International Journal of Innovation, Creativity and Change. www.ijicc.net
Volume 13, Issue 3, 2020

Financial Statement Fraud: Evidence from Prospective Accounting Practitioners

Noreena Md Yusoff[a*], Rina Fadhilah Ismail[b], Nur Hayati Ab Samad[c], Nurulhuda Abd Rahman[d], [a,b,c,d]Faculty of Accountancy, Universiti Teknologi MARA, Malaysia, Email: [a*]noree692@uitm.edu.my

Prevention is better than cure. Past actions with adverse effects could be used as guidance for future generations. The occurrences of the Enron scandal and the WorldCom scandal are two examples of financial statement fraud cases that involved accounting professionals. Such events inflict the companies with substantial financial losses and give the accounting profession a bad reputation. Thus, this study was carried out to identify the determinants that drive accounting practitioners to commit such frauds by using the Theory of Planned Behaviour, which explains three factors of human behaviour that could influence someone's intention in doing something. A survey questionnaire was used to collect data among potential accounting practitioners in a public university in Selangor. The results showed a significant positive relationship between subjective norms and perceived behavioural control towards behavioural intentions to commit financial statement fraud. Based on the findings, it is suggested that preventive measures against fraud in financial statements can be done by providing potential accounting practitioners with suitable knowledge and instilling awareness among them about the importance of focussing on ethical considerations when making decisions.

Key words: *Theory of Planned Behaviour, Prospective Accounting Practitioners, Financial Statement Fraud, Ethical Considerations and Malaysia.*

Introduction

Creative accounting, corporate scandals and white-collar crime are several examples of intentional frauds that have occurred among accounting practitioners. These frauds are related to the financial statements prepared by them. According to the Malaysia Financial Reporting Standard (MFRS), financial statements are supposed to represent the financial state of the organisation and should be transparent; thus, they can be used to assist users in making a decision. Based on this assumption, executives and employees are expected to conduct business with integrity. However, because of some pressures and opportunities, practitioners cook the books and alter the accounts of their firm intentionally (Wayman, 2018). Although fraud and error are sometimes mistaken as similar terms and used to represent one another, both words are defined differently. Fraud is a deliberate act, conducted by an individual, often for a financial gain, while an error usually occurs unintentionally.

Based on the Global Fraud Study 2016, it was found that financial statement fraud had caused a loss of $975,000 among the selected cases for the survey. The amounts of damages suffered by the parties involved were significant, and thus, this situation greatly emphasised the need for a study on the area. As defined by the Treadway Commission (1987), financial statement fraud is intentional or reckless conduct which results in misleading the financial statements materially. It includes falsification, manipulation or alteration of financial records (Wayman, 2018). ACFE Report (2016), Kroll (2016) and EYGM Limited (2016) reported unethical behaviour cases based on collected responses on the occurrences of financial statement fraud and the fraud cases reported over the years. The reports showed that the increase in cases was becoming more and more significant from year to year. Although the unethical behaviour of the executives was not recorded comprehensively in the reports, this issue has undoubtedly become a concern. The rising rate of financial statement fraud is alarming and is associated primarily with the behavioural intentions of the individuals.

According to Mazlan (2019), one of Malaysia's most sought-after jobs is that of accountant. Nowadays, the job scope of an accountant is not only limited to the preparation of financial statements, but is also extended to assisting the management in the decision-making process. This indicates that graduates from the accounting program should possess strategic thinking skills and an ability to convey information confidently. Ethical consideration is essential in a process involving decision making (Zeni et. al., 2015). Andersen and Klamm (2018) stated that an accountant is a professional who is bound with a professional code of conduct and has a responsibility to the organisation as well as to the public. Thus, it was expected that accounting practitioners should not take any actions that could impair their judgement or decisions made by them.

Noor and Mohd documented the relationship between financial statement fraud and human behaviour in 2008. They found that the occurrences of financial statement fraud and fraudulent financial reporting were due to human behaviour. The study was closely related to the behavioural factor, working environment, norms, and the ways that the nurtured ethical culture could influence the attitude of the employees and accounting practitioners. However, Puspasari and Suwardi (2016), in their article, suggested that individuals with high moral principles would not commit accounting fraud, even without the exercise of internal controls.

