricted to consumptive distribution or may be extended to productive distribution would rest on several important factors. First, beneficiaries who are in need of immediate consumption from zakat distribution should be given priority. Second, productive zakat distribution could be made when the immediate consumption needs of the main groups of zakat beneficiaries, particularly the poor and the needy, have been fulfilled. Third, the basis of productive zakat distribution is based on the principle of zakat investment.

Most Muslim scholars are of the view that zakat should be distributed immediately. However, Wan Ahmad (2012) argues that the concept of investment in zakat property could be derived from the tradition of the Messenger of Allah (peace be upon him). In a hadith narrated by Anas, the Messenger of Allah (peace be upon him) gave milk to a group of people, from a camel received as payment for zakat (refer USC-MSA website at <https://quranx.com/Hadith/Bukhari/USC-MSA/>; Book 24, Hadith No. 577). From this instance, some are of the opinion that the camel was not actually provided for investment purposes. However, because it is pending distribution to valid beneficiaries, the act of the Prophet (peace be upon him) in giving milk to the beneficiaries while still preserving the camel may indicate that investing zakat monies is indeed permissible. Further, according to Wan Ahmad (2012), Islam allows zakat monies may be distributed in the form of consumptive and productive distributions from the following:

"...a person who is in need and can be given a charity until he becomes rich ..."

In order to ensure beneficiaries fulfill their needs or beneficiaries become richer, zakat money could either be distributed consumptively or productively (Wan Ahmad, 2012, p. 66). Productive zakat distribution could be in the form of capital assistance or tools for beneficiaries earning income. Suhaili and Nor 'Azzah (2009) provide a lengthy discussion on the theoretical aspect of productive zakat distribution. They argue that productive zakat distribution could also be viewed from the perspective of zakat for income generation. Among the main goals of zakat distributed for productive purposes is to enable beneficiaries to generate income so eventually these beneficiaries will become self-sufficient and independent- a point alluded to earlier. Subsequently, these beneficiaries would no longer require a zakat allocation or allowance anymore and would one day become zakat payers themselves. However, the objective of productive zakat distribution should not be restricted only to the economic and monetary goals. These benefits could also be measured based on the social and non-monetary benefits.

For example, an SIRC would distribute zakat in the form of productive assets to *asnaf* such as sewing machines and engines for boats, which they could use in generating income for themselves and their families. From another perspective, sometimes an SIRC would allocated a certain amount of zakat distribution in order to construct a building which would be used to provide shelter for those who just embraced Islam, because they do not have fixed abodes as their families may have abandoned them.

The idea of zakat for income generation has been greatly discussed in contemporary Muslim scholarship. Ahmed (2004) believes that a zakat authority should provide necessary inputs to zakat beneficiaries, which include human as well as physical and financial inputs, in order to ensure that these zakat beneficiaries will rise above the poverty level. According to him, specific programmes must be designed to provide support for skills development, provision of physical capital such as taxis and sewing machines, as well as financial capital to start a business so that the poor can earn a living (Ahmed, 2004: 64). His view is also supported by Rahman (1986) who highlighted the need for zakat agencies to provide technical equipment and machinery to beneficiaries to enable them to earn a living and be self-sufficient, eventually. As discussed earlier, Suhaili and Nor 'Azzah (2009) identified four programmes that zakat agencies could provide to achieve this. They are the provision of advisory services, training, direct services (for example, a non-profit organisation could be established in helping poor farmers market their produce) and financing in order to ensure that such productive distributions will meet its noble objective of ultimately making beneficiaries self-sufficient. The latter may be in the form of cash as capital or providing capital assets such as sewing machines, food lorries and other physical non-monetary assets. The type of capital provided (whether in the form of cash or non-monetary assets) is important as it has different implications in accounting. For example, Lembaga Zakat Selangor has certain schemes for zakat distribution with the objective of *asnaf* economic development. Specifically, capital assistance would be provided for qualified *asnaf* towards their businesses. The Fatwa Committee of Selangor in 1994 decided that business capital assistance would only be provided to three categories of *asnaf*: the poor, needy and reverts. There are two types of business capital assistance, the first being capital assistance to assist *asnaf* to start new businesses while the second is to assist *asnaf* to expand their current businesses.

Beneficiaries of Productive Distribution

Various issues related to productive zakat distribution have also been discussed amongst scholars (e.g. Nurul Ilyana Muhd Adnan, Zahri Hamat, Mohammad Zaini Yahaya and Mat Noor Mat Zain, 2017). Among issues discussed include the definition of an able bodied person. Most classical jurists opine that the category of "poor and needy" should not include a person who has the ability to earn a living for himself and his family. This opinion is actually based on the Prophet's saying as follows:

*“Alms are unlawful (both) for him who is materially self-sufficient and for him who is mentally and physically fit (and able to find work)”.*²

According to Imam al-Shafi'i, zakat funds should not be extended to an able bodied person if that person is able to earn sufficient income for a living. However, followers of Imam al-Shafi'i such as al-Shirazi and al-Nawawi believe that an able bodied person with an unstable income has the right to zakat. The amount of zakat distributed should be to help these beneficiaries earn a living and eventually rise above the poverty level. However, they stressed that zakat distribution to these beneficiaries should be in the form productive assets. Al-Nawawi in his commentary on al-Shirazi's work clarified how zakat should be used to help unemployed beneficiaries. More specifically, he said that:

“A craftsman would be given an amount sufficient to buy tools and equipment that allow him to work and gain his sustenance. This certainly differs according to time, country and ability of the individual concerned. Some of our colleagues give examples that a person who sells vegetables might be given five or ten dirhams, while a person whose profession is selling jewels might be granted ten thousand dirham...”

Principle of Ownership

Another issue discussed amongst classical jurists is on the principle of ownership. In brief, the debate is about the transfer of ownership of productive zakat distribution. While the transfer of consumptive zakat distribution is immediate and thus the issue of ownership is not problematic (as ownership is transferred immediately), it may not be so clear in the case of productive zakat distribution. Certain aspects of distribution of productive assets such as a food lorry would render an immediate transfer of the assets. Whereas for certain other productive assets, such as houses, an SIRC would still hold ownership of the houses. It only passes on the benefit of such houses whereby it allows zakat beneficiaries to stay in such houses with minimum rent payment. Further, it must also be borne in mind that productive zakat distribution includes both the distribution of tangible and intangible assets. A good example of the latter would be a training course for a beneficiary that has been paid for using zakat money. As the benefits are deemed to be long term in nature, such distribution should also be regarded as productive distribution.

On the issue of ownership, Imam Abu Hanifah's opinion is, perhaps, the strictest as he believes complete ownership should always be observed (refer to Suhaili Sarif and Nor 'Azzah Kamri 2009: 481-482). Accordingly, this may imply that the distribution of productive zakat could only be associated with a tangible asset whereby the transfer of ownership could be clearly identified. Some modern scholars concur with this strict view on productive zakat distribution (e.g. Alim, 2015).

² Al-Tirmidhi, Muhammad ibn 'Isa ibn Sawra (n.d), Sunan al-Tirmidhi. Riyadh: Maktabah al-Ma'arif li al-Nashr wa al-Tawzi', p. 164.

Some schools of thought, such as Imam Hanbal and Shafi'i, have relaxed the requirement of individual transfer of ownership in all circumstances of zakat distribution. In certain situations, the condition of collective ownership could be utilised. In the classical jurists' discussion, the condition of collective ownership could be applied to the second group of beneficiaries, such as *riqab* (those desiring freedom from slavery), *gharimin* (those in debt and needing assistance to meet their basic needs), *fisabilillah* (the one who strives in the cause of Allah for the betterment of the community) and *ibnus-sabil* (a stranded traveller on a permissible journey).

Yusuf Al Qardawi (2011) in his commentary on the issue of ownership stated that any distribution of zakat funds to the first four categories of beneficiaries must include the transfer of ownership. If the distribution involves productive assets, such as sewing machines and boat engines, the ownership of such assets must be transferred to the beneficiaries. On the remaining four categories of beneficiaries, distribution of zakat funds is for the purpose of providing but which might not necessarily require transfer of ownership. In relation to application of this concept in the current practice of zakat distribution, MAIWP has built Darul Hidayah for the purpose of providing shelter for those who have newly embraced Islam. In this case, the ownership of the building is still held by MIAWP.

In Indonesia, the issue of collective ownership and productive zakat distribution are indirectly addressed through Law No. 23 on the Management of Zakat which was released in 2011. According to Budi Rahmat Hakim (2015), Law No. 23 has redefined the meaning of the object, subject and distribution of zakat. The main articles that address the distribution and utilisation of zakat funds are Articles 25, 26 and 27. Article 27 of the Act provides that zakat "be utilised for productive efforts in the context of serving the poor and improving the quality of the ummah" and that "the utilisation of zakat for productive businesses" shall be undertaken only if the basic needs of beneficiaries have been fulfilled. The concept of collective ownership may be indirectly construed from social zakat assets. In developing the society, there will be facilities which have been built not to be individually owned. The facilities, such as a hostel for those who have newly embraced Islam, are built to provide shelter for those who have newly embraced Islam and are in need of shelter. Indirectly, such a hostel is owned by this group of beneficiaries, however, it is managed by an SIRC. Accordingly in Indonesia, productive distribution is brought about by the rule of Law. In Malaysia, the approval of various new innovative forms of productive zakat distribution should receive the approval of the Fatwa Committee. For reference, refer to Warta Kerajaan Negeri Selangor (Jilid 65, No. 3 Tambahan No. 4 Perundangan) of 2 February 2012 pertaining to the law of distribution of zakat in the form of benefits and funding sources for its management.

3.0 Prior Studies

Prior research examining zakat distribution by State Islamic Religious Councils (SIRCs) in Malaysia have provided evidence on the extent of productive zakat distribution undertaken by SIRCs. For example, Hassan and Muhammad Nasir (2016) analysed the prioritisation

of zakat distribution in Selangor and the Federal Territory of Malaysia. In Selangor, zakat is distributed for social development, education, economic development, human development and the development of religious institutions. Of these five, zakat distribution for education and religious institution development is regarded as falling under *asnaf fi sabilillah*. Given this, it comes as no surprise that beneficiaries receiving the highest distribution of zakat those under *fi sabilillah*. Both education and the development of religious institutions are very much aligned to the concept of productive zakat distribution, as these provide long-term social benefits to society. In Selangor, a focus on the development of religious institutions relates to the construction, repair and maintenance of *surau*, mosques and religious schools.

In the Federal Territory of Malaysia, zakat distribution is classified into direct and indirect distributions. The latter includes distribution of zakat used for the construction of infrastructure. This has a stronger impact on society and has more far-reaching benefits. Thus, zakat distribution which relates to more far-reaching benefits is consistent with productive zakat distribution. In Indonesia, Muhammad Zaid Alaydrus and Tika Widiastuti (2017) found that productive zakat distribution influences the growth of micro enterprises of beneficiaries in Pasuruan in East Java.

Ayuniyah et al. (2017) in their study of 1,309 zakat beneficiaries managed by the National Zakat Board of Indonesia (BAZNAS) found that productive zakat distribution has significantly alleviated poverty and reduced income inequality amongst zakat beneficiaries in Bogor, Depok and Sukabumi. In Indonesia, as explained elsewhere in the paper, the Zakat Act, Number 23 passed in 2011 actually provides for zakat agencies like BAZNAS to undertake productive zakat distribution. Additionally, BAZNAS, in extending microfinancing to beneficiaries from zakat, has regarded such financing as loans and accordingly, has treated this as receivables. According to Alim (2015), this practice aligns with the Statement of Financial Accounting Standard (PSAK) 109 on Zakat issued by the Indonesian Institute of Accountants. PSAK 109 specifically regards productive zakat distribution akin to loans and treats such financing as receivables. Given that a receivable, by definition, is money owed to a business by customers, Alim (2015) argues that treating such financing as a receivable is inappropriate. A productive zakat distribution cannot be treated as a receivable from the beneficiary, as the recipients are not customers of the zakat agencies and their relationship does not constitute a business relationship.

4.0 Current Practices of SIRCS Regarding Productive Zakat Distributions

Data on the current practice of zakat distribution by SIRCS in Malaysia was obtained from four zakat authorities: SIRC P, SIRC Q, SIRC R and SIRC S. The 4 SIRCS were assigned to us as researchers by Jabatan Akauntan Negara Malaysia (JANM). Although the number of SIRCS was limited to only 4, there were enough variations on how productive zakat distribution is carried out by these four SIRCS. This helped researchers to answer the research questions.

Financial statements for the year ending 31 December 2017 were examined with a view to determine the extent productive zakat distribution was undertaken by the 4 SIRC. Besides undertaking a content analysis of the annual reports of these 4 SIRC, panel discussions with accountants and officials in charge of zakat management in all four zakat authorities were also conducted. Based on annual reports and financial statements of the SIRC, none of the SIRC categorised zakat that was distributed into consumptive and productive distribution. Hence, we were unable to determine with any reasonable certainty the extent of productive zakat distribution undertaken by the 4 selected SIRC. It was through panel discussions that we managed to garner more information on productive zakat distribution.

