RESEARCH PROPOSAL
Qualitative Characteristics of conceptual framework and agency theory in Waqf Accounting

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Level: Early stage

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ABSTRACT

- abstract
Research Objectives

1) to explore qualitative characteristics of financial statement in waqf accounting

2) to assess the awqaf accounting and reporting practices

3) to review the accountability of mutawali as an agents
Significance of the study

- to enrich the knowledge and awareness on waqf accounting
- confine on the qualitative characteristics on the conceptual framework by GAAP together with agency theory among the mutawali.
- this study would help the waqf institution in Malaysia to present the financial statements which follows the conceptual framework in order to be comparable and readable
Introduction

- Waqf is derived from the Arabic root verb waqafa, which means ‘causing a thing to stop and standstill’ (Chowdury, et al., 2012).

- Muslims who perform waqf are hoping for blessings from Allah and the rewards will wait for them in thereafter life.

- Allah’s remark on waqf value in Al-Baqarah (2:267); This verse demand all Muslims to voluntarily contribute partly of our income which Allah bequeath through this earth.
Introduction

- The purpose of conceptual framework among others is to ensure fair treatments of accounting practices and uphold the consistency and sound basis of financial reporting.

- Though company which manages the waqf does not have to comply with the MFRS, the public are expecting the integrity and accountability of the mutawali to clearly report the genuine activities and figures based on the waqf properties.

- The agency concept represent the (‘mas-u-liyah’) which referring to the mutawali who ought to accountable for his doings.
Problem statement

- Due to the absence of accounting standard, most of the State Islamic Religious Council (SIRC) had overdue and outdated financial reporting, (Siti Rokyah, 2005).
- Ihsan (2013) also mention that due to the absence of specific accounting guidelines of waqf accounting, there seems to be variation of accounting practices among the waqf institutions.
Working Theoretical Framework

Theoretical framework
Research Gap

• This study aims fill the gap which lacking in assessing the other essential characteristics namely prudence.

• Lazar and Choo (2012) define prudence as the cautious action undertaken in exercise judgment on the preparation of financial statements.
This is very noteworthy as the income and assets are not overstated and expenses and liabilities are not understated. As for accountants preparing waqf accounting, this becomes their ultimate task before the financial statement is ready.
Limitation of study

- Sample selection is limited; northern state.
- Difficulties of obtaining data from the waqf institution
- Incomplete records kept by personnel.
Conclusion

• This study can demonstrate whether the financial statements of waqf entities portray the qualitative characteristics namely; reliability, understandability and prudence.

• Moreover, this study would measure the accountability of the mutawali in performing their duties entrusted to them.