

A holistic model for Islamic accountants and its value added

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Abstract

Purpose – The core objective for this study is to introduce the holistic model for Islamic accountants through exploring the perspectives of Muslim scholars; Islamic sharia and AAOIFI ethical standards. The study also contributes to existing literature by exploring the main added value of Muslim accountant towards stakeholders through investigates the main roles of an Islamic accountants.

Design/methodology/approach – The paper critically reviews historical debates about Islamic accounting and the characteristics and roles of Islamic accountants. The paper also explores AAOIFI ethics standards to build a holistic model for Islamic accountants

Findings – The main novel findings for the study is that, the characteristics of accountant from the Islamic view should contains personal, ethical, religion and professional qualifications which indicates the holistic approach for Islamic sharia related to Islamic accountants. There is a role for accountant towards investor's thorough good disclosure in the annual reports and guaranty the compliance of IFI's working with sharia. These characteristics and roles support the significance of Islamic accountant's position in the IFI

Originality/value – The paper develops the existing research that linking the Islamic banking with Islamic accountants. The paper contributes by introducing benchmark for Islamic accountants who depends on Islamic holistic model through exploring the Islamic Accountant's characteristics, we enable academics and researchers to consider the impact of these appointment qualifications on teaching and researching international accounting issues and explore for what extent the Islamic professional's certificates as CIPA comply with this benchmark.

Keywords Islam, Islamic accountants, Islamic Shari, Ethical standards and AAOIFI

Paper type Research paper

1. Introduction

Islam is a holistic code for spiritual and material life. The Quran and Sunna offer guide on social and commercial matters. Rules of contract, finance, business, zakat and ethical guidelines for conducting business and writing contracts provide guidance on commercial concerns (Ali Butt et al., 2011). The word “Islam” means whole submission or surrender to the will of Allah and a Muslim is one who so submits. Though, this raises the question of how Muslims can determine what the will of God is. Islamic Sharia is consequent from the Qur'an, and from Sunna (Alhabashi, 1993; Branine and Pollard, 2010). The Qur'an, which is a complete, unchanging and an eternal “absolute referencing mechanism” (Almoharbi, 2011) comprises 500 specific legal injunctions and several other verses strictly dedicated to the appropriate, permissible, and lawful (halal) conduct of business and verses related to accounting and accountant (Lada et al. 2009). Basically, Sharia represents what can be considered as commercial, personal and criminal law (Jeannet & Hennessey 1992). Islam looks positively upon business since it influences the daily life of all people and “for Muslims, the Islamic religion is the framework that involves business interactions, a system that has been in existence for more than 14 centuries” (Almoharby, 2011; 97).

While the mechanisms and tools of Islamic business ethics application change over time, the underlying concepts of Islamic ethical system are constant since they were derived from a transcendental source (revelation from Allah). When trying to develop its application, Islamic business ethics need to remain compatible with its fundamental concepts (Ismaeel et al., 2012). Islamic finance can be characterized with three major features; Prohibition of Riba, Prohibition of Gharar (uncertainty) and Prohibition of Maysir (gambling). Qur'an states “Those who benefit from interest shall be raised like those who have been driven to madness by the touch of the Devil; this is because they say: “Trade is like riba” while God has permitted trade and forbidden riba. Hence those who have received the admonition from their Lord and desist may have what has already passed; their case being entrusted to God; but those who revert shall be the inhabitants of the fire and abide therein forever” (Quran, 2:275)

The main challenge facing any ethical system is the application. In the past, Muslims were successful in applying their ethical system through effective mechanisms. For example, markets were regulated through the institution of Hisba that functioned as a trading standards authority (Wilson, 2006). The business environment has since changed, and traditional mechanisms of applying Islamic business ethics find it difficult to meet the new contemporary challenges. There are a considerable number of published papers on Islamic business ethics (examples are: Beekun and Badawi, 2005; Rice, 1999; Kula, 2001; Possumah et al., 2012; Dusuki, 2008; Wilson, 2006). Most of these papers are normative; they explain the Islamic value system and ethical guidelines

that can form a strong and effective ethical system, but when we look at the reality in Muslim countries, we will find clear discrepancies between the normative Islamic business ethics and practices of Muslims (Beekun and Badawi, 2005; Rice, 1999; Kula, 2001).

The holistic code of life which found in the Islamic sharia has influenced and regulated the entire life of Muslims, including the practice of accounting, as well as the qualifications and ethical standards of accountants. Historical hand-written books preserved in Turkey and Egypt reveal that accounting has been practised and organized as a profession since the early stages of the Islamic state in Al-Madeenah Al Munawwarah. The nature of accounting was also debated and defined by Al-Mazendarany in 765 Hijri'iah (1363 AD) as a science while Ibn Khaldoon defined it in 779 H (1378 AD) as an art (Zaid, 1997, p. 81). The terms accounting and accountant were not used in the early and middle stages of the Islamic state. The term Al-Kateb was the common title for the accountant/bookkeeper/accounts clerk and they were used interchangeably in different parts of the Islamic state. The title of Al-Kateb became the dominant title and was used to include any person who is assigned the responsibility of writing and recording information whether of a financial or non-financial nature

As a Muslim, an Islamic accountant has a system of belief which can control all his activities performed by him. In the broad sense, accounting is central to Islam because all actions are counted by Allah. In Islam, primary accountability is to God as all of one's action (good and bad deeds) in life will be accounted for on the Day of Judgement: "Allah takes careful account of all things" (An-Nisa 4:86). Therefore, Islamic accountants should attempt to enhance accountability through providing appropriate information and make economic or social decisions through a moral framework. This means that an Islamic accountant plays a very significant role in providing information to fulfil the religious duty. Thus, accountability in Islam requires every Muslim including accountant to make sure that their activities in the world are in line with Islamic rule.

From the preceding debating, the main question rising in this area is what the main characteristics are for accountant from the Islamic sharia which will enable him to do his great role towards Allah first then towards stakeholders. Depend on the suggested benchmark for the Islamic accountant, the other questions will be appear as, for what extent the actual practices for Islamic banks related to choosing their accountants comply with the recommended model?, And finally, what is the added value by adopting this model on the stakeholders? Consequently, the study novel to explore how Islamic accountant should be and for what extent the Islamic bank needs an Islamic accountant. The study investigates the main characteristics of Islamic accountant from an Islamic sharia then explores the main roles or value added against stakeholders. Our paper organised as follows: section 2 exploring Islamic accountability concept. Section 3 identifies the role of

accountant in Islam in addition to accountant in Islamic History. Section 4 explores Root of Islamic Accountant. Section 5 surveying characteristics of Islamic accountants. The following section explores the ethical framework of AAOIFI towards Islamic accountant. Conclusion, Limitations and Recommendations are outlined in section 8.