An important issue that was examined the type of productive zakat distribution undertaken by the 4 SIRC. Essentially, this referred to whether zakat agencies provide non-monetary assets that have low monetary value such as sewing machines, grass trimmer machines, washing machines and others (that have a shorter useful life) or assets that are generally very expensive such as buildings (which have a longer useful life). In addition, to the nature of the assets provided, there is also training and consultancy services that zakat agencies provide to beneficiaries for them to either become better qualified in order to be gainfully employed or assist them in their businesses. Accordingly, the type of productive zakat distribution has implications on accounting, which will be discussed in Section 5.

SIRC P distributes zakat in the form of productive zakat by providing beneficiaries with assets that are both short-term and long-term productive assets. The former consists of the provision of motorcycles and engines to be fitted to fishing boats. The provision of such assets to zakat beneficiaries simultaneously transfers ownership of such assets to the beneficiaries. Long-term productive zakat distribution is a project in which the SIRC collaborates with the state government to build houses for beneficiaries. The land is waqf land provided by a subsidiary of the state government and the houses are built by SIRC P using zakat funds allocated for the poor and needy. When completed, such houses are regarded as houses leased to beneficiaries. The beneficiaries are required to pay a minimal rent and the utility bills. In this situation ownership is not transferred to the beneficiaries.

SIRC Q also distributes zakat in the form of productive zakat. Specifically, this involved a project where the SIRC Q built houses on its land, which was provided by the state government, using zakat funds provided by a zakat authority from another state. This was an interesting joint effort by two zakat authorities from different states to provide benefits to beneficiaries. When the houses were completed, selected beneficiaries were allowed to stay in them. Additionally, in order to help these beneficiaries, they are provided with this accommodation, the Department of Agriculture provided them with training in the planting of red chillies and monitoring is carried out by SIRC Q. A certain percentage of revenue from the sale of chillies are set aside as savings for the benefit of the beneficiaries in the future. It is envisaged that over time, these beneficiaries will become self-sufficient. Subsequently, a new group of beneficiaries will be selected for the same project or similar ones. The intention is to make beneficiaries more independent and rise above the poverty level. Another project

undertaken by SIRC Q, which may be regarded as productive zakat distribution, is providing vocational and entrepreneurship courses to selected beneficiaries. The primary objective of this is to upgrade their skills that will in turn enable them to obtain jobs to support themselves and their families. In this specific project, SIRC Q has collaborated with a local university.

SIRC R and SIRC S have also been actively involved in productive zakat distribution. The most recent endeavour of SIRC R is the construction of a hotel and a student hostel in Cairo. The construction of the building is expected to generate more income to increase the zakat funds of SIRC R, which will then be distributed to the beneficiaries. SIRC S, in addition has constructed a hostel for those who have newly just reverted to Islam.

With regard to the presentation and disclosure of zakat received and disbursed, such information has been disclosed consistently by all SIRCs. More importantly, information on zakat distribution has generally provided the amounts distributed to the various categories of beneficiaries. As for accounting treatment of productive zakat distribution, SIRC P, SIRC Q and SIRC R regards productive zakat distribution similar in a manner to that of consumptive distribution, i.e. by crediting cash and debiting distribution. Such a distribution is then regarded as an expense for the SIRC for that accounting period. Only SIRC S has capitalised productive distribution.

5.0 Accounting Implications

Discussion on the accounting implications of productive zakat distribution centers on three main issues: recognition, measurement and presentation and disclosure.

5.1 Recognition

Technically, on the basis of general accounting principles, the recognition of an asset would require fulfilling certain conditions such as control, measurability and existence of future economic benefits. AAOIFI (2020) in its revised conceptual framework for financial reporting of Islamic financial institutions also has a similar definition. However, when such principles are to be applied to zakat funds, the general conditions may require certain modifications. Within this context, in order to recognize an item as an asset, the criterion of ownership is important, as well as the issue of control. Thus, to avoid any ambiguity in the claim of an asset by any party, the ownership of the asset and the issue of control are very pertinent. The claim of an asset should only be made by a party who controls the benefits accruing to the asset AND also the legal ownership of the asset. More importantly, if the criterion of control and ownership are in conflict, the criterion of ownership should take precedence.

In the case of productive zakat distribution, whether such a distribution is expensed off or treated as capitalised costs would depend on whether the benefits of an asset are given solely to a single beneficiary or to multiple beneficiaries. Essentially, if the benefits accrued are to multiple beneficiaries and an asset itself could be repeatedly exploited by different groups of

beneficiaries during different periods, then such an asset should be capitalised, for example, a hostel constructed for reverts or students. However, for assets distributed to specific beneficiaries, such distributions should be expensed off in the period distributed. A good example of this would be sewing machines given to beneficiaries. The focus of discussions on productive zakat distribution is on long-term assets, such as a hostel, as the SIRC still holds the ownership and control of such an asset. Therefore, any expenditure incurred in constructing the hostel should be capitalised as asset in the statement of financial position of the SIRC.

It is possible that another important issue to consider in capitalising a productive distribution is to regard whether if there are specific social benefits to the beneficiaries. Thus, while general accounting principles simply point to future benefits in order for an item to be recognised as an asset specific to an SIRC and in the accounting for zakat distribution, an asset is only recognised as an asset if the item has future economic and social benefits.

5.2 Measurement

Discussion on the measurement of productive zakat distribution focuses on two levels of measurement: initial and subsequent measurements.

5.2.1 Initial measurement

The initial measurement of productive zakat distribution should adhere strictly to the cost principle, as it involves actual distribution of zakat collection in the form of cash. AAOIFI (2020) has recognised the use of acquired cost for initial measurement. For short-term productive zakat assets, cost incurred should be expensed off, as alluded to earlier. However, for long-term productive assets, any cost incurred to purchase or construct an asset for the benefit of beneficiaries should be capitalised. Costs incurred should include related costs, such as legal and freight costs.

5.2.2 Subsequent measurement

Conventional accounting practices for Property, Plant and Equipment (PPE) discussed in MFRS 116 recommend either the cost model or the revaluation model for subsequent measurement of PPE. The primary reason for measuring an asset at market value is when it is expected that the organisation holding that asset would gain from the increase in the value of the asset. This manner of reasoning is, however, not relevant for assets held by SIRCs. Given that the main purpose of holding an asset by SIRCs is for the benefit of society, the cost model would be more appropriate.

5.2.3 Depreciation

If the cost model is utilised for assets held by SIRCs, then the issue of depreciation is pertinent as SIRCs have to calculate the carrying value of

assets held by them. Here, the question arises: should SIRC follow the same accounting procedures recommended by conventional practices? Theoretically, depreciation is important on the basis of the matching principle (i.e. the proper matching of revenues and expenses in order to calculate the profit or loss of a business). Since the cost of acquiring an asset is high, this cost is allocated to the useful life of the asset in order to provide the matching of revenues against expenses for that period. Is this matching principle relevant to the activities of SIRC? Given that there is no revenue attached to each SIRC, particularly on the issue of zakat, then our radical suggestion is that there should be no need for SIRC to practise cost allocation. What is important is that proper maintenance should be undertaken by each SIRC so that at the very least the cost of the asset is preserved.

Secondly, the capitalisation of productive zakat assets will always relate to the acquisition of assets which have very long useful lives, such as land and buildings. Traditionally, values of such assets will not reduce. For example, historical housing price data from National Association of Realtors (NAP) in the United States, seemed to support the theory of endlessly rising prices. In the US, the median home prices from 1968 to 2004 seemed to show an increase of an average of 6.4% in house prices during this period. In the case of Malaysia, the Department of Valuation and Property Services, Ministry of Finance, reported that from the year 1990 to 2019, the house price index in Malaysia has showed an increasing trend (with the exception of a few earlier years) (Malaysian House Price Index, 2019 p 15). Accordingly, on the basis of this, it may not be necessary for SIRC to provide for depreciation for such productive assets.

5.2.4 Impairment

The issue of impairment of assets held by SIRC should be based on factors such as physical damages or a clear indication of an impending significant drop in the value of real estate due to an adverse economic environment.

5.3 Presentation and Disclosure

In the context of reporting, from the perspective of the Shari'ah, disclosure of information should focus on the 3 levels of *maslahah* (well being of the ummah), namely *daruriyyah* (essential), *hajiyyah* (required) and *tahsiniyyah* (adantageous). If information is considered as *daruriyyah*, such information MUST be disclosed to enable users of financial statements to make more informed decisions. The absence of disclosure of such information in reports may result in the objective of financial reporting not being achieved. This may have adverse implications for the individual and users of the report. According to Imam Al-Shatibi, the concept of *daruriyyah* will generally meet all five elements of the Maqasid Shari'ah namely religion, life, intellect, lineage and property (refer to discussion in Hasbullah Mat Daud, 2011).

Hajjyyah, in the context of reporting, refers to disclosure of required information that will clarify basic information. Absence of disclosure of such information may result in the reporting being incomplete and this may result in minimal inconvenience or confusion to users of accounts. *Tahsiniyyah* is the lowest level of disclosure. Accordingly, such information if disclosed will strengthen the accountability of the organisation. However, non-disclosure does not affect the objective of the report. For example, zakat collected and disbursed in an accounting period should be regarded at the *darruriyah* level. Thus, such information should be disclosed on the face of the accounts. However, additional information on zakat collected in the last few weeks of the financial period (and still not disbursed at year end), should be provided in the notes to the financial statements. Many occasions, SIRC's have been criticised for having large zakat balances at the end of the financial year when in actual fact these amounts would be disbursed in the few months following the financial year end. Such information constitutes disclosure of required information that will help clarify basic information (*Hajjyyah*). At the level of *Tahsiniyyah*, it is possible that distinguishing between the amount of zakat distributed as consumptive and productive zakat distributions would further consolidate the accountability of SIRC's.

The sampled SIRC's disclosed zakat received and disbursed (with details about the distribution to each category of beneficiaries) in their 2017 accounts. However, of equal importance is to disclose the amount of zakat distributed in the form of consumptive and productive distribution. Additionally, productive zakat distribution should be further categorised into short-term and long-term productive distribution. The former should be expensed off in the statement of collection and distribution of zakat, while long-term productive zakat distribution should be capitalised and recorded in the statement of financial position.

Finally, with regard to long-term productive zakat distributions that have been capitalised as assets in the statement of financial position, information related to costs must be clearly shown. If impairment has occurred for the assets capitalised, such information should also be clearly stated. Any addition or disposal of assets must also be disclosed. The statement of Recommended Practice for Charities (SORP, 2019) suggests that investments in fixed assets could include social investments. Social investments could either be classified as programme related investment (PRI) or mixed method investment (MMI). The main purpose of PRI and MMI is to further the charitable purposes of an investing charity.

6.0 Conclusion

This study discussed a new form of productive zakat distribution, as observed in the Malaysian content. The study discussed the innovative of zakat distribution and the opinions of classical jurists and modern scholars with regard to the permissibility of such distribution. Several factors need to be looked into the permissibility of productive zakat distribution. The most important factor is to ascertain whether the immediate consumptive needs of beneficiaries have been fulfilled. Following this, only then could productive zakat distribution be undertaken.

This paper then continued with the theoretical discussion on zakat as a tool for income generation and subsequently as a tool to alleviate poverty. Data for empirical work on the extent of productive zakat distribution undertaken by 4 SIRC's in Malaysia was obtained through a content analysis of the annual reports as well as interviews with relevant officials of these the SIRC's. The study then recommended certain accounting implications pertaining to the recognition, measurement, presentation and disclosure of productive zakat distribution. Generally, if productive zakat distribution is in the construction of long-term infrastructure, such expenditure should be capitalised and reflected as PPE (Property, Plant and Equipment). Furthermore, given that such assets are for social benefit, these assets should not be subjected to depreciation. More importantly, the use of the cost model for the subsequent measurement of an asset is suggested. Finally, although all the 4 SIRC's distributed zakat in the form of consumptive and productive distributions, information distinguishing between the two categories was not evident in their financial statements. It is suggested that in addition to the information on the amount of zakat distributed according to various categories of beneficiaries, SIRC's should also disclose the amount of consumptive and productive zakat distributions that each has performed. Most importantly, Information disclosure for SIRC's should align with the three levels of *masalahah*, *daruriyah* (essential), *hajjiyah* (required) and *tahsiniyah* (advantageous). Although *tahsiniyah* may reflect information that is of lesser importance, it is recommended for disclosure primarily because this may consolidate SIRC's accountability to a greater extent.

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Konsep Kelestarian dari Perspektif Islam Berbanding Pendekatan Moden dalam Melestarikan Negara

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Abstrak

Idea kelestarian telah muncul pada masa ini bertujuan untuk membendung implikasi ekonomi, sosial dan alam sekitar yang memberi kesan kepada kehidupan manusia. Keadaan ekonomi, sosial dan alam sekitar telah terjejas oleh sikap manusia sendiri yang hanya mengejar keuntungan peribadi tanpa memikirkan kesan jangka panjang kepada kesejahteraan hidup masyarakat. Idea kelestarian yang dikemukakan Laporan Brundtland menyatakan bahawa gabungan faktor kestabilan alam sekitar, sosial dan ekonomi menyumbang kepada kelestarian. Walau bagaimanapun, perbincangan tentang keberkesanan teori tersebut masih berterusan kerana kehidupan manusia masih lagi terjejas oleh isu kelestarian yang lama seperti pemanasan global, jurang kekayaan, kemiskinan, dan kebuluran. Kertas ini mengutarakan pendekatan kelestarian Islam sebagai alternatif yang memberi penekanan kepada faktor insaniah (manusia) yang mempunyai jiwa, akal dan fikiran dalam menangani permasalahan kelestarian ini. Perspektif Islam ini menggariskan peranan manusia yang bertanggungjawab dengan prinsip-prinsip berikut iaitu: i) adil (*adl*); ii) cemerlang (*ihsan*); iii) nilai sosial (*arham*); dan iv) tidak melakukan kerosakan (*fasad*) dalam menguruskan institusi negara. Berdasarkan prinsip-prinsip ini, manusia dapat menjaga sesebuah negara dengan berlaku adil, melaksanakan pengurusan yang cemerlang, menjaga kebajikan orang lain, dan tidak melakukan kerosakan agar dapat menjaga kelestarian negara pada masa akan datang.