As stated by the Department of Statistics Malaysia, in the fourth quarter of 2019, around 48 thousand jobs were vacant and ready to be filled by skilled graduates. According to Riddle (2017), skilled graduates can be defined as graduates who have at least a bachelor's degree qualification and are capable of exercising their judgement in a particular trade or industry. Accounting jobs are categorised as a skilled occupation since they involve various accounting skills, which are regarded as technical skills as well as judgmental skills in the accounting field. Due to that, with the sample of the prospective accounting graduates, this study examined their behaviour towards the possibility of the occurrences of financial statement fraud. The findings were expected to provide some guidance for them before they join the industry. This would present the answers to the first objective of the study. Meanwhile, the second objective is to know the extent of their knowledge about financial statement fraud.

Literature Review

In a book written by Rezaee and Riley (2010), financial statement fraud is mentioned as a form of occupational fraud, which often starts with a small misstatement or earnings management in quarterly financial reports that are not supposed to be material, but eventually grows into full-blown fraud and produces materially misleading annual financial statements. As defined in the Global Fraud Study 2016, occupational fraud is the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organisation's resources or assets. From this study's perspective, a prospective accounting practitioner who may be involved in the preparation of the financial statement would be the most eligible person to make the fraudulent reporting for personal reasons, or as being told by management. Although reporting standards have already been put in place and some of the professionals agree that it might help to reduce accounting frauds, Bozkurt et. al., (2013) argued that the norms that have already been practised by the individuals in the organisation could not be ignored. Due to that, Crumpton (2012) suggested that a closer look should be taken at the organisation; and the management itself should take proper actions and make use of their power to enhance their ethical leadership.

Reinstein et. al., (2006) documented that financial statement fraud begins with financial and moral problems in the company, which has a lack of control of the environment. This is especially prominent in a workplace environment which allows colleagues within the same department to oversee the suspicious behaviour of other colleagues in dealing with transactions and recordings. Taking into account the corporate scandals that have been reported through the decades, Soltani (2014) proposed a comparative analysis of corporate failures, and he identified that one of the contributing factors towards the significant corporate accounting failures is ethical dilemmas, which results from the poor moral climate at the workplace. Ethical considerations play an essential part in behavioural observations since an individual would react to the surrounding and norms around them.

Studies on human behaviour have involved several theories; Gottschalk (2010) suggested that several theories of financial crimes can explain the organisational phenomena of financial crime and how they happened. He labelled the theories 'the behavioural theory of financial crime, the organisational theory of financial crime and the managerial theory of financial crime'. The behavioural theory suggests that the actions taken by the individuals to commit fraud are mainly due to their growing attitude and leaning towards the intention to commit fraud.

Mustikarini et. al., (2008) used the Theory of Planned Behaviour (TPB) to study the effects on the intention of a group of accounting students to commit academic dishonesty, and they concluded that there is a relationship between the attitude, subjective norms, and control over the intention to commit crimes. TPB is an extension from the Theory of Reasoned Action (TRA), and the element of control was later included in the theory. An individual's decision to engage in a particular behaviour is based on the outcomes that the individual expects as a result of performing the action. Behavioural intentions are essential to the theory because these intentions are determined by attitudes towards behaviours and subjective norms (Fishbein and Ajzen, 1975).

Research Methodology

From the literature presented in the previous section, a conceptual framework was developed based on the Theory of Planned Behaviour (Fishbein and Ajzen, 1975). The Theory of Planned Behaviour is a model that has been studied extensively from the aspect of social psychology, which is related to the determination of the consciously aimed behaviour of a person (Ajzen and Madden, 1986). Later, Ajzen (1991) emphasised a high accuracy of using this theory to predict the intentions influencing personal behaviour. Nine years later, Fishbein and Ajzen (2010) found that TPB is influenced by the behaviour of the person as well as by the existing intention in relation to the manner of behaviour and the control of real behaviour, which affects the intention of behaviour.

As discussed earlier, the TPB was used extensively in this study. This study analysed the influence of attitude towards behaviour, subjective norms, and perceived behavioural control and how these variables, as part of ethical considerations, affected the occurrence of financial statement fraud. In other words, this study examined the behaviour of prospective accounting practitioners toward financial statement fraud. This study also highlighted the subjective norms, whereby the opinion of a person was examined in term of its influence on their behaviour, and whether their behaviours contributed to financial statement fraud. On the other hand, the perceived behavioural control is an assumption or prediction on the ability of a person to perform a certain behaviour. Based on these three independent variables, the hypotheses of this study are developed.