2. Islamic Accountability

Hameed (2000b) starts his argument on Islamic accountability with Faruqi's (1992) description of the concept of Khilafa (vice-gerent). This concept explains the vicegerent status of man in the world, in which Allah (God Almighty) has given trust of the earth to man (Al-Qur'an 35: 39) while other creatures including angels, animals and non-living matter have no ability to undertake its stewardship. As stated in the Holy Qur'an, "Allah indeed has offered the trust to the Heavens and Earth and the Mountains, but they refused to undertake it being afraid thereof but man undertook it" (Al-Qur'an 33: 72). This trust is such a heavy responsibility that evens the Heavens, the Earth and the Mountains did not feel prepared to bear it, while man is the one who accepted the trust. Man should undertake his duty since this will be accounted for. Man is not only accountable for the spiritual aspects but also for social, business and contractual dealings as Allah also commands man to give things that have been entrusted back to whom they are due (Al-Qur'an 4: 58).

This command then is detailed in another verse of the Qur'an that "man should fulfil (every contract) because (every) contract will be questioned (on the day of the judgment)" (Al-Qur'an 17: 34). Hameed (2000b) suggests that this kind of accountability can be used as the main objective of Islamic accounting which he then names Islamic accountability. This suggestion is also supported by Khir (1992) who asserts that this concept is so ingrained in the Muslim community that it will give the greatest motivation for the practical development of Islamic accounting. Islamic accountability as explained by Hameed (2000b) is premised on both the accountant (Islamic/Muslim organizations) and the accountee (owners) having dual accountabilities. The first or prime accountability arises through the concept of Khilafa whereby a man is a trustee of Allah's resources.

This primary accountability is transcendent as it cannot be perceived through the senses. However, it is made visible through the revelation of the Qur'an and Hadeth, which are the main sources of Islamic teachings. Meanwhile, the secondary accountability is established by a contract between an owner or investor and a manager. To discharge both the primary and the secondary accountabilities, the company should identify, measure, and report the socioeconomic activities pertaining to Islamic social economic and environmental issues. Further, based on Islamic accountability, subsidiary objectivities can be determined such as Sharia compliance, assessment and distribution of Zakat and equitable distribution of wealth among stakeholders. The creation

of a co-operative environment and solidarity and other type of reports can contribute in providing information and encouraging the enterprise to participate in solving contemporary social problems (Hameed, 2000b).

According to Sharia, there are some characteristics the accountant should have in order to assist them to perform in an appropriate way the work with which they are charged. In addition to being available to hold the responsibility and ready to be accountable, the most important characteristics are: Amana (honesty), Nazaha (integrity), Adil (justice), Qudra (ability) and Itqan (proficiency). There are many Quranic verses mentioning these features, of which these are examples:

- "The best of men for thee to employ is the (man) who is strong and trusty" (Quran, 28: 26)
- "O you who believe! Fulfil (all) obligations" (Quran, 5: 1)
- "For Allah loveth not one given to perfidy and crime" (Quran, 4: 107)
- "To those weak of understanding make not over your property" (Quran, 4: 5)

These characteristics provide acceptable justification to make the persons who are entrusted to do business on behalf of others accountable for their actions and the decisions they have made. For instance, honesty requires that the accountant should safeguard that for which they are responsible and avoid any misuse or negligence (Bin Hj and Ibrahim, 2000). According to Sharia rules, the accountants are accountable for all their actions and can be questioned if there is any negligence or depravation (Al-Jirari, 1996)

3. Role of Accountants in Islam

From Islamic perspective, an accountant is a person who checks the weights justly. It is stated in the Holy Quran "And gives full measure when you measure, and weigh with a balance that is straight. That is good (advantageous) and better in the end" (Quran, 17:35) and Allah saying "Give full measure, and cause no loss (to others)" (Quran, 26:181). Therefore, it is mandatory in Islam for any person whether a business manager, accountant or auditor to measure or weigh with fairness and to be true and honest in fulfilling the commandments of Allah hence, avoiding themselves from being included among those cursed by Allah as stated in the Qur'an "Woe to those that deal in fraud – those who, when they have to receive by measure from people, exact full measure, but when they have to give by measure or weight to people, give less than due" (Quran, 83:1-3).

In Islamic society, accounting has an essential role in enabling Muslims to fulfil their religious duties, such as paying Zakat (Islamic tax) and avoiding the use of interest (riba) (Gambling and Karim, 1986; Karim, 1995). Therefore, accounting should operate in accordance with the principles of the Islamic economy. The Islamic accountability, which means being accountable to Allah, has a significant impact on accounting in particular and Islamic economy in general.

Believing that life is a test and Allah is the ultimate owner shaped the essence of Islamic accounting. Accounting in Islam must not deal with prohibited transactions and activities, such as dealing with interest to make profit, as there are many permissible Islamic products such as Murabaha and Mudarab. On the other hand, accounting should assist Islamic society to fulfil its religious duties, such as paying Zakat, which aims to ensure justice and social welfare. Accountability either between God and man or man to man has unswerving implications for and impacts on the accounting discipline in Islam. "The concept of accountability is so ingrained in the (Muslim) community. This to me is the greatest motivation for the practical development of (Islamic) accountancy. This is due to the fact that Muslims hold dearly to the concept of man as a trustee and not as holder of absolute power" (Khir, 1992, p 36).

An accountant in Islam has a huge responsibility towards people and society. He is responsible for ensuring that all transactions and business are compatible with Shari' a law. Also he has a duty to determine the rightful profits of Islamic businesses, such as Murabaha operations, in order to fulfil the rights of those who invest in the businesses. Significantly, SSB has to determine the precise amount of Zakat in order to help fulfil this fundamental Islamic pillar, as well as disclosing all information regarding the business, whether or not it is compatible with Islam. Such actions help to inform all Muslims regarding the lawfulness of business from an Islamic perspective. On the whole, being accountable to God and a true Muslim requires being accountable to society (the rights of others, Muslims or non-Muslim). Therefore, working and carrying out activity (accountancy, teaching, farming, trading) are not just for personal benefits and pure profit, but also to gain God's consent, and social justice.