Kata kunci: Kelestarian, Pembangunan Lestari, Alam Sekitar

Abstract

The emergence of sustainability ideas aims to systematically tackle economic, social and environmental challenges that affect the people's quality of life. Economic, social and environmental systems have been adversely affected by those who solely pursue personal gain in the long run but at the expense of the wellbeing of others. The idea of sustainability, drawn from the widely known Brundtland Report, states that a combination of environmental, social and economic pillars contribute to sustainability. However, the debate on the effectiveness of the theory continues as global populations are still affected by long-standing sustainability issues, such as global warming, persistent wealth inequality, poverty and food deprivation or hunger. This paper adds to the discussion on Islamic sustainability as an avenue emphasising the soft factor (i.e. human) that encompasses the soul, mind and intelligence ('aql) in addressing sustainability problems. This Islamic perspective defines the roles of responsible human beings with the following principles, namely: i) fairness ('adl); ii) expertise (ihsan); iii) the highest sense of human understanding (arham); and iv) not spreading mischief and moral corruption (fasad) in rebellion to God when managing national institutions. Based on these principles, human beings may manage a country fairly, implement expert management, take care of the welfare of others and do no harm in order to maintain sustainability of the country in the future.

Keywords: *Sustainability, Sustainable Development, Environment*

Pengenalan

Permintaan kepada sumber alam pada masa kini semakin meningkat setiap tahun bagi memenuhi keperluan manusia sebagai sumber makanan atau keperluan melaksanakan pembangunan. Namun begitu, penawaran sumber alam ini menjadi cabaran kepada manusia kerana semakin hari sumber ini menjadi semakin berkurangan disebabkan oleh kemusnahan alam sekitar seperti pencemaran air dan penebangan hutan. Masalah kemusnahan alam sekitar yang timbul ini kebanyakannya adalah berpunca daripada aktiviti manusia sendiri seperti membuang sampah ke dalam sungai atau laut yang menyebabkan kemusnahan alam sekitar seperti sungai atau laut menjadi tercemar dan seterusnya menjejaskan ekosistem hidupan air. Begitu juga dengan kemusnahan hutan. Pokok-pokok di hutan telah ditebang dan diteroka untuk pengambilan hasil kayu atau digunakan untuk meluaskan tanah pertanian sehingga menyebabkan keluasan hutan menjadi semakin berkurangan, dan seterusnya menjejaskan hasil hutan.

Penawaran sumber alam yang berkurangan akan menyebabkan harga sumber alam tersebut menjadi semakin mahal. Sebagai contoh, kekurangan sumber ikan laut akibat pencemaran air akan menyebabkan harga ikan menjadi lebih tinggi kerana ikan merupakan sumber

keperluan protein manusia. Begitu juga kekurangan sumber kayu kayan daripada hutan pula menyebabkan kos untuk membina tempat tinggal manusia akan menjadi semakin meningkat. Masalah kekurangan sumber yang tidak dibendung akan memberikan kesan yang buruk kepada manusia. Sebagai contoh, apabila makanan dan keperluan lain menjadi mahal, mereka yang berpendapatan rendah atau sederhana akan berasa lebih sukar untuk mendapatkan keperluan hidup. Hal ini seterusnya menyumbang kepada masalah sosial seperti kemiskinan dan kebuluran. Masalah kemiskinan dan kebuluran ini seterusnya pula akan menyumbang kepada masalah sosial yang lain apabila manusia terdesak untuk meneruskan kehidupan dengan kos yang tinggi. Begitulah gambaran kitaran kualiti sosial masyarakat dan kesan keadaan ekonomi serta alam sekitar. Pelbagai masalah dunia hari ini dapat disaksikan seperti masalah peningkatan suhu global, kemiskinan dan kebuluran, dan pencemaran bekalan air yang berpunca daripada kemusnahan alam sekitar.

Malaysia juga tidak terkecuali daripada masalah alam sekitar ini. Sumber alam seperti kayu dan petroleum semakin berkurangan yang akan menyebabkan masalah ekonomi dan menjejaskan kualiti kehidupan rakyat. Sebagai contoh, masalah kekurangan petroleum menyebabkan ketidaktentuan harga pasaran minyak global. Hal ini seterusnya menjejaskan pengeluaran industri dan ekonomi negara. Perkembangan semasa pada tahun 2019 menyaksikan minyak mentah terus mengalami ketidaktentuan harga dengan penanda aras global terkini berada pada harga AS\$53.79 (RM224.40) setong berbanding AS\$76.41 (RM319) setong, iaitu paras tertinggi yang dicatatkan tahun berkenaan (Razib, 2018). Sekiranya perkara ini tidak dikawal, masalah ini akan mengakibatkan kesan kewangan jangka panjang, memberi tekanan kepada ekonomi negara, dan seterusnya menjejaskan kualiti kehidupan.

Kesedaran mengenai kepentingan sumber alam telah dikesan oleh pengkaji-pengkaji sebagai salah satu elemen penting untuk mengekalkan kelestarian. Idea kelestarian yang dibentangkan oleh Pertubuhan Bangsa-Bangsa Bersatu (PBB) telah mengiktiraf idea kelestarian ini melalui persidangan *World Commission on Environment and Development (WCED)* pada tahun 1987. Idea tersebut menghubungkan faktor persekitaran, sosial, dan ekonomi ke arah mencapai kelestarian.

Pelbagai program usaha sama global telah dilaksanakan oleh PBB bagi mencapai misi kelestarian untuk manfaat generasi sedia ada dan akan datang. Antara program yang telah dilaksanakan oleh PBB termasuklah *Millennium Development Goal (MDG)* yang menasarkan lapan matlamat kelestarian untuk tempoh 15 tahun bermula dari tahun 2000 hingga 2015. Bagi tahun 2015 hingga tahun 2030 pula, PBB telah melancarkan *Sustainability Development Goal (SDG)* dengan menggariskan 17 matlamat untuk mencapai kelestarian.

Namun begitu, berdasarkan dapatan daripada program MDG yang telah dilaksanakan mendapati beberapa matlamat yang digariskan oleh PBB sukar dicapai sebagaimana yang telah dihasratkan. Merujuk kepada statistik yang dikeluarkan oleh Bank Dunia mendapati kadar kemiskinan pada tahun 2019 masih tinggi iaitu melibatkan separuh daripada penduduk dunia iaitu lebih daripada 3 billion manusia hidup masih dibelenggu kemiskinan dengan pendapatan kurang daripada USD2.50 sehari. Laporan Bank Dunia juga mendapati seramai

1.1 bilion lagi manusia hidup dalam keadaan fakir (sangat miskin) dengan pendapatan di bawah USD 1.25 sehari (World Bank, 2019). Dari aspek pengagihan ekonomi pula, terdapat jurang ketara antara golongan kaya dan miskin atau lompong yang luas dalam mengagih kekayaan. Dunia hari ini menyaksikan kekayaan dunia tidak diagihkan dengan saksama. Tami Luhby (2019) mendapati hanya 26 orang individu yang menguasai hampir USD5.6 trilion wang tunai yang menyamai kekayaan terkumpul untuk 3.8 bilion orang lain. Perbezaan ini menunjukkan kekayaan dunia sebenarnya tidak diagihkan dengan saksama kerana wujud jurang perbezaan yang amat besar di antara golongan kaya dan juga golongan miskin dan masalah kemiskinan.

Ketidakseimbangan dalam pelaksanaan program kelestarian ini menunjukkan terdapat kelompongan teori yang perlu ditambahbaik bagi meningkatkan impak kepada ekosistem dunia. Kertas ini bertujuan untuk mengutarakan pandangan teori kelestarian menurut pespektif Islam untuk memberi input dari sudut pandang Islam mengenai teori kelestarian yang telah diutarakan sebelum ini. Kertas ini distrukturkan seperti berikut: a) ringkasan konsep kelestarian menurut perspektif barat, b) konsep kelestarian menurut perspektif Islam, dan c) cadangan penambahbaikan.

Konsep Kelestarian dari Perspektif Barat

Idea mengenai kelestarian terdapat sejak dari tahun 1798 apabila Robert Thomas Malthus mengemukakan teori populasi yang dikenali sebagai "*The Malthusian Theory of Population*" dalam bukunya yang bertajuk "*Principle of Population*". Kenyataan Robert Thomas Malthus seperti berikut:

"By nature human food increases in a slow arithmetical ratio; man himself increases in a quick geometrical ratio unless want and vice stop him. The increase in numbers is necessarily limited by the means of subsistence. Population invariably increases when the means of subsistence increase, unless prevented by powerful and obvious checks."

(Malthus, 1798)

Keadaan yang diutarakan oleh teori ini menunjukkan pada satu masa akan wujud ketidakseimbangan antara penawaran makanan dan jumlah populasi yang akan menyebabkan sumber makanan tidak mencukupi menampung keperluan. Teori tersebut menyatakan bahawa disebabkan kekurangan makanan tersebut, ia akan menyebabkan bilangan pertambahan populasi manusia menurun. Namun begitu, idea Robert Thomas Malthus ini telah mendapat kritikan beberapa sarjana lain atas beberapa alasan. Antara alasan yang dikemukakan adalah teori ini dibuat dengan tanpa mengambil kira dua perkara berikut iaitu:

- i. Perkembangan teknologi makanan – Perkembangan teknologi makanan yang akan menambahkan penawaran makanan. Melalui teknologi baru yang diperkenalkan, pengeluaran makanan akan ditingkatkan.

- ii. Migrasi penduduk – Migrasi penduduk boleh berlaku apabila manusia mendapati makanan di kawasan mereka tidak mencukupi dan manusia akan mencari tempat baru yang mampu memberikan mereka makanan.

Perkembangan teori kelestarian muncul semula pada sekitar tahun 1970an, apabila manusia menghadapi masalah kemelesetan ekonomi disebabkan kekurangan sumber bahan mentah dan juga ketidaktentuan harga pasaran bahan mentah. Masalah kemelesetan ekonomi ini memberi kesan yang sangat besar kepada kebanyakan negara dunia pada ketika itu, apabila aktiviti industri terjejas teruk oleh keadaan tersebut dan seterusnya menyebabkan kurangnya peluang pekerjaan, peningkatan jumlah pengangguran dan juga peningkatan kadar kemiskinan dan kebuluran terutamanya kepada negara miskin. Ketidaktentuan harga pasaran bahan mentah ini berlaku adalah disebabkan oleh kekurangan penawaran bekalan bahan mentah kesan aktiviti penerokaan alam yang tidak terkawal yang dilakukan oleh manusia. Keadaan ini sekiranya tidak dikawal akan memberikan kesan yang lebih besar kepada dunia.

Bagi menangani isu ini, Pertubuhan Bangsa-Bangsa Bersatu (PBB) melalui forum “*Our Common Future*” pada tahun 1987 yang dipengerusikan oleh Gro Harlem Brundtland, Mantan Perdana Menteri Norway telah menerbitkan sebuah laporan mengenai kelestarian yang dikenali sebagai “*Brundtland Report*”. Laporan ini telah mengemukakan definisi pembangunan lestari yang terkenal iaitu “Pembangunan yang memenuhi keperluan masa kini tanpa menjejaskan keupayaan generasi akan datang untuk memenuhi keperluan mereka sendiri (Brundtland, 1987).

Antara cadangan laporan ini adalah satu Suruhanjaya Khas perlu diwujudkan bagi memberikan tumpuan mengenai perkara-perkara berikut:

- a) Mengemukakan strategi jangka panjang untuk mencapai pembangunan yang lestari;
- b) Mengemukakan kaedah menangani kebimbangan terhadap alam sekitar dengan kerjasama negara-negara maju dan membangun dengan mengambil kira hubungan antara manusia, sumber bahan, alam sekitar dan pembangunan;
- c) Mengemukakan kaedah kepada komuniti antarabangsa untuk menangani kebimbangan alam sekitar dengan lebih berkesan; dan
- d) Mentakrifkan persepsi isu-isu alam sekitar untuk jangka masa panjang dan usaha-usaha untuk perlindungan dan peningkatan alam sekitar.

Susulan daripada laporan ini, PBB telah merangka langkah jangka panjang bagi menangani isu kelestarian. Antara langkah yang telah diperkenalkan oleh PBB pada tahun 2000 adalah dengan melaksanakan program *Millenium Development Goal* (MDG) iaitu program jangka

panjang bertempoh 15 tahun (dari tahun 2000 hingga tahun 2015) dengan menetapkan 8 matlamat utama kelestarian iaitu a) membasmi kemiskinan dan kelaparan yang melampau, b) pendidikan asas yang universal, c) menggalakan kesaksamaan gender dan memperkasakan wanita, d) mengurangkan kematian kanak-kanak, e) meningkatkan kesihatan ibu, f) memerangi HIV/AIDS, malaria dan penyakit lain, g) memastikan kelestarian alam sekitar, dan h) mengembangkan perkongsian global untuk pembangunan.