Hypotheses Development

Attitude towards behaviour (ATB) is a general feeling about how an individual feels when performing specific actions. Mosquera (2016) stated that attitude is generally viewed as a person's overall evaluation of an object, person or place, which also has a fundamental influence on subsequent intentions and behaviour. For example, an attitude towards unethical behaviour is more likely to happen if the behaviour is rewarded instead of punished. In other words, when an individual commits an unethical action once, and they are not penalised, their positive attitude towards the unethical action intensifies, and as a result, they regard it as a right thing to do. Thus, they are more willing to behave unethically to reach their goals. In this study, ATB was measured in terms of how the practitioners would react to financial statement fraud issues when the issues were brought to them. Carpenter and Reimers (2005) proved that there is a positive relationship between attitude and behavioural intentions. In a much more recent study, Hays (2013) suggested that a positive correlation is proven between attitude towards a specific behaviour and a behavioural intention. Both studies indicated a positive relationship between the two variables. Thus, based on the arguments presented, the following hypothesis was proposed:

H1: There is a significant relationship between attitude towards behaviour and the intention to commit financial statement fraud.

Individuals often look upon trustworthy and skilled individuals whom they take as sources to form their opinions. Leadership and culture play a critical role in the success and effectiveness of management control systems within an organisation. Within the workplace, supervisors and superiors are role models of whom the employees have a high opinion. With that being said, subjective norms (SN) are an individual's perception that opinions about the behaviour of the people who are close to them influence the people’s behaviour. Keeping alert about the good and the bad things is as equally important as how employees should conduct themselves in a workplace to shape ethical behaviour. Mosquera (2016) also commented regarding SN, which represents the social influence exerted by the people who are closest to the individual on their behavioural decision-making. The individual takes into consideration the beliefs and choices of the people who are the closest to him when he has to make a behavioural decision. Hays (2013) and Carpenter and Reimers (2005) suggested that there is a positive relationship between SN and behavioural intentions. Based on the arguments presented, the following hypothesis was proposed:

H2: There is a significant relationship between subjective norms and the intention to commit financial statement fraud.

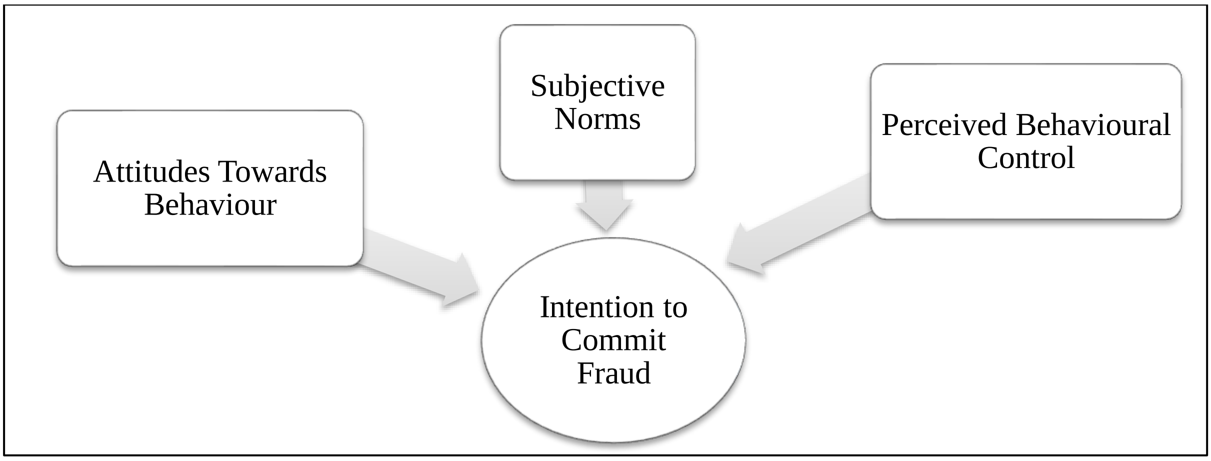
Meanwhile, Mosquera (2016) stated that perceived behavioural control determines the ease or difficulty that is experienced by an individual in carrying out a particular behaviour, which depends on the individual's viability in terms of the necessary resources, time and opportunities to carry it out.

Perceived behavioural control (PBC) is the perceived ease or difficulty in carrying out an action or behaviour. With regard to financial decisions, Carpenter and Reimers (2005) referred to managers who are the decision-makers as the people who should have controls, and they also questioned the influence and actual power of a manager: how does an individual feel when control is present and when they behave positively or based on past experiences? Are they entitled to display their behaviour in that manner? When the issue of financial statement fraud is being brought up, how does the individual with little control react? Would he or she be affected by the perceived control, or could he or she refrain from behaving unethically? Hays (2013) suggested a positive relationship between PBC and behavioural intentions. Thus, with regard to the arguments presented, the following hypothesis was proposed:

H3: There is a significant relationship between perceived behavioural control and the intention to commit financial statement fraud.