Historically, accountants and accounting have played a very significant role in Muslim society. Accountant, also known as al-Katib held very prestigious position in the realm of government, field of business, and in society. The terms al-Amil, Mubashir, Muhasib, Muhtasib and Katibal-Mal were the common titles for the accountant/book keeper/accounts clerk, and were used interchangeably in different parts of the Islamic world. Afifuddin and Nabiha (2010) emphasize that accounting has been practiced and organized as a profession since the early stages of the Islamic state in al-Madinah al-Munawwarah. There are some evidences of the use of accounting and the employment of accountants in Muslim society, which has been developed over a period of time since the establishment of the Islamic state in the first year of H 622AD.

4. Accountant /Al-Kateb /Muhasib in Islamic History

Zaid (2000b) goes into further detail to discuss the role of al-kateb – the bookkeeper or accountant – and the qualifications expected of those who aspired to take up this role. These qualifications ensured that al-kateb would be technically competent, well-versed in the Islamic

Sharia law (particularly the law of commercial transactions – *fiqh mu'amalat*), and respectable and trustworthy. Again, Zaid speculates that the Islamic *al-kateb* was similar to the Western accountant, and attributes this to trade links between the European and Muslim worlds. Another view for Accountant and Accounting in Islam was *al-Hisba*, whereby society was to be protected from fraud and exploitation (Wilson, 1997). The *Hisba* office was established under the Abbasids (seventh and eighth Centuries) for the “promotion of good and the prevention of evil” (Gambling and Karim, 1991, p50). It seeks to reinforce the basic elements of Islam including the equality of all Muslims and the outlawing of discrimination on account of race, gender, or class. The *Muhasib* (accountant in Arabic) was appointed to ensure that market trading and traders in the area coincided with the Sharia (Gambling and Karim, 1991). These included duties to protect the natural environment, ensure prevention of monopolies, price controls and well-maintained public utilities and government resources (Gambling and Karim, 1991). Consequently, the role of *Muhasib* was mainly to ensure justice in society, encompassing both spiritual and secular dimensions (Gambling and Karim, 1991; Murtuza, 2000)

The history of Islamic accounting has started since the time of revelation of the Holy Quran to the Prophet Muhammad (PBUH). Since then, the Islamic principles and concepts have been widely applied to the financial system. In fact, it is believed that the common concepts used today such as *mudaraba* and *murabaha* are based on the concepts applied during the early Islamic period. However, since the collapse of Islamic Empire and the growing European influence during the colonialism period, this system has been ignored and most of the Islamic countries have started to adopt the non-Islamic economic system. But, since 1960s, with the revolution of Islamic knowledge, the Islamic countries have begun to re-evaluate their economic system and re-introduce the Islamic financial system that adheres to the sharia requirements (Hameed, 2001). Many researchers have shown why Anglo-American accounting practices cannot be applied in Islamic economies. This is specifically true in respect of *zakat* and interest-free banking. They also stressed on the need for Muslim countries to have a greater input into the international standard-setting process (Hameed, 2000). To professional accountants and those who have received a conventional accounting education and who have been indoctrinated with the idea of accounting as an objective, technical and value-free discipline, the idea of attaching a religious adjective to accounting may seem to be embarrassing and unprofessional (Hameed, 2009).

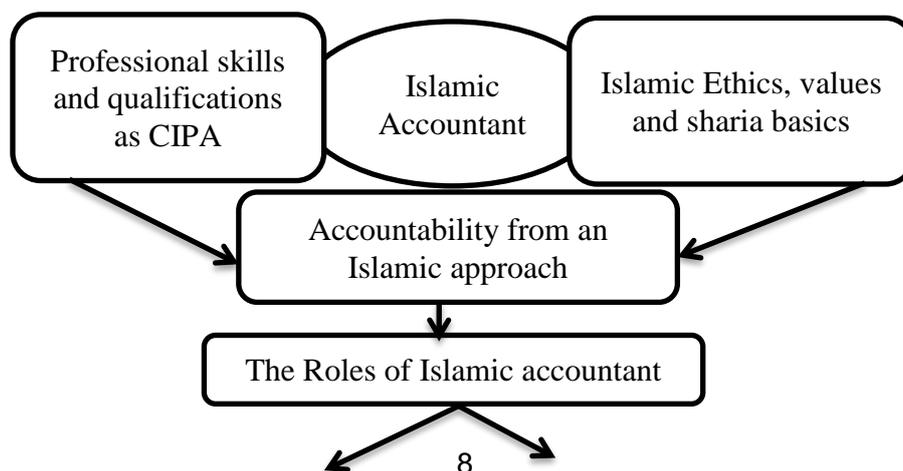
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Islamic accounting is a tool enables Muslims to evaluate their own accountabilities to God (Hameed 2009). It is in this sense that a strong relationship between an Islamic accountant and accountability can be perceived. During the golden age of Islam, Muslim commerce extended beyond the Arabian Peninsula. The expansion of trade promoted the development of a mechanism for ensuring accountability for all business transactions and also for compliance with Sharia. Sharia regulates all aspects of life. It also encompasses criminal as well as civil jurisdiction. Every act of the believer must conform to Islamic law and observe ethical standards based on Islamic principles. These ethical principles define what is true; fair, just, the nature of corporate responsibilities, the priorities to society, along with some specific accounting standards. Islamic accountants must perform their duties in accordance with the rules and regulations of Islam and base their actions on Islamic ethical norms (Afifuddin and Nabiha, 2010).

Depend on AAOIFI ethics standards and history of Islamic accountant in additional to sharia and literature, we can draw a holistic framework for Islamic accountant as a benchmark for Islamic accountant to IFI as figure (11) display. It shows that, Islamic accountant should possess both of characteristics which are qualifications skills and sharia knowledge to achieve the holistic meaning of accountability from an Islamic view. This meaning contains responsibility towards Allah first then all stakeholders and it can realize through different roles acting by Islamic accountant.

Figure (1): Suggested holistic framework for Islamic accountant



Stakeholders

Allah

5. Characteristics of Islamic accountants

The Islamic accountant is the person who weight by justice as Allah said (And gives full measure when you measure, and weigh with an even balance. That is the best [way] and best in result) (Quran, 35) and (Give full measure and do not be of those who cause loss) (Quran, 181). So, the accountant should weight by justice and honest as Allah wanted him. He should not be like the one described by Allah who said (Woe to those who give less [than due], who, when they take a measure from people, take in full, But if they give by measure or by weight to them, they cause loss) (Quran, 1:3). The classic scholars have argued the characteristics of Islamic accountants. Among them is al- Mawardi, a prominent Shafi'i's jurist, who provided some conditions as a prerequisite for ability to hold an employment. By other words, selecting as an employee requires the fulfilment of confident conditions among which are the ability to accomplish the job and trustworthiness. Kantakji (2004) building on al-Mawardi's vision, provide two kinds of accountant: A worker delegated with full authority of conducting a business transaction. This type of employee can do ijihad (efforts in order to achieve goals). The conditions required of him are to be independent (not a slave) and Muslim and secondly an executive worker only, who is not capable of conducting ijihad, this type of employee is not stipulated with the conditions of independence and Islam (Kantakji, 2010).