Setelah tamatnya MDG pada tahun 2015, PBB sekali lagi telah memperkenalkan sebuah dokumen jangka panjang bertempoh 15 tahun (dari tahun 2015 hingga tahun 2030) yang dikenali sebagai “*Transforming Our World: The 2030 Global Agenda for Sustainable Development*”. Dokumen ini telah disepakati oleh kebanyakan negara di dunia termasuklah Malaysia. Di dalam dokumen tersebut, terdapat 17 matlamat yang dikenali sebagai “*Sustainable Development Goals*” (SDG) dengan memfokuskan isu penting pembangunan global yang merangkumi aspek manusia, alam sekitar dan ekonomi. Senarai 17 matlamat SDG diringkaskan seperti dalam Rajah 1 di bawah.

Rajah 1: Sustainable Development Goals



Source: (United Nation, 2016)

Walaupun pelaksanaan SDG masih belum berakhir dan hasilnya masih belum dinilai, laporan yang dikeluarkan oleh PBB pada tahun 2016 mengenai pencapaian MDG menunjukkan kelemahan dari segi impak pelaksanaan idea kelestarian yang telah dilaksanakan sebelum ini. Antara kelemahan yang telah dicatatkan dalam laporan tersebut ialah i) jurang ketara ketidaksamarataan pendapatan antara golongan kaya dan juga golongan miskin serta

golongan yang tinggal di bandar dan golongan yang tinggal di desa, ii) perubahan iklim dan kemerosotan alam sekitar yang merosakkan kemajuan dan menjejaskan kehidupan golongan miskin, dan iii) terdapat berjuta-juta manusia yang hidup dalam kemiskinan dan tidak mempunyai keperluan asas. (United Nation, 2016). Pelaksanaan SDG juga menampakkan sasaran matlamatnya tetapi masih samar kerana angka kemiskinan masih tidak mencatatkan penurunan, isu masalah pemanasan global yang semakin ketara, dan ketaksamaan pendapatan yang sangat tinggi. Hal ini menunjukkan bahawa PBB perlu mencari wadah yang lebih baik dan efektif bagi melaksanakan program-program kelestarian.

Pandangan Islam Mengenai Kelestarian

Majoriti para sarjana Islam mendapati elemen kelestarian dari perspektif Islam menekankan kepada faktor insaniah iaitu manusia sebagai khalifah yang dipertanggungjawabkan menguruskan alam ini dengan baik sebagai faktor utama kelestarian. Menurut Sulaiman, Hasan, & Mohamad, (2016), idea pembangunan lestari dari sudut kerangka Islam sedikit berbeza dengan idea pembangunan lestari dalam pemikiran barat di mana idea barat terdorong untuk menekankan kepada pulangan material serta tidak menekankan kepada aspek jiwa (kekurangan kerohanian). Sedangkan dalam Islam penekanan nilai mulia di kalangan manusia untuk mengimbangi antara tuntutan duniawi dengan kefasihan melalui perkembangan dualisme yang rohani dan jasmani. Aspek insaniah ini turut disokong oleh pandangan Baharuddin (2017) yang menyatakan dalam konteks Islam, kelestarian perlu ditetapkan oleh matlamat dan etika cara hidup yang lestari yang mengandungi prinsip Shari'ah dan mekanisme yang mana jalan hidup akan dilaksanakan. Idea kelestarian dari perspektif Islam perlu merujuk kepada peraturan yang ditetapkan oleh Al-Qur'an dan amalannya, serta sunnah oleh Nabi Muhammad (SAW). Manakala Hasan (2007) pula menyatakan bahawa perspektif Islam adalah sesuai dengan perlindungan alam sekitar, isu-isu sosial yang mengelilingi moral, etika, sosial, kerumitan politik, dan ekonomi adalah faktor kelestarian.

Idea kelestarian ini merupakan sistem yang dibawa oleh Nabi Muhammad (SAW) kepada manusia untuk menjaga alam ini sesuai dengan ayat Al-Qur'an yang telah menyatakan bahawa manusia ditugaskan sebagai khalifah (*vicegerent*) Allah di Bumi:

"Dan (ingatlah) ketika Tuhanmu berfirman kepada Malaikat: "Sesungguhnya Aku hendak menjadikan seorang khalifah di bumi". Mereka bertanya (tentang hikmat ketetapan Tuhan itu dengan berkata): "Adakah Engkau (Ya Tuhan kami) hendak menjadikan di bumi itu orang yang akan membuat bencana dan menumpahkan darah (berbunuh-bunuhan), padahal kami sentiasa bertasbih dengan memujiMu dan mensucikanMu?". Tuhan berfirman: "Sesungguhnya Aku mengetahui akan apa yang kamu tidak mengetahuinya".

(Surah Al-Baqarah, 30)

Berbanding dengan teori kelestarian sedia ada, Al-Jayyousi (2012) menyatakan pendekatan Islam lebih sesuai untuk menjaga alam sekitar dan memberi pendapat bahawa isu-isu

berkaitan kelestarian mempunyai kerumitan moral, etika, sosial dan politik dan ekonomi. Menurut beliau lagi, kelestarian dalam Islam boleh dirujuk di dalam Al-Quran, Surah Saba, di mana Al-Quran menceritakan mengenai kisah sebuah negara yang dikenali sebagai Sheba (Saba) yang makmur dengan sumber makanan yang banyak dengan teknologi tadahan air (empangan). Namun begitu, disebabkan kekufuran mereka kepada Allah SWT, Allah telah mengambil kembali nikmat yang telah diberikan kepada mereka. Firman Allah SWT mengenai perkara ini seperti berikut:

“Demi sesungguhnya, adalah bagi penduduk negeri Saba', satu tanda (yang membuktikan kemurahan Allah) yang terdapat di tempat tinggal mereka, iaitu: dua kumpulan kebun (yang luas lagi subur), yang terletak di sebelah kanan dan di sebelah kiri (kampung mereka). (Lalu dikatakan kepada mereka): "Makanlah dari rezeki pemberian Tuhan kamu dan bersyukurlah kepadaNya; (negeri kamu ini adalah) negeri yang baik (aman dan makmur), dan (Tuhan kamu adalah) Tuhan yang Maha Pengampun". Maka mereka berpaling ingkar, lalu Kami hantarkan kepada mereka banjir yang membinasakan, dan Kami gantikan dua kumpulan kebun mereka (yang subur) itu dengan dua kumpulan kebun yang berisi dengan pohon-pohon yang pahit buahnya, dan pohon-pohon yang jarang berbuah, serta sedikit pohon-pohon bidara. Demikianlah Kami membalas mereka disebabkan kekufuran mereka; dan sebenarnya Kami tidak menimpakan balasan yang demikian melainkan kepada orang-orang yang amat kufur.”

(Surah Saba, 15-17)

Al-Quran telah menceritakan bahawa seluruh alam ini termasuk manusia adalah ciptaan oleh Allah SWT dan manusia telah diutuskan ke dunia ini sebagai khalifah dan manusia perlu mentadbirkan bumi ini dengan baik. Alam ini merupakan tempat sementara buat manusia sehingga manusia mati dan manusia akan diberikan balasan di atas perbuatan mereka pada hari kiamat. Pandangan Islam menyatakan bahawa Al-Quran yang diturunkan kepada manusia melalui rasulnya menjadi rahmat kepada sekalian alam. Allah SWT berfirman dalam Al-Quran yang bermaksud:

“Dan tiadalah Kami mengutuskan engkau (wahai Muhammad), melainkan untuk menjadi rahmat bagi sekalian alam”

(Al-Anbiyaa, 107)

Al-Quran juga telah menjelaskan bahawa timbul pelbagai kerosakan dan bala bencana di daratan dan di lautan adalah disebabkan oleh tangan-tangan manusia itu sendiri yang melakukan perbuatan-perbuatan yang merosakkan alam sekitar. Sikap manusia yang menyebabkan kerosakan kepada alam ini telah dinyatakan di dalam Al-Quran seperti dalam firman Allah SWT dalam Al-Quran:

“Telah timbul berbagai kerosakan dan bala bencana di darat dan di laut dengan sebab apa yang telah dilakukan oleh tangan manusia; (timbulnya

yang demikian) kerana Allah hendak merasakan mereka sebahagian dari balasan perbuatan-perbuatan buruk yang mereka telah lakukan, supaya mereka kembali (insaf dan bertaubat)”

(Ar-Rum: 41)

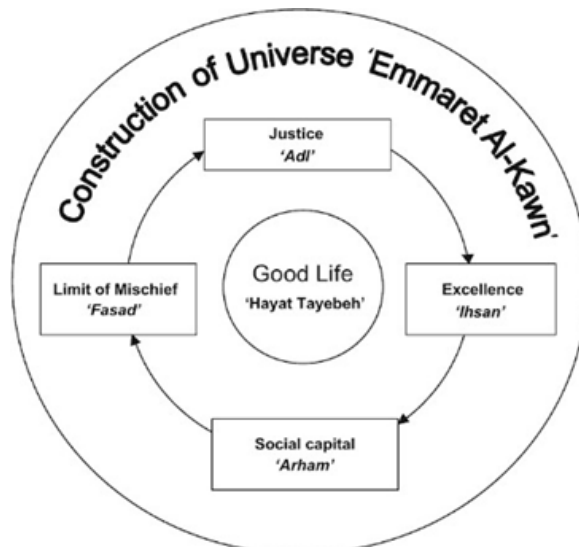
Manusia yang dilantik sebagai khalifah hendaklah menguruskan alam sekitar ini dengan adil dan cekap serta saling bantu membantu sesama manusia dan juga tidak dibenarkan untuk melakukan kerosakkan (perbuatan keji, mungkar dan kezaliman). Allah SWT berfirman dalam Al- Quran:

“Sesungguhnya Allah menyuruh berlaku adil, dan berbuat kebaikan, serta memberi bantuan kepada kaum kerabat; dan melarang daripada melakukan perbuatan-perbuatan yang keji dan mungkar serta kezaliman. Ia mengajar kamu (dengan suruhan) dan laranganNya ini), supaya kamu mengambil peringatan mematuhiNya.”

(An-Nahl, 90)

Al-Jayyousi, (2012) telah memperkenalkan konsep kelestarian dari perspektif Islam berdasarkan kepada ayat al-Quran dengan 4 prinsip utama untuk menjaga kelestarian iaitu keadilan, kecemerlangan pentadbiran, nilai sosial dan tidak melakukan kerosakan. Pandangan Islam diulangi bahawa pertimbangan kepelbagaian budaya adalah komponen penting dalam nilai-nilai Islam. Idea yang diambil daripada perspektif Islam untuk menjelmakan pembangunan lestari dalam kerangka seperti Rajah 2 di bawah:

Rajah 2: Sustainable Development Model dari Perspektif Islam



Nota: Sustainable Development Model based on Islamic Worldview (Al-Jayyousi, 2012)

Dalam rangka kerja ini yang terdiri daripada lingkaran teras yang mewakili kehidupan yang baik (Hayat Tayyibah) dan lingkaran luar mewakili tanggapan pembinaan bumi (Imarat al-Kwan) mengandungi empat komponen seperti berikut:

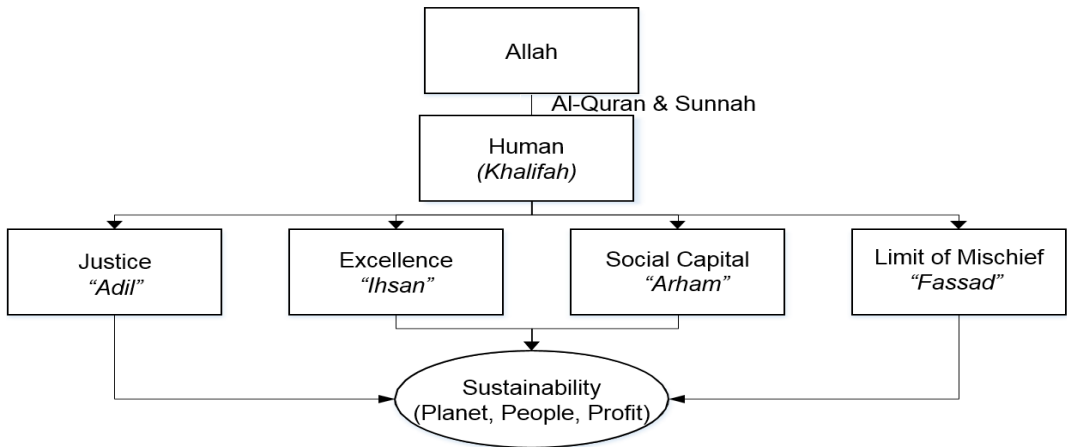
- i. Keadilan (*Adl*) - merujuk kepada kosmik, ekologi, manusia dan keharmonian di alam semesta. Tadbir urus dan etika yang adil adalah asas untuk mencapai dan mengekalkan kemajuan dan untuk membina kehidupan yang baik (Hayat Tayyibah);
- ii. Kecemerlangan (*Ihsan*) - merujuk kepada kecekapan dan keberkesanan individu, organisasi, dan masyarakat (ummah). Ini juga melibatkan penambahbaikan nilai yang berterusan dan pengembangan ilmu pengetahuan untuk semua manusia;
- iii. Nilai sosial (*arham*) - merujuk kepada rangkaian sosial dari keluarga ke kejuruan dan komuniti manusia global pada umumnya. Islam mengajar bahawa semua manusia diciptakan dari latar belakang yang berbeza supaya dapat mencapai "pembelajaran sosial dan cerdas"; dan
- iv. Tidak melakukan kerosakan (*fasad*) - merujuk kepada penyimpangan dari fitrah semula jadi dan murni (fitrah) dan keseimbangan yang diciptakan oleh Allah. Ketidakseimbangan ini disebabkan oleh aktiviti manusia yang tidak mengangap nilai-nilai ekologi dan etika, idea-idea ini dari Islam boleh menjadi parameter baru bagi kemajuan masyarakat. Mengambil prinsip Islam sebagai pandangan dunia yang berasaskan pengetahuan dan pelbagai akan membantu kedua-dua ekosistem dan komuniti global.