Figure 1 illustrates the schematic diagram of the underlying conceptual model of this study, which is based on the Theory of Planned Behaviour. The model conjectures that attitude towards behaviour (ATB), subjective norms (SN), and perceived behavioural control (PBC) may indicate the ability of a potential accounting practitioner to commit financial statement fraud (based on the knowledge about financial statement fraud). Indirectly, this study conjectured that the intention of potential accounting practitioners to adjust the financial statement figures might be influenced by their attitude towards behaviour, subjective norms, and perceived behavioural control.

Figure 1. Conceptual Framework



Sample Data

The sampling frame of this study was undergraduate accounting students who had undergone six months of practical training in an accounting firm. They were also known as potential accounting practitioners who would then be graduated around the beginning of the year 2020. The present research employed a self-administered questionnaire as an instrument of data gathering. The respondents were selected based on the purposive sampling method. For this study, 112 questionnaires were distributed to the potential accounting practitioners at one of the public universities situated in Selangor, Malaysia. After the surveys, the distributed questionnaires were collected back, and it was found that a total of 112 questionnaires were returned, making the percentage of the return rate as 100%.

Survey Instruments

The survey questions adapted in this study were composed based on a hypothetical situation. The drawn-up cases were used to determine the actions of the potential accounting practitioners as to whether they made any adjustments to the financial statements to reflect better performances of the company. The survey questionnaires for the present study consisted of three sections. Section A contained three questions that were designed to obtain general information about the respondents, such as gender, age, and department during practical training. Section B comprised of independent variables items – this measures the unethical financial reporting intention such as ATB, SN, and PBC. Finally, Section C focussed on the extent of knowledge about financial statement fraud. The constructs were measured on a seven-point Likert scale with the anchors of (1) "strongly disagree" to (7) "strongly agree".
In the preliminary analysis of the data collected, the reliability assessment of the scales was carried out by calculating the values of the Cronbach's alpha separately for each subscale. According to Sekaran and Bougie (2016), the reliability coefficient test indicates how well the

items in a set are positively correlated with one another. Variables are considered as reliable if the Cronbach's alpha value is set to 0.7 and above (Hair et.al., 2014; Pallant, 2016). Table 1 depicts that ATB construct was represented as the highest Cronbach's alpha value with α = 0.939. Meanwhile, the values of other variables were highly satisfactory for all subscales (α > .70). Therefore, all constructs were considered acceptable based on the evaluation of internal consistencies because each alpha value of the Cronbach exceeded the required threshold.

Table 1: Reliability Results with Cronbach's Alpha Coefficient

Variables	Cronbach's Alpha	Items
Attitude towards Behaviour (ATB)	.939	5
Subjective Norms (SN)	.921	5
Perceived Behavioural Control (PBC)	.756	5
Financial Statement Fraud (FSF)	.812	5

Next, multi-collinearity testing was conducted to examine the relationships among the independent variables. Multi-collinearity exists when the independent variables are highly correlated, with the *r* value of more than 0.9 (Pallant, 2016). The correlation coefficient results between the variables are indicated in Table 2. All the independent variables showed at least some positive relationship with the dependent variable, and the correlations between independent variables were less than 0.9.

Table 2: Pearson Correlation Coefficient Results

	FSF	ATB	SN	PBC
FSF	1			
ATB	.331***	1		
SN	.348***	.673***	1	
PBC	.408***	.457***	.405***	1

Note: The correlation was significant at *** 1% level, ** 5% level and * 10% level, respectively, using two-tailed tests.

To further check for multi-collinearity, a collinearity diagnostics test (tolerance and VIF values) was conducted. As shown in Table 3, the tolerance values found were higher than 0.10, and the VIF values were lower than 10; hence, no multi-collinearity problem existed (Pallant, 2016).

Table 3: Collinearity Diagnostics Results

Variables	Collinearity Statistics	
	Tolerance	VIF
ATB	0.506	1.975
SN	0.535	1.870
PBC	0.774	1.292

Results and Discussions

Table 4 provides a snapshot of the demographic characteristics of the respondents who were grouped into the following profiles, such as gender, age, and their department during practical training. The participants responding in this study were dominated by female potential accounting practitioners out of which there was a total of 94 (83.9%) female respondents, and 16.1% male respondents. All of the respondents were in the age group between 21 and 25 years old. The majority of the respondents were attached to more than two departments (33.9%) during their practical training, followed by the auditing department (32.1%). Besides that, there were about 23 (20.5%) potential accounting practitioners who were assigned under an accounting department.