Depending on Islamic sharia, history of Islamic accounting with rooting of Islamic accountant and finally depend on the working Al-Nuwayri, Al- Mawardi, Al-Qalqashandi and Al-Mazandarani related to Islamic accountant, we can conclude that the Islamic accountant should symbolize by two different Characteristics which are personal qualifications and professional/Religions qualifications which approves the Holistic and ethical approach for Islam. For example, Al-Kalkashandy debated ten compulsory characteristics for Islamic accountant that must not ignored which are Islamic identity, Manhood, Citizenship, Adulthood, Equitability, Eloquence, Wisdom, Knowledge of Islamic Sharia, Integrity and Competence (Al-Kalkashandy, 1987, pp. 93–99). The phrase 'must not be ignored' mirrored the obligation for compliance with these definite ten characteristics as being fundamental mandatory requirements for the appointment of individuals responsible for writing or recording information in books. These individuals comprised those who may be responsible for 'financial transactions and funds available in the safes' (Al-Kalkashandy, 1987, p. 93) Consequently, these characteristics apply directly to those involved in the management of financial resources and writing or recording financial transactions counting Kateb Al-Mal who is commonly known as Al-Kateb. Al- Mawardi argued the personal Characteristics for Islamic

accountant which is objectivity, trusted and honest in addition to be free man and Muslim if he will be responsible (Katangy, 2004). Al-Hariri (1054–1122), distinguishes between al-katib al-insha (the correspondence secretary, dealing with matters of state) and al-katib al-hisab (the accounting secretary, dealing with matters of finance). These mandatory requirements whatever personal or professional qualifications are examined, analysed and discussed with reference to Islamic sharia as being the obligatory foundation for Mu'amalat (business transactions) in Muslim society as following:

5.1 First Dimension (Personal Qualifications)

5.1.1 Having sufficient knowledge of Fiqh/Islamic Sharia, The main source for development of an Islamic accountant is to take advantages of Islamic Sharia. Hence, it is a crucial requirement of Muslim of accountant sufficient knowledge of Islamic law (fiqh). Islamic Sharia is 'the guide that Al-Kateb needs in his work. It is the foundation, and without this knowledge he can't justify his recommendations or rationalize his judgements' (Al-Kalkashandy, 1987). This requirement of knowledge of Islamic Sharia explains the need for and importance of some of the previous requirements as they stem from and apply to the requirements of Islamic Sharia. Al-Kateb was required to be adequately knowledgeable of Islamic Sharia on all aspects affecting Mu'amalat (business transactions) and not just to have some limited, general knowledge from being a Muslim. This is similar to the current requirement of studying business law and tax law before graduating with an accounting degree or being admitted to the membership of a particular professional body and being qualified as an accountant. This is simply because this constitutes main difference between Islamic institutions and their conventional counterparts. For instance, in order to account the transactions executed in the Islamic banks such as murabahah, the accountant should have a sufficient knowledge of the concept of murabahah and its modern application and practices in accordance to the rulings of fiqh Islamic jurisprudence. Such information can only be known through studying fiqh. Shihata et al., (2004) holds that, to calculate Zakat on money for individuals and companies, an accountant needs a guide to help him in defining items of assets, on which Zakat are due.

Fiqh is the guide that an accountant needs in his work. It is the foundation, and without this knowledge he can't justify his recommendations or rationalize his judgements'. The reason for the inclusion of Islamic Sharia as an explicit requirement is that writing and recording in the books should be in accordance with knowledge of the requirements of Islamic Sharia – especially with regard to what is Halal (permitted) and Haram (prohibited) in Mu'amalat. The contemporary noncompliance with the criterion of Islamic Sharia in relation to Mu'amalat by Muslim accountants in the Muslim world was due to the indirect colonization of the Muslim world by the United

Kingdom and France since the nineteenth century and the direct colonization after World War II by the United Kingdom, France and Italy in addition to the American cultural influence. Regardless of the independence of these countries from their colonial powers the Western culture influence is still remarkable but is gradually diminishing.

5.1.2 **Wara' (Devotion)**, Muslim accountants must be religiously committed for; religiosity is characteristic that can prevent him from violation Islamic principles and teachings. In addition, the knowledge of the dividing line between lawful (halal) and unlawful (haram) is also considered as the main characteristic of Islamic accountant. Devotion in Islam means leaving the suspicions (shubuhah) so as not to deteriorate in the mud of irregularities, following the guidance of the Messenger of Allah embodied in his saying: "Halal is clear and Haram is clear. Between the two is that which is doubtful which many people do not know about. Whoever protects himself from the doubtful protects his religion and integrity" (Narrated by Bukhari (1/28) and Muslim (5/50). In fact, the issue of religiosity such as devotion, piety and others related qualities are significantly related to the ethics which a Muslim accountant should stick to in practicing accountancy. Abdul Rahim (2003), argue that ethics should be cohesively implanted in accounting practices, because ethics clearly signal and distinguish right from wrong, good from bad, and justice from injustice.

5.1.3 **Perfection (itqan) and Precision (diqqah)** in work, Muslim accountants must be equipped with high level of precision in accounting to meet the objective of justice as stated in the noble Quran (Al-Anbiya' 21: 47). The accountants must be very careful in protecting the rights of others. For instance, al Nuwayri always take into account the differences between the days of the Hijri year and the AD year in doing accounting of salaries and wages of the workers. Al-Mawardi, even, requires a perfect knowledge in the accounting in order to achieve the precision (Kantakji: 7).

5.1.4 **Professional science requirement**, In order to be a professional Muslim accountant, it is necessary to be equipped with all the qualifications and ability as required by accounting. Hiring unqualified persons not capable of carrying out his duty efficiently is a sign of lack of responsibility. Al-Ghazali asserts the assigning of work to those (accountants) capable physically and legally. Non fulfilment of this condition disqualifies one from entitlement to such undertaking. In other words, it is illegal to hire someone weak not capable of performing the work.