Al-Jayyousi (2012) menyebutkan bahawa tamadun manusia yang lestari adalah berasaskan kesedaran Allah (taqwa), termasuk mengamalkan prinsip keadilan ('adl), melakukan kebajikan (ihsan) dan amalan atas sebab Allah (infaq). Umat Islam dan manusia secara keseluruhan diperintahkan untuk menjaga alam sekitar dan tidak merosakkannya. Oleh itu, pendekatan Islam yang mengekalkan kehidupan alam sekitar memerlukan hidup dalam "damai dan keharmonian (salam)" di peringkat individu, sosial dan ekologi.

Kerangka Konsep Kelestarian dari Perspektif Islam

Kertas ini telah mengadaptasikan idea kelestarian oleh Al-Jayyousi (2012) dengan menambahbaik idea daripada pemikir-pemikir lain seperti Baharuddin (2017), Sulaiman, Hasan, & Mohamad (2016), Jusoff et al. (2011) dan Hasan (2007) untuk mencadangkan kerangka konseptual berikut bagi menggambarkan konsep kelestarian daripada perspektif Islam seperti dalam Rajah 3 di bawah.

Rajah 3: Kerangka Kelestarian dari Perspektif Islam



Kerangka konsep ini menerangkan bahawa falsafah ini dibina berdasarkan kepada Al-Quran dan As-Sunnah. Allah SWT telah menurunkan Al-Quran melalui Nabi Muhammad SAW untuk memberi petunjuk kepada manusia agar menguruskan alam ini dengan baik dan tidak melakukan kerosakan kepada alam ini seperti dalam firmanNya:

“Dan apabila dikatakan kepada mereka: "Janganlah kamu membuat bencana dan kerosakan di muka bumi", mereka menjawab: "Sesungguhnya kami orang-orang yang hanya membuat kebaikan". Ketahuilah! Bahawa sesungguhnya mereka itulah orang-orang yang sebenar-benarnya membuat bencana dan kerosakan, tetapi mereka tidak menyedarinya.”

(Al-Baqarah: 11-12)

Manusia perlu mempunyai empat (4) prinsip utama kelestarian iaitu keadilan (adl), melaksanakan pengurusan yang cemerlang (Ihsan), nilai sosial (Arham) dan menghindari daripada melakukan kerosakan (fasad) sebagaimana yang telah diterangkan oleh Al-Jayyusi (2012). Faktor ini dapat menyumbang keputusan yang lebih baik terhadap ketiga-tiga komponen kelestarian iaitu sosial, alam sekitar dan ekonomi sebagai berikut.

i. Prinsip Adil (Adl)

Prinsip Adil merujuk kepada meletakkan sesuatu perkara itu di tempat atau haknya dan ianya tidak hanya terhad kepada aspek keadilan undang-undang sahaja. Sebagai contoh, apabila seseorang itu diamanahkan untuk menjaga sesuatu harta, maka ia hendaklah melaksanakan amanah tersebut dengan baik agar harta tersebut tidak terbiar dan dapat dimanfaatkan. Begitu juga kepada pemimpin, pemimpin hendaklah melaksanakan tugasnya untuk memimpin masyarakat dengan baik apabila diberikan amanah dan bukan mengambil kesempatan di

atas peranannya untuk mengaut keuntungan kepada diri sendiri.

Menurut Zaini Ujang (1998), prinsip adil ini tidak semestinya sama rata dan ianya mengikut ketetapan yang telah ditentukan. Sebagai contoh, kandungan udara yang seimbang dalam atmosfera adalah terdiri daripada komposisi nitrogen (78%), oksigen (21%), wap air (1%), karbon dioksida (0.03%) dan gas-gas lain (0.97%). Walau bagaimanapun, sekiranya kedudukan peratusan gas ini tidak berada pada kedudukan peratusannya, sebagai contohnya peratus kandungan karbon dioksida lebih tinggi daripada 0.03%, maka keadaan ini sudah tentu akan mengganggu ekosistem atmosfera dan juga menyebabkan peningkatan suhu dan perubahan cuaca. Ketidakseimbangan peratusan gas karbon dioksida ini akan mengganggu kehidupan manusia yang menyebabkan cuaca yang semakin panas. Menurut Özdemir (2003), alam sekitar telah dibuat secara teratur, seimbang dan dengan keindahan estetik yang luar biasa, dan semua aspek alam semula jadi sambil meningkatkan kehidupan manusia di sini, harus dihormati, dibangunkan dan dilindungi dengan sewajarnya.

Peranan prinsip adil ini yang diterapkan dalam idea kelestarian ini amat menyeluruh dan Islam meletakkan keadilan itu kepada semua perkara termasuk kepada alam sekitar, sosial dan juga dalam ekonomi. Bagi aspek alam sekitar, pendekatan Islam menghendaki manusia sebagai khalifah bertanggungjawab untuk menjaga dan melindungi alam sekitar yang telah diamanahkan oleh pencipta. Alam sekitarnya adalah penciptaan Allah dan Islam yang menganggapnya adalah keadaan semula jadi (fitrah). Elemen alam sekitar menunjukkan penciptaan itu adalah menggambarkan kebenaran seperti yang disebut dalam Al-Qur'an:

"Dan bagi Allah kepunyaan timur dan barat. Sekiranya kamu berpaling (untuk menyembah-Nya), itu adalah jalan yang dikehendaki Allah; Sesungguhnya Allah Maha Luas (lagi Maha Mengetahui), Yang Maha Mengetahui"

(Al-Baqarah, 115)

Begitu juga dari segi keadilan sosial, menurut Rangkuti (2017) memperlakukan seseorang atau orang lain sesuai haknya atas kewajiban. Hak-hak manusia adalah hak yang diperlukan manusia bagi kelangsungan hidupnya di dalam masyarakat. Sayyid Qutb (1964) telah menerangkan bahawa Islam telah menyiapkan prinsip-prinsip dasar keadilan sosial dan mengukuhkan kedudukan orang miskin pada kekayaan orang kaya, ia menyediakan prinsip keadilan bagi kekuasaan dan wang sehingga tidak ada perlunya untuk menanam pemikiran manusia dan mengajak mereka untuk meninggalkan hak-hak bumi mereka untuk tujuan harapan mereka di akhirat.

Dari segi kepimpinan, menurut Daud & Zabidi (2009) membangunkan sesebuah kerajaan yang adil dan beramanah merupakan suatu tuntutan dan tanggungjawab bukan sekadar merupakan pengemudi bahkan membabitkan semua pihak yang berada di dalam organisasi kerajaan tersebut. Komponen adil dan beramanah ini mempunyai peranan yang sangat besar terutamanya dalam konteks bernegara. Kekejaman dan penyelewengan pemerintahan akan membawa kepada kebencian dan kemarahan dalam masyarakat .

Dari aspek ekonomi pula, menurut Purwana (2014), para sahabat di zaman Rasulullah melakukan perdagangan dengan penuh kejujuran. Mereka tidak mengurangi timbangan ketika berdagang. Sistem ekonomi Islam memberikan kuasa beli yang mencukupi kepada golongan miskin dan seterusnya dapat meringankan beban golongan miskin. Dengan memperkasakan golongan miskin, maka ianya membantu peredaran wang di pasaran dan mengembangkan ekonomi. Sistem ekonomi Islam juga tidak menggalakkan konsep monopoli dengan memberikan persaingan yang adil dalam pembangunan negara.

ii. Prinsip Cemerlang

Takrifan cemerlang sering dikaitkan dengan kecekapan penghasilan produktiviti atau perkhidmatan yang menjangkau output yang telah disasarkan. Namun, proses kerja yang cemerlang bukan sekadar untuk menghasilkan output atau perkhidmatan yang baik semata-mata, tetapi juga untuk mengelakkan penyalahgunaan kuasa, korupsi, pengurusan birokratik dan pelbagai bentuk kecuaiian yang sering berlaku dalam pengurusan pentadbiran. Setiap manusia akan menjadi tenaga bagi merealisasikan kewujudan sebuah negara. Menurut (Al-Qudsy, 2008) budaya kerja cemerlang adalah suatu usaha yang menitikberatkan norma-norma yang baik ke arah tingkah laku dan pelaksanaan kerja yang berkesan pada setiap peringkat perkhidmatan sama ada dilakukan secara formal atau tidak formal. Elemen kecemerlangan ini perlu dipupuk di kalangan masyarakat untuk mencapai maksud kelestarian dan merangkumi semua elemen kelestarian iaitu kecemerlangan pengurusan alam sekitar, sosial dan ekonomi.

Kecemerlangan alam sekitar merujuk kepada kecekapan dari segi pengurusan terbaik dan berkualiti untuk alam sekitar. Alam sekitar yang membekalkan keperluan sumber makanan dan bahan-bahan lain perlu diuruskan dengan cekap agar ianya tidak habis atau terancam terutamanya untuk ditinggalkan kepada generasi akan datang. Disamping itu, penguatkuasaan yang cekap terhadap alam sekitar perlu dilakukan bagi mengawal berlakunya kejadian kemusnahan alam seperti pencerobohan atau pencemaran alam yang akan mengakibatkan kesan jangka panjang terhadap persekitaran.

Kecemerlangan sosial pula merujuk kepada pengurusan sosial yang cekap dan berkualiti. Pengurusan sosial ini merangkumi kepada keperluan perlindungan sosial, keselamatan sosial, sokongan sosial, perlindungan diri sosial, bantuan sosial dan kualiti kehidupan. Islam amat mementingkan kepada kecemerlangan sosial dengan mengajak manusia supaya berbuat baik dan mencegah daripada melakukan perbuatan mungkar seperti dijelaskan dalam surah Ali Imran ayat 110 yang bermaksud:

“Kamu adalah umat terbaik yang dilahirkan untuk manusia, menyuruh kepada yang makruf dan mencegah daripada yang mungkar dan beriman kepada Allah SWT (dengan sebenar-benar iman)”

Dalam pada itu, keadaan persekitaran sosial yang baik itu juga akan menjadikan masyarakat

lebih cemerlang. Menurut Stapa, Ismail, & Yusuf (2012) faktor-faktor persekitaran sosial perlu dipupuk kerana ianya memberikan kesan yang cukup signifikan dalam pembentukan jati diri individu. Berdasarkan kajian yang dijalankan oleh Saumi & Zolkepli (2017) kualiti perkhidmatan adalah pada tahap yang cemerlang adalah faktor penting bagi meningkatkan tahap kepuasan pelanggan.

Kecemerlangan ekonomi pula merujuk kepada pengurusan ekonomi yang cekap dan baik. Islam telah memperkenalkan berbagai kaedah dalam ekonomi antaranya konsep *syirkah* (kerjasama permodalan), *qiradh* (memotong sebahagian keuntungan/harta dengan pengusaha), dan *khiyar* (hak yang diberikan oleh hukum syarak terhadap pembeli dan penjual sama ada ingin meneruskan atau membatalkan kontrak yang dilaksanakan). Selain itu, Islam juga memperkenalkan sistem *musaqah* (kerja sama antara pemilik pohon dengan pemeliharanya dengan perjanjian bagi hasil yang jumlahnya disepakati bersama), *mukhabarah* (kerjasama mengelola tanah dengan mendapatkan sebagian hasilnya), dan *muzara'ah* (kegiatan pertanian secara bersama di antara pemilik tanah dan pengusaha tanah dengan pembahagian hasil pula dibahagikan mengikut apa yang dianggarkan dengan akad atau *u'ruf*) dalam bidang pertanian dan perkebunan. Kaedah-kaedah yang diperkenalkan ini menunjukkan Islam amat menggalakkan kegiatan perniagaan untuk meningkatkan ekonomi dan melarang peniaga daripada menindas pihak lain.

iii. Prinsip Nilai Sosial

Prinsip nilai sosial merupakan tulang belakang kepada konsep kelestarian dalam Islam. Menurut Dakir et al. (2015) 3 tunjang utama yang menjadi teras di dalam proses pembinaan dan pembentukan masyarakat lestari iaitu akidah, syariat dan akhlak di mana ia harus dihayati oleh setiap manusia. Tetapi masyarakat atau negara itu dikatakan rosak dan punah itu apabila anggota yang hidup di dalamnya tidak beradab dan hilang akhlak diri, sehingga melakukan jenayah dan kejahatan yang berleluasa. Peranan akhlak dan adab yang diajar oleh agama Islam dapat mengatasi masalah jenayah dalam masyarakat (Shukeri Mohamad, 2018). Untuk membina nilai sosial, masyarakat perlu dibekalkan dengan ilmu pengetahuan dan elemen persekitaran amat penting bagi membantu membina keperibadian seseorang.