Table 4: Demographic Profile of Respondents

Variables	Descriptions	Frequencies	Percentages
Gender	Male	18	16.1
	Female	94	83.9
Age	21 to 25 years	112	100
Department During Practical Training	Accounting	23	20.5
	Auditing	36	32.1
	Management Accounting	1	0.9
	Taxation	10	8.9
	Management Services	1	0.9
	Performance Evaluation	3	2.7
	More than 2 Departments	38	33.9

Factors Associated with Financial Statement Fraud

This section discusses the results for the first objective, which is to investigate the factors associated with financial statement fraud among the potential accounting practitioners. The summary results of the standard multiple regression analysis on the factors associated with financial statement fraud are presented in Table 5. The regression of model ($F(3, 112) = 9.518$, p-value = $.000^{***}$) was significant at 1%, and the overall fit of the model was low with the R^2

value of 20.9% of the variation in the financial statement fraud. This indicates that the predictor variables in the model explained approximately 20.9% of the total variability in the financial statement fraud.

Table 5: Standard Multiple Regression Results on the Factors Associated with Financial Statement Fraud

	Hyp.	Std. Beta Coeff	*t*-statistic	*p*-value
Intercept			9.597	.001***
ATB	H_1	.705	0.620	.537^{NS}
SN	H_2	.174	1.490	.013**
PBC	H_3	.303	3.118	.002***
Model Summary:				
R^2 value				20.9%
ANOVA Results:				
F-value				9.518
Sig. value				.000***
Obs.				112

Note: The association was significant at *** 1% level, ** 5% level, respectively, using two-tailed tests.

Based on Table 5, it is indicated that although ATB was positively related to financial statement fraud among potential accounting practitioners (t = 0.620, p > 0.05), this association was not significant. Thus, this result does not support H_1. This result indicates that the respondents were not in favour of fraud in financial statements reporting. The respondents revealed that they could only do it if it was stated in their job scope, or it was in line with the company's interest. However, concerning rewards, they had no intention to commit financial statement fraud. This is in contrast with previous findings that attitude towards behaviour is a significant predictor of behavioural intentions (Ajzen and Fishbein, 1980). However, this result is consistent with an argument by Ajzen (2005), which states that any individual who believes that attitudes can bring positive results also has positive attitudes on behaviour and vice versa. In a study in Indonesia, Anggraini and Siswanto (2016) found that the attitude of internal auditors does not influence the intention to act unethically, i.e. intention to commit fraud.

Next, SN was found to be positively related to financial statement fraud among potential accounting practitioners (t = 1.490, p < 0.05), thus supporting H_2. This finding is consistent with the prediction that the stronger the perception of an individual about referent groups' thinking that the individual should engage in a behaviour, the more likely the individual will intend to carry out such behaviour (Fishbein and Ajzen, 1975). This result is also in tandem with previous studies which found that the intention to engage in unethical behaviour is

positively related to the subjective norms (Anggraini and Siswanto, 2016; Awang and Ismail, 2018; Siallagan et. al., 2017). Further, Awang et. al., (2017) found a significant positive relationship between SN and the intention for fraud in financial reporting among Muslim accountants. Typically, people are prone to behave in accordance with their social group, which comprises colleagues and all people in the surroundings. In the case of financial statement fraud in this study, it was found that when an individual perceived that his or her referent group members, such as colleagues or individuals who were most respected or admired in the company, would approve or support the violation of a generally accepted accounting principle, it was highly likely that the individual would violate such principles. Thus, unethical financial statement reporting was committed by the practitioners to meet earnings predictions so that the company's recorded profit would appear to be favourable to any potential investors.
Finally, the findings supported H_3 with a significant positive association between PBC and financial statement fraud among the potential accounting practitioners (t = 3.118, p > 0.05). This result indicates that PBC can mitigate the influence of potential accounting practitioners' intention in committing financial statement fraud. The respondents revealed that they were able to restrain themselves from committing the fraud, and they were in a position which enabled them to decide on their own what to do. Taken together, this means that if the respondents viewed or perceived that it was easy to make a few adjustments to the financial statements; they would be concerned with their intention to make the adjustment, which in turn would form fraud. This finding is consistent with a discovery in prior research, which found a strong relationship between an individual's perceived behavioural control and his behavioural intention concerning ethical issues such as in procurement fraud (Putra et. al., 2018; Zulaikha and Hadiprajitno, 2016), insurance fraud (Triastuti et. al., 2019), financial reporting fraud (Donelson et. al., 2017), and tax compliance fraud (Novianti and Dewi, 2018).