5.1.5 **Eloquence** was a linguistic qualification which required Al-Kateb 'to be at the highest knowledge and competence level of the Arabic language' (Al-Kalkashandy, 1987, p. 98). The requirement reflected the importance of some of the qualitative characteristics of report writing such as understand-ability and clarity. Because decisions are made on the basis of the contents of financial reports issued or statements made, it was essential to employ a person who had command

of the language. Mastery should enable him to express himself in a satisfactory manner and properly communicate needed information to users for decision-making. The employer of Al-Kateb required a level of trust that the information included in the reports and statements made did in fact reflect intended facts. The communication of intended facts was very much dependent on the wording of reports which must be carefully selected. It is surprising to see that as far back as the seventh century AD, oral and written communication skills were identified by Muslim scholars generally and accountants in particular as being an important factor in report-writing. Communication skills are emphasized by some tertiary education institutions in contemporary accounting but it is neither a mandatory subject in all Western universities nor a requirement in the appointment of accountants.

Furthermore, some employers are of the opinion that graduate accountants lack the appropriate communication skills (Zaid and Abraham, 1994). Eloquence alone is insufficient and could be misused if not directly related to and associated with the other employment requirements. The criterion of eloquence required Al-Kateb to be accurate in the transformation and communication of information to users. This factuality imposed a responsibility on Al-Kateb to be alert and careful in the selection of words and expressions. He should prepare and communicate his reports to reflect only the facts embodied in the information processed because 'if he adds or removes a word or a letter or misinterpret a word, he could cause damage and could provide benefits to those who don't deserve them' (Al Kalkashandy, 1987, pp. 97–98).

Furthermore, the requirement of eloquence requires Al-Kateb to 'be able to detail or brief as needed . . . and address people according to their status without exaggeration' (Al-Kalkashandy, 1987, p. 98). This criterion placed Al-Kateb in a unique position requiring him to anticipate and determine the materiality of information to be incorporated in the report in addition to being careful in what he says or writes. Accordingly, information of significance should be detailed to enable users to evaluate the impact on their decisions. Information considered being insignificant would either be briefly stated or completely ignored as Al-Kateb might consider appropriate in the circumstances. This criterion in particular and the criterion of equitability reflect the role played by Al-Kateb in the process of decision-making as well as reflecting the importance of accounting for decision-making. This role of Al-Kateb in decision making was explicitly recognized and mentioned by the Imam Ash-Shafi 'i who said 'he who learnt accounting will make an appropriate decision' (Shahata, 1993, p. 45).

5.1.6 Wisdom, It indicated the need for Al-Kateb to give needed advice at the right time and make appropriate decisions in varying circumstances. It further implies that Al-Kateb had to base and express his opinions and make statements, recommendations and decisions on wise foundations.

The wisdom criterion required Al-Kateb to avoid personal and emotional factors due to the effect of information supplied to users for decision-making. Wisdom is the ‘foundation of virtue and essence of excellence. Those who lack wisdom are of no use. A person’s language and opinion are a reflection of his level of wisdom’ (Al-Kalkashandy, 1987, p. 98) the statement made by Al-Kalkashandy ‘. . . what a person says is an indication of his wisdom’ indicates that a person who lacks wisdom is of no benefit in the process of decision-making

It appears that the wisdom requirement placed a strong emphasis on the decision-making process rather than on the mechanical aspects of writing and recording information. This conclusion is based on the nature of decision-making compared with mechanical processing. Mechanical processing is a routine act that could be performed by an average person while decision-making is an act that requires more than routine actions including reliable informative information provided by a reliable and wise person. The emphasis and conclusion stem from the role of Al-Kateb as advisor to and frequently the decision-maker for the employer. In this capacity, he had a responsibility not only to the employer but also to those who might be affected by his advice, information, statements, recommendations or decisions. Accordingly, there was an expectation that Al-Kateb would provide meaningful conclusions and make sound recommendations to his employer based on his knowledge of Islamic Sharia, wisdom and technical competence. The role of Al-Kateb, especially in accounting, was to act as if he, personally, was the person to benefit or suffer from decisions, conclusions and recommendations made. The requirement of wisdom and other requirements should be considered in explaining the shortage of qualified people for employment in the capacity of Al-Kateb. The shortage coupled with the responsibilities vested in Al-Kateb placed him in a very high, prestigious professional, financial and social position.

5.1.7 **The integrity** criterion was very strongly religion rather than circumstances based and appear to be closely associated with the criterion of equitability. Integrity was broadly defined to include independence, objectivity, honesty, sincerity and being unbiased in addition to ‘persistence, and high spirit of determination.’ (Al-Kalkashandy, 1987, p. 99) Integrity in terms of independence, objectivity, honesty and sincerity is mentioned in several Surahs in the Quran. An example of this ‘O you who believe, Stand out firmly for justice, as witness to Allah, even though it be against yourselves, or your parents, or your kin, be the rich or poor, Allah is a Better protector to both (than you). So follow not the lusts (of your hearts), lest you avoid justice; and if you distort your witness or refuse to give it, verily, Allah is Ever Well acquainted with what you do’ (An-Nisa’ 4:135)

Dishonesty is considered to be one of the great sins in Islamic Sharia generally and Mu’amalat especially. This is evidenced in the Sunna of Prophet Mohammad [PBUH] when was asked about the great sins in Islam, He said ‘To join others in worship of Allah, to be undutiful to one’s parents,

to commit the crime of murdering and to give a false witness' (Bulai'yek, 1398 H–1978 AD, Hadieth No. 1073, p. 621). Integrity is not restricted to the actual performance of the work itself but also includes integrity in devoting time and effort to both the function and employer. The integrity requirement is based on the general Quranic requirements 'Verily, Allah enjoins . . . and Al-Ihsan (i.e. to be patient in performing your duties to Allah . . .)' (An-Nahl 16:90). This broad definition of integrity and related implications required Al-Kateb to be persistent in the search for solutions to problems and difficulties experienced in addition to the search for facts or data relating to and affecting the information to be written, recorded, analysed, evaluated and communicated (1).

5.2 Second Dimension (Professional/Religions qualifications)

5.2.1 Amanah (Trusteeship/trustworthiness), Amanah is one of the characteristics which are related to the ethics. The Muslim accountants are the trustees of financial reporting of an organization (Hossain et al., 2010). Since they are the trustees, they may be characterized by trustworthiness (amanah) which is a manifestation of a deep faith in Islam. Thus Allah has singled out the status of "strong" and "trustworthiness" to whom is hired to work (Al-Qasas 28: 26). The weak will not be able to achieve the "amanah" (Yusuf 12: 55). As accounting is a profession of trustee of stakeholders of an institution, therefore, accountant should follow a superior ethical code for professional guidance. Indeed, amanah plays an important role resolving the ethical problems among accountants. Since Islam is a comprehensive way of life meant for the whole humanity anybody with faith and a sense of accountability can be guided by amanah

5.2.2 Islamic Identity, Accordingly, only Muslims were appointed to the position of Al-Kateb in any field of specialization requiring the writing or recording of information such as in finance and administration. The importance of this criterion was based on religious and political factors. It aimed at serving and protecting the interest of the Islamic state and Muslims. This specific requirement was vigorously imposed and implemented by the second caliph Omar bin Al-Khattab. The position of Al-Kateb was of great importance in the hierarchy of the state and this would have applied to business as well. This hierarchal position could have been one of the reasons for restricting the appointment of Al-Kateb to Muslims only.