Di dalam ekonomi Islam, masyarakat digalakkan berkongsi sumber melalui amal kebajikan (Al-Jayyousi, 2012). Sebagai contoh, amalan berzakat serta berwakaf dalam membantu masyarakat khususnya kepada golongan fakir atau miskin untuk merasai nikmat kehidupan di dunia ini. Menurut Linge (2017) konsep menderma dalam Islam yang bertujuan untuk kebaikan dengan melihat keadaan tahap sosial dan ekonomi masyarakat yang berbeza, idea dan konsep menderma ini adalah salah satu bagi kumpulan masyarakat untuk mengurangkan ketidaksamaan sosial di kalangan masyarakat.

iv. Prinsip Menghindari daripada Melakukan Kerosakan (Fasad)

Sebagaimana yang telah dijelaskan bahawa sebahagian besar kerosakan yang berlaku kepada

alam sekitar adalah disebabkan oleh tangan-tangan manusia sendiri yang merosakkan alam sekitar. Manusia telah melaksanakan pembangunan tanpa memikirkan kepada kesan alam sekitar yang lama kelamaan akan menjejaskan manusia. Disamping kerosakan kepada alam sekitar, kerosakan juga berlaku terhadap sosial dan ekonomi disebabkan oleh perbuatan manusia sendiri. Menurut Özdemir (2003), Islam menggariskan pengeluaran dan penggunaan manusia hendaklah berdasarkan kepada keseluruhan keadaan dan keseimbangan alam sekitar. Hak-hak manusia tidak mutlak dan tidak terhad. Kita tidak boleh mencemarkan alam sekitar seperti yang kita mahu.

Sikap yang boleh menggugat kepada keadilan sosial seperti mengambil hak orang lain, memporak-perandakan masyarakat adalah ditegah di dalam Islam kerana ia akan menyumbang kepada kerosakkan sistem sosial. Menurut Hasan (2007), kehilangan kriteria sosial akan mengakibatkan pengasingan sesama manusia yang seterusnya menjejaskan ekonomi. Dalam hal ini, keperluan kepada manusia untuk mengurus niaga dengan baik dan adil agar tidak menzalimi pihak yang lain. Islam menggalakkan umatnya untuk tidak melakukan penindasan kepada orang lain seperti larangan riba dan aktiviti perniagaan yang tidak patuh syariah. Pandangan ini turut disambut oleh Jusoff et al.(2011) yang menyatakan bahawa walaupun pengajaran Islam mendapat keuntungan sebagai ganjaran untuk melibatkan diri dalam aktiviti-aktiviti penting yang diperlukan untuk berkhidmat kepada kepentingan masyarakat, memaksimumkan keuntungan tidak dibenarkan.

Konsep ekonomi Islam menegah sesuatu entiti untuk melakukan amalan yang merosakkan masyarakat. Sebagai contoh, Islam amat menegah perbuatan riba kerana, amalan riba ini membebankan penghutang dan ianya tidak memberi keadilan kepada manusia. Aktiviti riba ini akan merosakkan kehidupan manusia pada masa hadapan. Begitu juga amalan seperti menipu dalam perdagangan dan timbangan yang akan menyebabkan manusia ditipu. Sekiranya terdapat segelintir manusia yang hanya mengejar keuntungan tanpa mengira kesan kepada alam sekitar dan sosial. Perkara ini lama-kelamaan akan merosakkan faktor kelestarian ini yang akan menjejaskan kehidupan manusia pada masa hadapan.

Rumusan

Kertas ini membentangkan konsep kelestarian menurut perspektif Islam yang mempertanggungjawabkan manusia untuk menangani isu kelestarian yang berkaitan alam sekitar, sosial dan ekonomi yang menjejaskan kualiti kehidupan manusia. Islam yang diturunkan kepada manusia membawa rahmat kepada seluruh alam (*rahmatan lil 'alamin*). Berbeza daripada konsep moden, konsep kelestarian dalam Islam memfokuskan prinsip yang perlu dimiliki oleh manusia sebagai khalifah untuk menjaga alam ini. Namun, kerosakkan yang berlaku pada masa ini adalah berpunca daripada perbuatan manusia sendiri. Islam telah menetapkan bahawa manusia merupakan khalifah dan mereka seharusnya mempunyai sikap i) keadilan (*adl*); ii) kecemerlangan (*ihsan*); iii) nilai komuniti keluarga (*arham*); dan iv) tidak melakukan kerosakan (*fasad*) untuk mencapai kelestarian.

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How Do Interest Rate Changes Affect Islamic Banks? Empirical Evidence on Islamic Banks in Malaysia

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Abstract

Purpose: Little empirical evidence has shown that financial systems with dual-banking systems are relatively more resilient against many financial crises, especially to changes in interest rate levels. In the same vein, this study investigates the impact of interest rates on Malaysian Islamic banks by analysing the relationship between changes in interest rates on Islamic banks' deposits and financing.

Design: The objective is investigated using the ARDL bounds test with 144 observations of monthly data from 2007 to 2018. The unit root tests of Augmented Dickey and Fuller (ADF) and the Phillips-Peron (PP) were conducted, followed by the diagnostic tests of serial correlation and heteroscedasticity, and Cumulative Sum of Recursive Residuals or CUSUM and CUSUM Square stability test to ensure robustness of the results. The robustness of the findings is confirmed with diagnostic tests.

Findings: The study finds that interest rates have a relationship with both deposits and financing of Malaysian Islamic banks in the long run. This means that in the long run, when interest rates increases, both deposits and financing of an Islamic bank are still increasing. Furthermore, the religious factor is found to play a role in Malaysian's banking decisions.

Practical Implication: Firstly, the study highlights that the dual banking system is more resilient than the single banking system as the Islamic banking system is not affected by the conventional interbank rates. However, it also provides evidence that Islamic banks are not entirely independent from the effect of conventional interest rates. Therefore, the Islamic banks need to be attentive to interest rates risk in their risk management, as it could influence

the value of their assets and obligations. It also highlights the necessary timing for market to revert back for both institutions' and investors' discretion. Secondly, due to all reasons above, the Bank Negara Malaysia needs to be cautious in designing monetary policies as such both government and public sectors can strategize the financing of the country.

Originality and Value: Providing the most recent sets of data, this study is invaluable to the government, public sector, financial institutions, investors, and fellow academicians. It also adds value to Islamic Bank literature.

Keywords: Interest Rates; Islamic Banks; Dual-Banking System; ARDL Bound Test, Monetary Policy, Malaysia

JEL Classifications: E51, E52, E58

1.0 Introduction

A country's authority regarding monetary matters, as such the central bank, uses monetary policy in effort to combat inflation or recession. Monetary policy influences interest rates or money supply to ensure the stability of a country's currency value (Federal Reserve Board, 2006). Theoretically, a lower discount rate would encourage banks to borrow more, thus increasing the money supply, liquidity in the financial system and consequently boosting the economy out from recession. The opposite strategy is used to combat inflation.

A low interest rates or near zero interest rates is not an uncommon practice in the modern economy of today. Commonly, central bank applies this practice on country's real interest rate. Japan's lending interest rates went to -0.1 percent in 2016 and has remained at about the same level in current times. However, this strategy has seen modest impact in stimulating growth to the Japanese economy. Moreover, in 2009, Sweden lowered their lending interest rates to -0.25 percent to provide a short-term shock in stimulating their economy. However, the strategy to increase borrowing by banks and spending by household, has seen little impact. A similar predicament happened in the US. Based on the data provided by World Bank, the country has maintained low real interest rate since 2011, but has seen little success in combatting its economic recession.

Alternatively, economies with dual-banking systems have been resilient in many financial crises. A dual-banking system is a structure where conventional and Islamic banking institutions operating in parallel in an economy. Countries like Turkey, Bahrain, Jordan, Kuwait, Indonesia, the UAE, Yemen, and Malaysia practice this dual-banking system. This system offers healthy competition among banks and innovations in products and services to meet wider customers' demands. The involvement of an interest-free banking by Islamic banks is believed to contribute towards financial stability (Ergec and Arslan, 2013). It provides protection from the fluctuation of interest rates (Khan, 1986; Kassim et al., 2009; Ergec and Arslan, 2013), due to the fact that Islamic bank nature is asset-linked while conventional banking is interest-based. The asset-linked nature of Islamic banks is resistant to financial

crisis as empirically supported by Samad (1999), Kaleem (2000), and Samad and Hassan (2000).

According to Kassim et al. (2009), in theory, Islamic banks are more stable than conventional banks. Operations-wise, being free from interest makes Islamic banks impervious to interest rates risk, resulting in a more stable demand for money and monetary policies (Kia and Darrat, 2007). The absence of interest rates may 'mitigate structural breaks in the underlying demand relationships resulting from exogenous shocks' (Kia and Darrat, 2007, p. 105). Furthermore, Ergec and Arslan (2013) state that Islamic banks do not have to reassess their balance sheet due to the absence of interest rates effect.

However, does interest rate really possess no threat to Islamic banks' performance? This question weighs highly, especially, for Islamic banks in a dual-banking system. According to Kassim et al. (2009), the influence of interest rates on Islamic banks bear a huge impact to risk management of the bank and its performance. This view is supported by various empirical literature from different economies (Haron and Azmi, 2008; Hakan and Gulumser, 2011; Anthony, 2012; Ojeaga et al., 2013; Eriemo, 2014; Ergec and Arslan, 2013; Mushtaq and Siddiqui, 2016). Henceforth, investigating the impact of interest rates' fluctuations on Islamic banks' performance in a dual-banking system, such as Malaysia is of the utmost importance. This study is imperative to government's monetary policies plans, bank's risk management and consequently, the financial stability of a country.

A study on the impact of interest rates on Islamic banks' performance is interesting, especially from a country with a dual-banking system such as Malaysia. According to MIDF Economic Review (2018), the Malaysian economy remains robust after being hit by multiple external crises. This is proven in the aftermath of the 2008 global financial crisis; Malaysia recorded a trade surplus of 43.1 billion US Dollars in late 2018. Malaysia current account surplus is 16.9 percent of its gross domestic product (GDP). It is safe to say that the Malaysian economy is unperturbed by the contagion effect of global financial crisis. However, in 2019 there were alarming symptoms that began to arise in the Malaysian market, such as an increase in government debt, budget deficit, and the weakening of its currency (Ringgit) against the US Dollar. According Despite the action of US Federal Reserves to increase interest rates within range of 2.00-2.25 percent in September 2018, Malaysia has been steadily decreasing its short-term and long-term interest rates (CEIC Data, 2019).

Malaysian dual-banking system has existed since 1983. In the aftermath of the Asian financial crisis, the government decided to further enhance and develop the country's Islamic banking system. For this reason it could provide unique advantages in withstanding external economic and financial shocks in the future. Subsequently, it offers the country a more stable financial environment and protection against interest rates risk (Khan, 1986; Kassim et al., 2009; Ergec and Arslan, 2013). In Malaysia, Islamic banking was first introduced in 1983 with the founding of Bank Islam Malaysia Berhad (BIMB), followed with Islamic banking-window scheme by the conventional banks in 1993. By the end of 2006, there were ten different Islamic banks operating in Malaysia. This rapid growth goes concurrently with Bank Negara Malaysia

(BNM)'s ongoing efforts in creating a competitive banking avenue. BNM granted license to Middle-Eastern Islamic banks to operate in the country in 2006, hoping that the effort will spur a positive effect in the banking industry as a whole. As of March 2020, Malaysia has sixteen Islamic banks, five of them owned by foreign banks and the remaining eleven banks are local. According to data from Bank Negara, as of December 2019, Islamic banking has total assets of RM835.19 billion (Jalil, 2020).

Due to the dual nature of the banking system in Malaysia, the development and growth of the Islamic banks are expected to have a spill-over effect on the conventional banking system. Further pushing the competition healthily among all banks. Both banking systems compete in providing a vast array of products to meet innumerable demands of a multi-racial background. Both Muslim and non-Muslim customers are free to choose, or switch, between the two systems. Haron and Ahmad (2000) state that customers' will only pay for deposit equivalent to their perceived-benefits, or they will go to other banks for better offers. Malaysian customers need to weigh their options in financing and deposit rates that suit to their financial appetites. Hence, banks have to compete for customers' constancy. Theoretically, both banking systems operate within their own domains, however, given the same macro environment, both systems should interact with one another. Thus, movement of interest rates could affect households' flow of funds and subsequently, banks' level of total deposit and financing. This conception is further supported by Bacha (2004).

Banks require inflow of funds from depositors and provide loans to the borrowers resulting in economic growth for the country and profit for the banks. According to Edmister (1982), fluctuations of banks' deposit prices have many impacts, among them are banks' yield spread between loan and deposit rates, customers' deposits decisions, banks' growth and banks' profitability. Rose (1991) also states that deposits pricing is the most effective tool to increase and shelter banks' profit. The levels of total deposit are shown to have an impact on banks' profitability in line with Haron and Azmi (2008) and Kassim et al. (2009) findings, where Islamic banking deposits are found to be influenced by conventional banks' deposit interest rate and monetary policy. Thus, this instigates the need to identify factors affecting Islamic banks' deposit and financing levels.