The Extent of Knowledge on Financial Statement Fraud

The second research objective of this study is to identify the extent of knowledge about financial statement fraud. Table 6 reveals the results of the sample *t*-test analysis on the extent of the knowledge about financial statement fraud among the potential accounting practitioners. The result shows that the potential accounting practitioners fairly agreed that they had the knowledge about the financial statement fraud (t = 61.513; p-value = .000), and it was statistically significant at 1%. Respondents revealed that they were well aware that committing financial statement fraud is a crime.

Further, they agreed that an occurrence of financial statement fraud involves intentional deceit. However, they argued that if it was not material, it was acceptable to adjust a figure in a financial statement. According to the respondents, any adjustments that were made in a financial report needed to be concealed.

Table 6: The Extent of Knowledge on Financial Statement Fraud

Variable	n	Mean	One-Sample *T*-Test	
			t-statistic	*p*-value
Knowledge on FS Fraud	112	4.629	61.513	.000***

Note: The results were significantly different at the *** 1 per cent level and ** 5 per cent level, respectively, using two-tailed tests.

Next, this study also examined whether there were any significant differences in the knowledge about financial statement fraud among the potential accounting practitioners based on gender differences. Table 7 shows that there was a significant difference in the extent of knowledge about financial statement fraud among the potential accounting practitioners according to gender variable ($F = 8.441$; p-value $< .05$) and it was statistically significant at 5%. The result reveals that the female potential accounting practitioners were found to have slightly higher knowledge about financial statement fraud compared to the male potential accounting practitioners. This result indirectly indicates that whatever the cause, female potential accounting practitioners would be expected to report financial statement figures more honestly. This result is consistent with an argument by Pekkarinen (2015), which stated that female practitioners are less willing to take risks in competitive situations compared to men, resulting in poorer performance among female practitioners.

Table 7: The Extent of Knowledge on Financial Statement Fraud Based on Different Gender

Gender	n	Knowledge on FS Fraud		Independent Sample t-test	
		Mean	SD	F-test	*p*-value
Male	18	4.489	1.061	8.441	.023**
Female	94	4.655	0.739		

Note: The results were significantly different at the *** 1 per cent level and ** 5 per cent level, respectively, using two-tailed tests.

Conclusion

The findings of this study indicate that both SN and PBC have a significant influence on the financial statement fraud intention among the selected potential accounting practitioners. The findings also show that the Theory of Planned Behaviour (Fishbein and Ajzen, 1975) is relevant in predicting financial statement fraud intention in the preparation of the company's financial statements, thus further broadening the application of the model in the context of a highly regulated industry. Additionally, the findings also provide a better understanding of the factors which are associated with unethical financial statements reporting intention to the top management of accounting firms. Specifically, the findings serve as a preventive measure against fraud in financial statements reporting by providing accountants as well as auditors with some prior knowledge of the potential factors, namely, SN and PBC that can lead to fraud in financial statements reporting. Relating to this study, identifying the factors influencing fraud in financial statements reporting may help to reduce some of the possible litigation costs and remove any blemish on the profession's reputation (Humpherys et. al., 2011).

This study also contributes in terms of accounting firms' recruitment policies. The findings suggest that testing for personality characteristics, including behavioural intentions, can be incorporated into the screening of the application process for the positions of accounting practitioners, to supplement a review of their background and their employment history. This kind of pre-employment screening can be useful for facilitating the hiring of honest accountants as an effort to minimise the risk of fraud, as it allows a proper review to be done on the individuals to be recruited (Akeem, 2015). Moreover, as this study examined the potential participants in the financial statements reporting process, the findings give a better insight to the public on the unethical financial statements reporting intention of the participants at different job levels, who are being entrusted to manage accounting affairs. Lastly, this study shows the suitability of the TPB for data analysis in the field of accounting ethics.

However, the findings need to be interpreted with consideration about their limitations. First, the scenarios used in the survey of respondents of this study were only hypothetical situations for the investigation. Hence, the responses collected only represent, at best, the tendencies of potential accounting practitioners' unethical financial reporting intentions. Second, the purposive sampling technique used was only a representative of the potential accounting practitioners' population in one of the public universities offering an accounting program in Selangor. Hence, the results can only be generalised to these potential practitioners, and not to other potential accounting practitioners from other universities. Future research can be extended to include prospective accounting practitioners from other public universities and even private universities by incorporating the relevant scenarios to enhance the comparison of research results. Additionally, the influence of ethical judgement on unethical financial statement fraud intention using the TPB can be incorporated in future research to measure behavioural intentions in the industry. In conclusion, the current study provides insightful information on the influence of attitude, subjective norms, and perceived behavioural control on the behavioural intentions of potential accounting practitioners.