¹ Prophet Mohammad, (PBUH) said 'Allah loves to see you perfecting the work you are responsible for' (Al-Albany, 1982, p. 144). Accordingly, integrity required Al-Kateb to be honest and sincere in performing his duties and providing the information needed by his employer. It required Al-Kateb to exercise self-judgement as to whether he satisfied the Quran and Sunna requirements as being the two main sources of Islamic Sharia. Self-control and self-judgement assisted Al-Kateb in avoiding the embarrassment of being judged by others and, more importantly, avoiding the anger of Allah.

Because Al-Kateb was exposed to matters of a confidential nature, it was necessary to assign confidentiality and related responsibilities to a Muslim person to ensure that information remained out of reach of enemies. Confidentiality was the essential factor that prompted the requirement of Islamic identity, especially at the time the Islamic state was in its infancy and had to protect itself from expected and unexpected events. Generally speaking, it was a requirement of Islamic Sharia that a Muslim person holding the position of Al-Kateb would not reveal any information to the enemies or competitors that could jeopardize the interest of the state or the interest of business people. This requirement is in essence similar to current practices whereby key positions either in government or in business are assigned to individuals who are believed to be trustworthy citizens and who will keep a confidence. Furthermore, contemporary accounting practice requires the maintenance of confidentiality as a basic ethical rule. This indicates that confidentiality in the Western world is of a functional nature rather than based on religious grounds.

The main purpose of the Islamic identity criterion was to ensure that Al-Kateb 'believed in what he wrote, said and dictated. He should also be trustworthy because it is natural for a person to sympathize with people of the same opinion and faith. . . . Furthermore, some have insisted that it is insufficient for Al-Kateb to be a Muslim but he should also be of the same religious denomination as the ruler' (Al-Kalkashandy, 1987, pp. 93–94) this further highlights the importance of confidentiality as being an important religious factor in the initiation of the Islamic identity criterion. Furthermore, 'Imam Ash-Shafi'i prohibits the appointment of non-Muslims to the position of Al-Kateb. Muslim scholars following Madh'hab Ash-Shafi'i (Ash-Shafi 'i school of thought) confirm the importance of the Islamic identity requirement in the appointment of Al-Kateb . . . because Al-Kateb needs to substantiate and validate his discussions and writing with the words (Quranic verses) of Allah Subhanahu Wa-Ta ala (SWT) (Praise be to Allah), and to comply with what Allah has permitted or prohibited' (Al-Kalkashandy, 1987, pp. 95–96). The requirement of Islamic identity demands Al-Kateb to be a practising Muslim who is committed to Islamic Sharia and capable of competently discharging the expected technical responsibilities within the framework and requirements of Islamic Sharia.

5.2.3 Manhood, It was necessitated by the nature of the position which required Al Kateb to be always with the employer. This implies that women were not allowed to become Al-Kateb. This requirement and hence the restriction was not reasoned by Al-Kalkashandy and it is possible that the other responsibilities of women were considered to be of more importance than office work, namely the nurture and education of children. This could also be due to the requirement of Islamic sharia whereby a male and a female are not allowed to be in one room unless the male is her husband or a blood relative whom she can't marry. This specific situation, Al-Kateb, is not the

norm for the employment of women at large. The great renowned Muslim scholar Abu Hanifah states that Islam supports the employment of women in all fields and at all ranks of employment including justice (Ash Sharkawi, 1985, p. 62). This opinion of Abu Hanifah is in line with Islamic sharia in granting women the right to education in addition to financial independence.

5.2.4 Citizenship, This measure was due to the categories of residents that existed in Muslim society. Two categories of Muslim residents lived together: one was the Muslim slaves and the other the free Muslim people. Only the free Muslim people were considered eligible citizens for the position of Al-Kateb because the slave had to work for his/her master. The Muslim slaves were either inherited by their Arab masters before embracing Islam or captured by Muslims in wars and they were also considered citizens but working for their masters unless the master allowed the slave to work and earn money to buy his/her freedom from the master. The Quran encouraged Muslim masters to allow their slaves to work elsewhere to earn money and buy their freedom (An-Nur, 24:33). Furthermore, the Quran encourages Muslims to set their slaves free ‘. . . and gives his wealth, in spite of love for it, to the kinsfolk, to the orphans, and to Al-Masakin (the poor), and to the wayfarer, and to those who ask, and to set slaves free’ (Al-Baqarah, 2:177).¹⁸ It also encouraged Muslims in general, whether they owned slaves or not, to contribute financially to free Muslim slaves

In the Muslim world at that time, a free citizen did not have to be a person who was born in the country where he lived. A citizen of the Islamic state was any Muslim person regardless of the place of birth, language, colour or place of residence. Non-Muslims living in any part of the Islamic state, especially Jews and Christians were also considered citizens. It appears that the citizenship requirement related to the security of the state in addition to providing employment opportunities for the citizens loyal to the state and believers in the ruling system. This criterion is also applied today in most parts of the world for security purposes whereby key sensitive positions (such as in the army, navy, air force, police and membership of parliament) are only filled by citizens.

5.2.5 Adulthood is a criterion that is based on Quranic requirements and was expressed in the Arabic word At-Taklif which is a very comprehensive term meaning the age and circumstances of when a person becomes accountable. According to Islamic Sharia only the Rashed (able to judge) person is considered accountable for his/her acts and deeds. A person is considered a Mukallaf (adult) when he or she reaches the age of ability to judge and become liable for his/her acts and deeds. This ability to judge was not judged on age only but assessed by several factors including age but most importantly the ability to make sound decisions. This criterion of adulthood reflected the importance of the position and status of Al-Kateb in the process of advising his employer and making decisions as and when necessary. The requirement emphasized the importance of the

accountability of Al-Kateb to his employer and other people who relied on his statements, opinions and information provided. An example of this is the determination of the applicable rate of Zakat, Zakat able amount and the amount of Zakat to be paid to Baitul Mal (Public Treasury). Persons who were not qualified to judge for any reason are not accountable under Islamic Sharia and, accordingly, could not occupy the position of Al-Kateb because they cannot make sound decisions and this implies that the employer and others had no recourse to them in case of damages.