Given the country's setting of a dual-banking system, this could indirectly expose the risk of interest rates to Islamic banks, despite operating on an interest-free principle. Therefore, this study argues whether or not the performance of Islamic banks in Malaysia is affected by interest rates' movements. This study seeks to identify how fluctuations of interest rates affect the deposits and financing held in Malaysian Islamic banks. Studies on this relationship are scarce in literature (Mushtaq and Siddiqui, 2017).

The remaining part of this paper is organised as follows: Section 2 explains the literature review of both theoretical and empirical studies. Section 3 presents the methodology of this paper while Section 4 discusses the findings. Section 5 summarizes the whole paper and highlights recommendation as well as the future research.

2.0 Literature Review

2.1 Theoretical Literature Review

In theory, interest rate has two effects on savings which are (1) income effect and (2) substitution effect. Income effect solicits a negative relation between interest rate and savings, while substitution effect solicits a positive effect. In a classical literature on interest rate, Keynes (1936) states that interest rate influences customers' spending and tendency to them to save in the long run, i.e., from the excess of money after consumptions. Friedman (1957) further finds customers' ability to spend is determined by several factors namely; interest rate, wealth to income ratio, dispersion of transitory income's components, and age and structure of consumer units'. Many previous literatures have found inverse relationship between interest rate and customers' ability to spend (Wright, 1967; Taylor, 1971; Juster and Watchel, 1972; Juster and Taylor, 1975). Modigliani (1977) concludes that the negative effect of interest rate of demand is significantly universal. These classical literatures' empirical findings encouraged a plethora of research on the effects of interest rates on customers' savings behaviour. Notionally, the higher the interest rates, the more customers will save and thus reduce spending.

Deposit is vital to banks' profit and growth (Edmister, 1982; Rose, 1991; Haron and Ahmad, 2000; Haron and Azmi, 2008; Kassim et al., 2009; Abduh et al., 2011). It is the objective of a conventional bank to maximize profit and shareholders' wealth. With that, Islamic banks are under scrutiny when they share a similar intent as their conventional counterparts. This is due to the fact that one of the pillars of Islamic finance is to uphold *maslahah*, or the wellbeing of the masses. In the context of deposit and borrowing, any deposit to an Islamic financial institution will be channelled back in the form of financing for the betterment of Muslim communities. Therefore, deposit placement in an Islamic bank should not be motivated by profit, but rather to obtain the blessings of Allah. The Muslims' wealth should be used to strive in Allah's cause (The Qur'an, 9:20).

The business model of Islamic finance prohibits the practice of usury (*riba*) and emphasises on the transfer of physical assets. Furthermore, asset- and liability-based Shari'ah-compliant financing are grounded in the concept of profit-, loss-, and risk-sharing. Based on this notion, it would infer that Islamic banks are independent of conventional interest rate risks (Beck, Demirguc-Kunt, and Merrouche; 2010).

2.2 Empirical Literature Review

An Islamic bank's operation is asset-based as compared to a conventional's profit-based, resulting a more stable resistance against fluctuations and external shocks (Khan, 1986; Samad, 1999; Kaleem, 2000; Samad and Hassan, 2000; Kia, 2002; Kia and Darrat, 2007; Kassim et al., 2009; Ergec and Arslan, 2013). Following the fallout of the 1998 Asian financial crises, Malaysia has rigorously developed its Islamic banking industry as a protection mechanism against future crises, thus, becoming a country with a dual-banking system.

Darrat (1988) highlights that the Tunisian banking system is more stable without interest-related assets, signifying that the profit-and-loss-sharing system is better in comparison to the conventional system. This verdict is further supported by the studies of the Iranian economy that find the short- and long-run interest-free system more stable and impervious to external shocks (Kia, 2002; Darrat, 2002). In contrast, according to Kassim et al. (2009) despite using an asset-based and interest-free framework, Islamic banking is not free from interest rates fluctuations, especially in a dual-banking system. Empirical literature from different economies have highlighted mixed findings of conventional rates' affecting Islamic banks' deposits and financing.

Hassan et al. (2016) find that interest rates have no impact on deposits of Nigerian commercial banks. Mobin and Masih (2014) demonstrate that religious factors exists in Muslim customers' banking decisions and this is further supported by Tariq and Masih (2016) who use Generalized Method of Moments in investigating the impact of interest rates on risk-sharing deposits of 32 Islamic banks from 28 countries worldwide. The result highlights that there is no significant impact of interest rates on risk sharing deposits. In another study, Mushtaq and Siddiqui (2016) investigate interest rate impact on savings and investments in 17 Muslim and 17 non-Muslim countries. They conclude that interest rate has a positive insignificant impact on savings in Muslim countries, while it has a positive significant relationship with savings in non-Muslim countries.

On the contrary, studies of the dual-banking system in Turkey that uses Vector Error Correction (VEC) model show that interest rates affect both deposits and financing of conventional and Islamic banks (Hakan and Gulumser, 2011; Ergec and Arslan, 2013). While studies in the Nigerian economies have presented positive impact of interest rates on banks' deposits (Anthony, 2012; Ojeaga et al., 2013; Eriemo, 2014). Nigeria has the largest Muslim population among Western African countries.

Studies in the Malaysian setting beginning with Rosly (1999) find in the case of Bank Islam Berhad, a rise in interest rates causes its profitability to reduce, due to high reliance on fixed-rate financing. This highlights the fact that Islamic bank's liabilities are sensitive to interest rate changes. Findings by Kassim et al. (2009) support Rosly (1999) in which they use vector auto-regression method in examining the impact of interest rates on Malaysia's conventional and Islamic banks' deposits and financing. The study uses monthly data from 1999 to 2006 and concludes that Islamic deposits and financing are more sensitive to interest rate fluctuations compared to conventional banks. Haron and Ahmad (2000) find a negative relationship between the interest rate of conventional banks and deposits' rate of return of Malaysian Islamic banks, confirming a substitution effect. This result is supported by the findings of Kasri and Kasim (2009) for the Indonesian market.

Bacha (2004) uses Granger Causality in investigating causality (1) between conventional bank interest rate with Islamic banking rate of return and (2) between conventional fixed-deposit and Islamic bank's deposits. This study uses monthly data from 1994 to 2003 and finds causality for both objectives. The findings of How et al. (2005) surprisingly, highlight that

commercial banks with interest-free financing have lower credit and liquidity risks, but higher interest-rate risk compared to the banks without Islamic financing. Kaleem and Isa (2006) claim that Malaysian dual-banking system has allowed conventional banks to make higher profit due to the interest rate spread between two markets of conventional and Islamic. Haron and Azmi (2008) predict Malaysian banks' deposits behaviour using macroeconomic variables and find that interest rates influence deposit volume positively and negatively for conventional banks and Islamic banks respectively.

Chong and Liu (2009) conduct a time series study in Malaysia with data from 1995 to 2004. This study investigates the relationship between Islamic bank deposit rates with conventional fixed deposit rate. It highlights that Malaysian Islamic banks' deposits are not interest-free and majority of them are not using profit-and-loss-sharing modes. Another study in the Malaysian market, Zainol and Kasim (2010) use data from 1997 to 2008 and finds Islamic banks' rate of return and deposits are cointegrated and have a long-run equilibrium with conventional interest rates. Sukmana and Kassim (2010) also find a negative relationship between interest rates with Islamic deposits and financing, further highlighting that Malaysian customers are not hesitant in switching to conventional banks if the circumstances benefit them financially. Abduh et al. (2011) conclude that depositors believe Islamic banks to be more resilient compared to conventional banks. This study uses cointegration test and vector error correction model, with data from 2000 to 2010. The findings highlight that interest rate, profit rate and production growth have no significant effects on total deposits. However, inflation is found to have negative effect on total deposits.

Even though past empirical literatures from different economies show mixed findings, it is safe to say that interest rates' influence on Islamic banks exist. This study provides new perspective from the dual-banking system of Malaysia on the impact of interest rates' fluctuations on Malaysian Islamic banks. This study examines the influence of interbank rates, consumer price index, real exchange rates and industrial production index on Malaysian Islamic banks' total deposits and total financing. The Auto-Regressive Distributive Lag (ARDL) bound testing is applied to identify the short-term and long-term relationships of the investigated variables.

3.0 Methodology

The classical literatures of Keynes (1936) and Friedman (1957) are used as underpinning theories in developing the econometric model. The specification model is adapted from Ergec and Arslan (2013). This model uses Malaysian Islamic banks' total deposits and total financing as proxy for their performance. While for measure of interest rates, four independent variables are preferred; interbank rates (proxy for conventional interest rates), consumer price index (proxy for inflation rate), real exchange rates (proxy for value of currency) and industrial production index (proxy for industry's growth).

$$TD_t = \beta_0 + \beta_1 IBR_t + \beta_2 CPI_t + \beta_3 RER_t + \beta_4 IPI_t + \varepsilon_t \dots\dots\dots (1)$$

$$TF_t = \beta_0 + \beta_1 IBR_t + \beta_2 CPI_t + \beta_3 RER_t + \beta_4 IPI_t + \varepsilon_t \dots\dots\dots (2)$$

Where:

<i>TD</i>	=	Total deposits	<i>RER</i>	=	Real exchange rates
<i>TF</i>	=	Total financing	<i>IPI</i>	=	Industrial production index
<i>IBR</i>	=	Interbank rates	ε_t	=	Error term
<i>CPI</i>	=	Consumer price index			

The data of Malaysian Islamic banks' total deposits (*TD*) and total financing (*TF*) are obtained from the website of BNM. Data for interbank-rates (*IBR*), consumer-price index (*CPI*), real exchange rate (*RER*) and industrial production index (*IPI*) are obtained from the IHS database through official statistics. This study uses 12 years of monthly data from the period 2007 to 2018. The final sample of the study includes 144 observations. The study notes that the sample includes data from the time of a global financial crisis. The inclusion of data from this time frame is based on various past empirical literature that show the crisis has very little impact on Malaysian banking industry, both conventional and Islamic. Malaysian banking industry remained resilient and efficient during the 2008 global financial crisis (Abduh, Omar, and Duasa, 2011; Bourkhis and Nabi, 2013; Sarifuddin, Ismail, and Kumaran, 2015).

The development of hypotheses for this study are based on past literature. Firstly, an increase in interbank rates will make borrowing more expensive between bank, hence *IBR* is hypothesized to have a significant positive relationship with *TD* and a significant negative relationship with *TL*. Secondly, an increase in consumer price index indicates the country is experiencing inflation, hence *CPI* is hypothesized to have a significant positive relationship with *TD* and a significant negative relationship with *TL*. Thirdly, an increase in real exchange rates signify a decrease in the country's currency value, hence *RER* is hypothesized to have a significant negative relationship with *TD* and a significant positive relationship with *TL*. Lastly, an increase in industrial production index signals a high output production of the country's industries, hence *IPI* is hypothesized to have a significant negative relationship with *TD* and a significant positive relationship with *TL*.

The investigation starts with transforming all the variables into natural logarithms and later checked for stationarity. Stationary test is to assure that the variables' mean and covariance are constant over time. This test is imperative in avoiding spurious regression and affirming dependability of the results. The unit root tests of Augmented Dickey and Fuller (ADF) and the Phillips-Peron (PP) are employed for this purpose. The variables need to be stationary at I(0) and I(1), but not I(2).

$$lTD_t = \beta_0 + \beta_1 lIBR_t + \beta_2 lCPI_t + \beta_3 lRER_t + \beta_4 lIPI_t + \varepsilon_t \dots\dots\dots (3)$$

$$lTF_t = \beta_0 + \beta_1 lIBR_t + \beta_2 lCPI_t + \beta_3 lRER_t + \beta_4 lIPI_t + \varepsilon_t \dots\dots\dots (4)$$

Table 1: Unit Root Tests

Variables	ADF Test		PP Test		Decision
	Level	1 st Difference	Level	1 st Difference	
<i>ITD</i>	-3.3601 **		-3.3951 **		I(0)
<i>ITF</i>	-4.2019 ***		-4.7640 ***		I(0)
<i>IIBR</i>	-0.9285	-8.1212 ***	-0.8291	-7.8591 ***	I(1)
<i>ICPI</i>	-2.6776	-5.8281 ***	-2.1473	-5.7825 ***	I(1)
<i>IRER</i>	-0.9285	-8.1786 ***	-0.7787	-8.1214 ***	I(1)
<i>IIFI</i>	0.5445	-3.5139 ***	-1.4818	-39.3992 ***	I(1)

Note: *, **, and *** denotes rejection of null hypotheses at 10%, 5% and 1% significance levels.

4.2 Bounds Test

The ARDL bounds test is employed to confirm the existence of cointegration among the investigated variables, using the F-statistics of the coefficients. The findings are presented in Table 2. The first model with *ITD* as the dependent variable, reports an F-statistic that exceeds critical value at 1% (16.3295>4.787), which implies the existence of cointegration between interbank-rates, consumer-price index, real exchange rate, and industrial production index with Islamic banks' total deposits. In addition, the second model with *ITF* as the dependent variable also reports an F-statistic that exceeds critical value at 1% (8.4775>4.787), implying the existence a cointegration between interbank-rates, consumer-price index, real exchange rate and industrial production index with Islamic banks' total financing.