Acknowledgement

We highly appreciate UiTM Selangor and Faculty of Accountancy for providing research time, facilities and financial support. This research was supported by DUCS Grant, UiTM Selangor under Grant No. 600-UiTMSEL (PI.5/4) (017/2018).

REFERENCES

Ajzen, I. and Fishbein, M. (1980), *Understanding Attitudes and Predicting Social Behavior*. Upper Saddle River, NJ: Prentice-Hall.

Ajzen, I. and Madden, T. J. (1986). Prediction of goal directed behavior: Attitudes, intentions, and perceived behavioural control. *Journal of Experimental Social Psychology*, 22, 453-474.

Ajzen, I. (1985). From Intentions to Actions: A Theory of Planned Behavior in J. Kuhl and J. Beckmann (eds.). Action-control: From Cognition to Behavior, Springer Berlin Heidelberg. 11–39.

Ajzen, I. (1991). The Theory of Planned Behavior. *Organisational Behavior and Human Decision Processes*, 50, 179-211.

Ajzen, I. (2005). *Attitudes, Personality, and Behaviour*. New York: Open University Press.

Akeem, L. B. (2015). The impact of auditing in controlling fraud and other financial irregularities. *International Journal of Empirical Finance*, *4*(3), 147-164.

Andersen, M. L., Klamm, B. K. (2018). Haidt's Social Intuitionist Model: What are the Implications for Accounting Ethics Education, *Journal of Accounting Education*, 4(c), 35-46.

Anggraini, F. R. R., and Siswanto, F. A. J. (2016). The role of perceived behavioral control and subjective norms to internal auditors' intention in conveying unethical behavior: A case study in Indonesia. *Review of Integrative Business and Economics Research*, *5*(2), 141.

Association of Certified Fraud Examiners (ACFE) (2016). Global Fraud Report, Report to the Nations on Occupational Fraud and Abuse.

Awang, Y., and Ismail, S. (2018). Determinants of financial reporting fraud intention among accounting practitioners in the banking sector. *International Journal of Ethics and Systems*, 34(1), 32-54.

Awang, Y., Ismail, S., and Rahman, A. R. A. (2017). Measuring the potential for financial reporting fraud in a highly regulated industry. *The International Journal of Accounting and Business Society*, *24*(1), 81-98.

Bozkurt, O., Islamoğlu, M., and Öz, Y. (2013). Perceptions of professionals interested in accounting and auditing about acceptance and adaptation of global financial reporting standards. Journal of Economics, Finance and Administrative Science. 18(34). 16–23.

Carpenter, T. D., and Reimers, J. L. (2005). Unethical and fraudulent financial reporting: Applying the theory of planned behavior. *Journal of Business Ethics*. 60(2). 115–129.

Crumpton, M. A. (2012). Providing the ethical example. The Bottom Line. 25(2). 49–52.

Donelson, D. C., Ege, M. S., and McInnis, J. M. (2017). Internal control weaknesses and financial reporting fraud. *Auditing: A Journal of Practice & Theory*, *36*(3), 45-69.

EYGM Limited (2016). Corporate misconduct: individual consequences. 14th Global Fraud Survey. 48.

Fishbein, M., and Ajzen, I. (1975). *Belief, Attitude, Intention and Behaviour: An Introduction to Theory and Research*. Reading, MA: Addison-Wesley Publishing Company Inc.

Fishbein, M., and Ajzen, I. (2010). *Predicting and changing behavior: The reasoned action approach*. Psychology Press.

Gillett, P. R., and Uddin, N. (2005). CFO intentions of fraudulent financial reporting. *Auditing: A Journal of Practice & Theory*, *24*(1), 55-75.

Gottschalk, P. (2010). Theories of Financial Crime. *Journal of Financial Crime*. 17(2). 210–222.

Hair, J. F., William, C. B., Barry, J. B., and Rolph, E. A. (2014). *Multivariate Data Analysis*. Englewood Cliffs, NJ: Prentice Hall.

Hays, J. B. (2013). An investigation of the motivation of management accountants to report fraudulent accounting activity: Applying the theory of planned behaviour. *ProQuest Dissertations and Theses*, 147.