5.2.6 **Equitability** is expressed in Arabic as Al Adaalah and appears to relate directly to the previous requirements of Islamic accountant. Equitability is a very broad concept that is mentioned in the Quran to mean, but is not restricted to, fairness (Al-An'am 6:152) (An-Nahl 16:90), independence (An-Nisa' 4:58), objectivity (Al-Baqarah 2:282), unprejudiced (Al-Maidah 5:95) and he fears Allah in discharging his responsibilities by strictly observing His teachings. This was explicitly narrated by Al-Kalkashandy (1987) by saying Al-Kateb has 'to be obedient and not rebellious to Allah because this person holds a very high and authoritative position. He makes judgements affecting peoples' lives and wealth. If he adds or removes a word or a letter or misinterprets a word, he could cause damage and could provide benefits to those who don't deserve them. . . . A knowledgeable but not religious, person, who is disobedient to Allah, may damage the interests of innocent people (Al-Kalkashandy (1987, pp. 97–98).

The equitability criterion is general Quranic requirements that must be comply with by all Muslims regardless of their occupation. A careful study of Quranic verses would identify and highlight the implications of the criteria of Islamic identity, manhood, citizenship and adulthood in the criterion of equitability. It also reflects the role that the Al-Kateb had to play in society as an advisor and decision-maker in addition to the prestige and influence he enjoyed. In contemporary Western accounting practice, equitability is not an explicit requirement for the appointment of the accountant but is an ethical requirement expressed as 'fairness' and is expected from accountants and auditors. Western accounting bodies also require auditors to maintain independence and be fair in their judgements. It was quite normal to make necessary enquiries about Al-Kateb prior to his appointment so that the employer could rest assured that Al-Kateb had the qualities of being equitable and able to make fair judgements and sound decisions. It is also a common contemporary practice in some Muslim societies to investigate applicants in certain fields of employment including accounting. These investigations are made to ensure that persons are known to be reliable, trustworthy and can express their opinions without bias or prejudice.

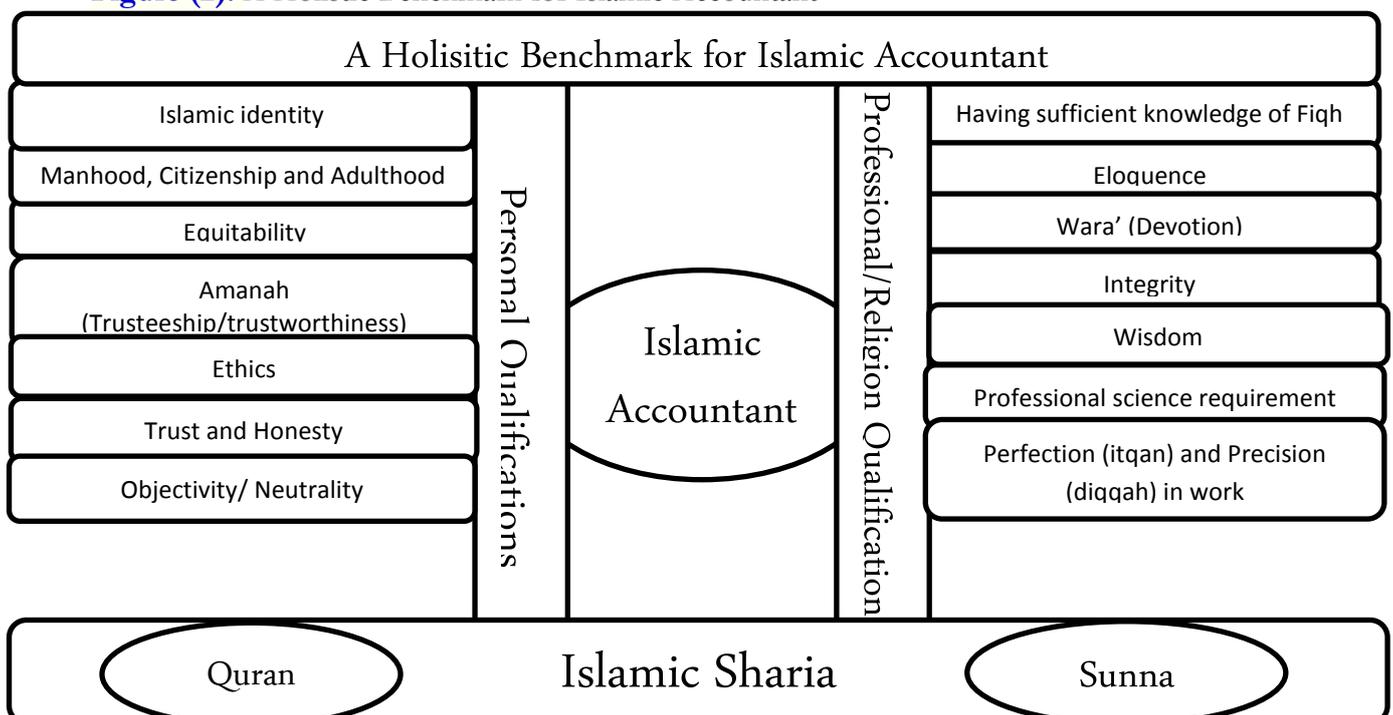
The importance of this requirement stems from the fact that Al-Kateb could be asked, among other things, to manage the inheritance of orphans, pay for their living expenses and, at a later stage, account for their managed inheritance. He could also be appointed as the guardian or

custodian of handicapped persons and be entrusted to manage their properties, make investment decisions on their behalf, and pay for their living and personal needs. Due to these and other responsibilities entrusted to Al-Kateb, it was vital for the employer to be reasonably certain that Al-Kateb was equitable

5.2.7 **Objectivity/ Neutrality**, Accountant as we mentioned is accountant and person who responsible on weighting (Wazzan) and he weighing only the right and truth, without encroachment on the rights of any of the parties related to the account, which oversees it. The accountant is responsible for its calculations in front of employer in this life and in front of Allah in the hereafter (That you not transgress within the balance. And establish weight in justice and do not make deficient the balance) (Rahman 8-9). It is the duty of the employer to secure protection for him to be able to exercise neutrality (Let no scribe be harmed or any witness) (El-Baqarah, 282) and the forms of protection, including the appointment and removal and insurance fees and immunity to him (Katangy, 2004 cited from Al- Mawardi).