Table 2: Bounds Tests

Bounds test to cointegration				
Dependent Variable	<i>ITD</i>		<i>ITF</i>	
F-statistics	16.3295***		8.4775***	
Cointegration	Yes		Yes	
ARDL	ARDL(1, 0, 3, 4, 2)		ARDL(2, 1, 2, 0, 0)	
Maximum Lag	4		4	
Diagnostic test				
R-squared	0.9990		0.9994	
Adj R-squared	0.9990		0.9994	
Durbin Watson stat	2.0435		1.9618	
Significant Level				
	Critical Values		Critical Values	
	Lower Bounds	Upper Bounds	Lower Bounds	Upper Bounds
1% level	I(0)	I(1)	I(0)	I(1)
5% level	3.602	4.787	3.602	4.787
10% level	2.688	3.698	2.688	3.698
	2.303	3.22	2.303	3.22

Note: *, **, and *** denotes rejection of null hypotheses at 10%, 5% and 1% significance levels.

4.3 Diagnostic Tests

Table 3 reports the evidence of cointegration for both models of *ITD* and *ITF*. The findings for *ITD* model show that all variables (*IIBR*, *ICPI*, *IRER*, *IPI*) are significantly related to *ITD*. *IIBR* is found to be positively significant to *ITD*. The result shows a 1% increase in interbank rates, Islamic banks' deposit will increase by 4.0840%. This positive relationship indicates that depositors in Malaysia are not keen to transfer their deposits to conventional banks despite the higher return, signifying that the religious factor plays a role in Malaysian's banking decisions. This finding is in line with past empirical literatures (Haron and Ahmad, 2000; Bacha, 2004; Kassim et al., 2009; Kasri and Kasim, 2009; Zainol and Kasim, 2010; Abduh et al., 2011). Secondly, *ICPI* is found to be negatively significant to *ITD*. The result shows a 1% increase in consumer price index, Islamic banks' deposit will decrease by 0.5750%. This result indicates that Malaysian depositors withdraw more money from their deposits during inflation due to high expenses. Haron and Azmi (2008) and Abduh et al. (2011) found similar findings. Thirdly, *IRER* is found to be negatively significant to *ITD*. The result shows a 1% increase in interbank rates, Islamic banks' deposit will decrease by 1.4476%. This implies that the value of the country's currency increases during high trade competition, making imports cheaper, resulting in depositors withdrawing their money for excess spending. This finding echoes with past literatures of Kassim and Majid (2010) and Karim et al. (2012). Lastly, *IPI* is found to be positively significant to *ITD*. The result shows a 1% increase in interbank rates, Islamic banks' deposit will increase by 1.8478%. The finding indicates that an increase in banks' productivity lead to higher deposits from customers for investment purposes. This finding is supported by Abduh et al., (2011).

Next, the findings for *ITF* model show that only three variables (*IIBR*, *ICPI*, *IRER*) are significantly related to *ITF*. *IPI* is found to be a non-significant influence of Islamic bank's total financing. The *ITF* model is reported using Newey-West's coefficient covariance matrix to correct for heteroscedasticity problems. Firstly, *IIBR* is found to be positively significant to *ITF*. The result shows with a 1% increase in interbank rates, Islamic banks' financing will increase by 1.3204%. This positive relationship implies that Malaysian customers opt to Islamic banks during high interest rate, to capitalize on the fixed-rates. Ergec and Arslan (2013) support this finding. Secondly, *ICPI* is found to be negatively related to *ITF*. The result shows a 1% increase in consumer price index will decrease Islamic banks' financing by 0.5822%. This result indicates that Malaysian customers borrow less during high inflation period due to the trade-off between the value of borrowed money and the cost of borrowing. This finding is in line with Boyd et al. (2001) and Haron and Azmi (2008). Lastly, *IRER* is found to be negatively related to *ITF*. The result shows a 1% increase in interbank rates will decrease Islamic banks' financing by 0.2680%. A high exchange rate signifies an increase in value and demand of the country's currency due to high trade. This causes interest rate to rise and borrowing become expensive, hence reducing financing needs from customers. These results are comparable with Kassim and Majid (2010) and Karim et al. (2012).

Table 3: Long-run and Short-run ARDL

Dependent Variable	<i>ITD</i>		<i>ITF</i>
<u>Long-run Model</u>			
<i>Constant</i>	-12.2699*** (-7.6124)	<i>Constant</i>	7.5182*** (5.2544)
<i>IIBR</i>	4.0840*** (5.2062)	<i>IIBR</i>	1.3204*** (3.0432)
<i>ICPI</i>	-0.5750*** (-3.3244)	<i>ICPI</i>	-0.5822*** (-4.2176)
<i>IRER</i>	-1.4476 (-6.4993)	<i>IRER</i>	-0.2680*** (-2.0582)
<i>IIPi</i>	1.8478*** (3.0690)	<i>IIPi</i>	-0.1997 (-0.9918)
<u>Short-run Model</u>			
$\Delta IIBR_t$	-0.1600 (-0.5645)	ΔITF_{t-1}	0.5018*** (8.1104)
$\Delta IIBR_{t-1}$	-0.2076 (-0.6554)	$\Delta ICPI_t$	-0.0282*** (-2.0461)
$\Delta IIBR_{t-2}$	-0.7550*** (-2.3483)	$\Delta ICPI_{t-1}$	0.0433*** (3.0652)
$\Delta IIBR_{t-3}$	-0.5511** (-1.8060)	$\Delta IRER_t$	0.0262 (1.443)
$\Delta IRER_t$	-0.0644 (-0.8541)	ECM_{t-1}	-0.0365*** (-7.2658)
$\Delta IRER_{t-1}$	-0.0566 (-0.7076)		
$\Delta IRER_{t-2}$	0.2714*** (3.5796)		
$\Delta IIPi_t$	0.0017 (0.0458)		
$\Delta IIPi_{t-1}$	-0.0657** (-1.1796)		
ECM_{t-1}	-0.0841*** (-10.0944)		

Note: *, **, and *** denotes rejection of null hypotheses at 10%, 5% and 1% significance levels.

The model also measures long-run cointegration through the coefficients of the Error Correction Model (*ECM*) i.e. ECM_{t-1} . *ECM* measures the speed of adjustment to restore equilibrium in the dynamic model, from short-run disequilibrium to long-run equilibrium. A negative and highly significant *ECN* coefficient signifies the presence of long-run cointegration.

The first model with *ITD* as the dependent variable has an ECM_{t-1} with a magnitude of -0.0841 and it is statistically significant at 1%. This implies that the speed of adjustment to equilibrium is 8.41%, which means Malaysian Islamic banks total deposits will be adjusted by 8.41% percent of previous year's deviation from the equilibrium. This implies that any short-

run deviation will take approximately 11.9 months before converging back to the equilibrium path.

The second model with *ITF* as the dependent variable has an ECM_{t-1} with a magnitude of -0.0365 and it is statistically significant at the 1% level. This result implies that the speed of adjustment to equilibrium is 3.65%, which means Malaysian Islamic banks total financing will be adjusted by 8.41% percent of previous year's deviation from the equilibrium. This result also suggests that it will take about 27.4 months to move back towards long-run equilibrium from any short-run deviation.

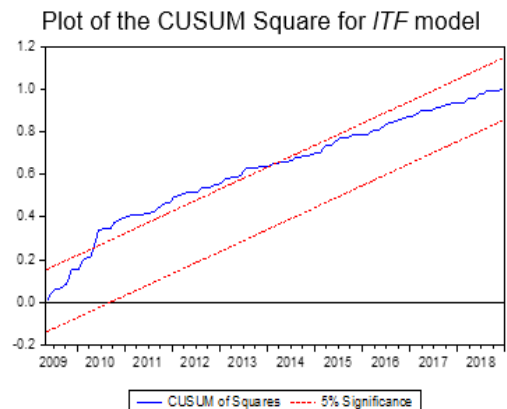
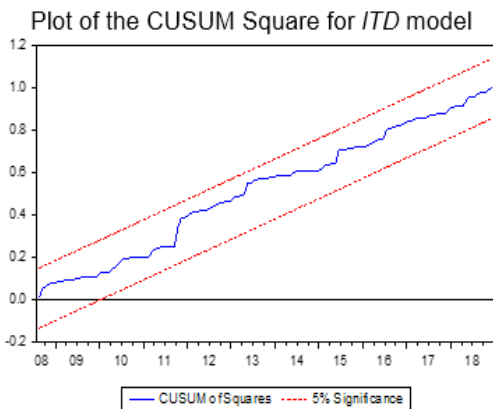
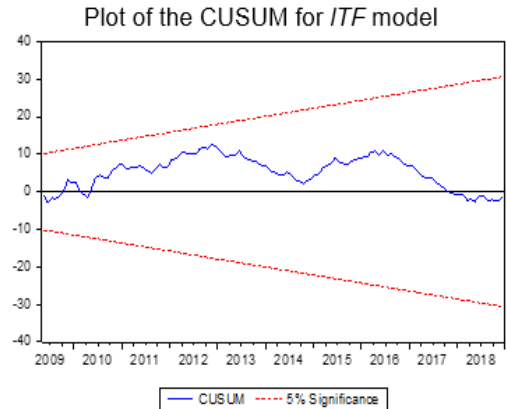
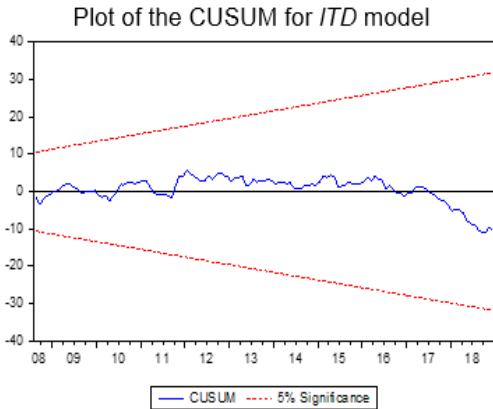
4.4 Robustness Check

Table 4: Diagnostic Tests (LM)

Dependent Variable	<i>ITD</i>	<i>ITF</i>
Serial Correlation	0.7422 (0.5006)	0.8005 (0.4831)
Heteroscedasticity	0.6302 (0.8160)	6.1587 (0.0000)
CUSUM	Stable	Stable
CUSUM Square	Stable	Stable

Note: Probability of the diagnostic test is reported in parenthesis (...).

Further diagnostic tests are done to check the robustness of the study. The diagnostic tests are serial correlation and heteroscedasticity, and Cumulative Sum of Recursive Residuals (CUSUM) stability tests of the CUSUM and CUSUM Square. The tests are performed based on the models' ARDL estimations. Table 4 shows that the model with *ITD* as dependent variable has no problem of serial correlation and heteroscedasticity. However, the model with *ITF* as dependent variable has no problem of serial correlation, but a heteroscedasticity problem is present. Hence, the *ITF* model is reported using Newey-West's coefficient covariance matrix to correct this problem. Furthermore, based on the CUSUM and CUSUM Square tests, both models are found to be stable since the sample paths were within the critical region. The stability test results are further illustrated in Figure 1 and Figure 2.



1.0 Conclusion

Central bank of a country uses interest rates in influencing money supply to combat recession or inflation. Currently, most developed economies are pushing for lower interest rates to boost short-term growth. However, this strategy has yet to show any significant impact. Fluctuation of interest rates have not always yield results that it was theoretically intended. Alternatively, economies with dual-banking systems have empirically proven to be resilient against many financial crises, providing protection from interest rates risk (Khan, 1986; Kassim et al., 2009; Ergec and Arslan, 2013). Notionally, Islamic banks' nature of asset-linked basis should be independent of interest rates' movements (Samad, 1999; Kaleem, 2000; Samad and Hassan, 2000).

The question of whether interest rates bear no hazard to Islamic banks' performance has been investigated. This study investigates the impact of interest rates on Malaysian Islamic banks' deposits and financing. Interbank-rates, consumer-price index, real exchange rate, and industrial production index, are selected as measures of conventional interest rates. The data consisted of 144 observations of monthly data from 2007 to 2018. ARDL bounds test is

used to study if the cointegration property existed.

The findings highlight that interest rates do affect Malaysian Islamic banks' deposits and financing, which is in line with Abduh et al. (2011) and Ergec and Arslan (2013). Interest rates are found to have a long-run cointegration relationship with both deposits and financing. Interbank rates are found to be significant in affecting both deposits and financing positively. This result signifies that Malaysian are (1) not keen to switch banks despite the higher return offered by conventional counterparts and (2) prefer the fixed-rate financing. This result implies unwavering loyalty of Malaysian towards Islamic banks and provide some evidence that the religious factor plays a role in Malaysian banking decisions.

This study provides further understanding on the behaviour of Malaysian Islamic banks' customers. Other proxies of inflation, value of currency and industry's growth are also found to significantly affect Islamic banks' deposits, while only proxy of industry's growth is not significant in affecting Islamic banks' financing. Inflation and value of currency tend to reduce Islamic banks' deposits and financing. The growth of banking industry is found to positively affect only Islamic banks' deposits.

Additionally, any short-run deviation will take about 11.9 months and 27.4 months before Islamic banks' total deposits and total financing converge back to the equilibrium path respectively. This study proves that Islamic banks' deposits and financing are susceptible to conventional interest rate changes, especially in dual-banking system. The implication of this research is that the government should pay attention on the design of monetary policies as it could influence both conventional and Islamic banks. Islamic banks can exploit these findings from their risk management perspective. This study also contributes indirectly to the public sector as such they can strategize their borrowing in case, they need more capital. As for future research, the methodology of this study can be applied in a different dual-banking economies and different statistical methods can be used to provide a deeper understanding on the subject matter.

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