Humpherys, S. L., Moffitt, K. C., Burns, M. B., Burgoon, J. K., and Felix, W. F. (2011). Identification of fraudulent financial statements using linguistic credibility analysis. *Decision Support Systems*, *50*(3), 585-594.

Kroll (2016). Global Fraud & Risk Report: Building Resilience in a Volatile World. 1–48. Retrieved from http://www.kroll.com/en-us/global-fraud-report.

Mazlan, M. (2019). Malaysia's Most Sought-After Jobs for 2019. Retrieved from https://eduadvisor.my/articles/demand-jobs-malaysia-2019/.

Mosquera, N. L. (2016). Gender Differences, Theory of Planned Behaviour and Willingness to Pay. *Journal of Environmental Psychology*. 45. 165-175.

Mustikarini, A., Winardi, R. D., & Azalea, M. (2017) Why do Accounting Students at Higher Learning Institutions Conduct an Academic Dishonesty? SHS Web of Conferences. 34, 6008.

Noor, S., and Mohd, H. (2008). Behavioural Intention for Fraudulent Reporting Behaviour Using Cognitive Theory. Asian Social Science. 4(7). 43–47.

Novianti, A. F., and Dewi, N. H. U. (2018). An investigation of the Theory of Planned Behavior and the role of Tax Amnesty in tax compliance. *The Indonesian Accounting Review*, *7*(1), 79-94.

Pallant, J. (2016). *SPSS Survival Manual: A Step by Step Guide to Data Analysis using SPSS*. (6th Ed.). London: McGraw-Hill International.

Pekkarinen, T. (2015). Gender differences in behaviour under competitive pressure: Evidence on omission patterns in university entrance examinations. *Journal of Economic Behavior & Organisation*, *115*, 94-110.

Peltier-Rivest, D., and Lanoue, N. (2012). Thieves from within: occupational fraud in Canada. *Journal of Financial Crime*. 19(1). 54–64.

Puspasari, N. and Suwardi, E. (2016). The effect of Individual Morality and Internal Control on the Propensity to Commit Fraud: Evidence from Local Governments. *Journal of Indonesian Economy and Business*. 31(2). 208-219.

Putra, K. N., Triyuwono, I., and Purwanti, L. (2018). Fraud procurement of goods and services: A perspective of the Theory of Planned Behavior. *Jurnal Akuntansi*, *22*(3), 385-404.

Razaee, Z., and Riley, R. (2010). *Financial Statement Fraud Prevention and Detection. (2nd Edition ed.). John Wiley and Sons, Inc., Hoboken, New Jersey.*

Riddle, T. (2017). Unskilled, Semi-skilled and Skilled Labor Defined. Retrieved from https://esub.com/unskilled-semi-skilled-skilled-labor-defined/

Reinstein, A. Moehrlr, S.R and Moehrlr, J.R. (2006).Crime and punishment in the marketplace: Accountants and business executives repeating history. *Managerial Auditing Journal*. 21 (4). 420-435.

Sekaran, U., and Bougie, R. (2016). *Research Methods for Business: A Skill Building Approach*. John Wiley & Sons.

Siallagan, H., Rohman, A., Januarti, I., and Din, M. (2017). The effect of professional commitment, attitude, subjective norm and perceived behavior control on whistle blowing intention. *International Journal of Civil Engineering and Technology*, *8*(8), 508-519.

Soltani, B. (2014). The Anatomy of Corporate Fraud: A Comparative Analysis of High Profile American and European Corporate Scandals. *Journal of Business Ethics*. 120(2). 251–274. https://doi.org/10.1007/s10551-013-1660-z.

The Treadway Commission Report (1987). U.S Security and Exchange Commission.

Triastuti, A., Jati, S. P., and Warsono, H. (2019). Factors affecting intensity whistleblowing of employees on the potential fraud of the National Health Insurance Program. *Unnes Journal of Public Health*, *8*(2), 104-111.

Wayman, R. (2018). Top 8 Ways Companies Cook the Books. Updated Apr 2, 2018. *www.investopedia.com.*

Zeni, T. A., Buckley, M. R., Mumford, M. D. and Griffith, J. A., (2016). Making sense of ethical decision making. *The Leadership quarterly*, 27, 838-855.

Zulaikha, Z. and Hadiprajitno, P. T. (2016). Factors affecting procurement fraud: A study of the external auditor's perspective. *Indonesian Financial Accounting Journal*, 13(2), 194-220.