5.2.8 **Ethics and Honesty**, The ethics of public morality for accountant include professional judgment and there is no distinction between them. It is a natural product of faith deep in Islam has been singled out God Almighty prescription strength and the Secretariat who is hired to work (O my father, hire him. Indeed, the best one you can hire is the strong and the trustworthy) (Al-Qasas, 26). The weak accountant will not be able to achieve Honesty despite characteristic out what was not strong able to achieve and the remembrance of Allah Almighty for Joseph said, "Appoint me over the storehouses of the land. Indeed, I will be a knowing guardian" (Joseph, 55). The accountant not bribes, not lie, do not cheat and do not betray. All characteristics for Muslim accountant can summarize in the figure (1)

Figure (2): A Holistic Benchmark for Islamic Accountant



6. Ethical Framework of AAOIFI towards Islamic Accountant

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) is an Islamic international autonomous non-for-profit corporate body that prepares accounting, auditing, governance, ethics and Sharia standards for Islamic financial institutions and the industry. Professional qualification programs (CIPA and CSAA), and the corporate compliance program) are presented now by AAOIFI in its efforts to enhance the industry's human resources base and governance structures. As an independent international organization, AAOIFI is supported by institutional members (200 members from 40 countries, so far) including central banks, Islamic financial institutions, and other participants from the international Islamic banking and finance industry, worldwide. AAOIFI has gained assuring support for the implementation of its standards, which are now adopted in the Kingdom of Bahrain, Dubai International Financial Centre, Jordan, Lebanon, Qatar, Sudan and Syria. The relevant authorities in Australia, Indonesia, Malaysia, Pakistan, Kingdom of Saudi Arabia, and South Africa have issued guidelines that are based on AAOIFI's standards and pronouncements. Total of 88 standards issued: 48 on Sharia, 26 accounting, 5 auditing standards, 7 governance and 2 codes of ethics.

One of the main important standards that AAOIFI issued is the ethics standards which focusing on the code of ethics that the Islamic accountant; auditor and any employee work at IFI should comply with this code. AAOIFI issued 2 ethics standards, one of them related to the accountant and external auditor and the second for any other employees at IFI (AAOIFI, 2014). Consequently, this section explore the characteristics and ethics of Islamic accountant from AAOIFI through explore the ethics standards that issued by AAOIFI.

Accounting is one of professions that must be legally and religiously available, and care about it as one of the mandatory issues for Muslim society (Fard Kefayaia), which - in addition to the technical definition - a way of investigative and legitimate duty, which is to prove and measure the distribution rights of the owners of justice (AAOIFI, 2010). Allah said in Quran about the principle of justice "Indeed, Allah orders justice and good conduct" (Quran, 16:90) and also Allah said "Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice. Excellent is that which Allah instructs you. Indeed, Allah is ever Hearing and seeing" (Quran, 4/58).The principle of justice is corresponds in accounting framework thought the concept of full disclosure. In spite of the accounting and auditing standards in terms of lead objectively to achieve this principle, but the moral value of justice was necessary

for workers in this area to have charter of the moral to be as a guide for them to do their profession (AAOIFI, 2014).

In order to give this charter corporate power it must have a source to derive the foundations and principles of ethical issues that involved then it can be mandatory for all employees. The available code of ethics in the accounting sourced from the abstract human thought, and derives its strength from the mandatory requirements of professional commitment and success of the profession and earn the trust of customers and society in general or of man-made laws. Source and reference ethics for accountant in the Islamic perspective depends on the principles and provisions of the Doctrine of the Islamic Sharia, plus what has been explained. The provisions of the law and its principles give these ethics binding force based on further religious permanently fixed outweigh the purposes of motives other. Similarly, derive ethics of Sharia Islamic earned characteristics of totalitarian and global combine stability and flexibility (AAOIFI, 2010). Since the accounting profession is affected by the values and ethics of the society, consequently, for Islamic accountant, the effect should be come from the values and ethics of the Islamic sharia. This value should reflected in the personal configuration and training of scientific and professional accountant Practice.

AAOIFI target through applying and adopting these values and ethics by accountant's commitment to ethical principles contained to achieve the develop ethical awareness for an accountant and achieve the accuracy and reliability of the accounting information that contained in the financial statements, thus giving it credence to confirm confidence in the accountant's professional services, and strengthens the protection of the institution and its clients.

6.1 First dimension: Foundations of legitimacy to the Islamic accountant

The morality is an essential part of Islamic sharia. Islam has raised the prestige of ethics and the made it as one of the main objectives of Islam (Maqased El-sharia). The prophet Mohamad (PBUH) said “God has sent me to perfect good manners and to do good deeds” (Bukhari & Ahmed)” and Allah describes Muhammad (PBUH) by saying “And indeed, you are of a great moral character” (Quran, 68:4). Consequently, the most important foundations of legitimacy to the ethics for the Islamic accountant are:

6.1.1 Authentic/Honest: Islam is a religion putted secretariat underappreciated and makes it govern all actions and appreciate power likewise to perform tasks which requires the accountant and others who bear responsibility aura sufficiency and eligibility. Allah saying at (Quran, 28:26) “One of the women said, "O my father hires him. Indeed, the best one you can hire is the strong and the trustworthy. Furthermore, the Messenger of Allah (ﷺ) saying “Each of you is a shepherd and each of you is responsible for his flock” (Narrated by Abdullah bin Umar, Sunan

Abi Dawud) and also saying “Add to the Secretariat of the entrusted you, and betray the one who betrayed” (Sunan Abi Dawud). The Messenger of Allah (PBUH) said “Do not believe those who do not have the secretariat” (Narrated by Imam Ahmad). Moreover, Muslim should look to Islam as a shepherd which required from their followers and believers to be honest with Allah first and with themselves and finally with their communities. Consequently, the Muslim accountant should characterise by honest to satisfy Allah first then stakeholders of Islamic banks.

6.1.2 Fidelity: It means that accountant should intended by his work obedience to God Almighty and does not target hypocrisy, reputation or receiving praise from others. Through fidelity, the accountant will not subject to stimuli or external pressures, but he will doing his work in compliance with the commitment to religious and performance of duty vocational (AAOIFI, 2010). By applying this concept, the accountant’s job will transfer into worship of Allah because (depend on Islamic sharia) the good intention make the habit as a worship. Subsequently, Muslim accountant should be fidelity for Allah and for his stakeholders.

6.1.3 Piety: It is the fear of Allah in secret and public. Piety leads for protection of the man himself and from bad consequences as a result of deviation from the commitment of Sharia particularly in the area of money that is the charm of the man. Piety realized by compliance with the orders of Allah and avoids his prohibitions (AAOIFI, 2010). Allah saying “O you who have believed, fear Allah as He should be feared and do not die except as Muslims [in submission to Him]” (Quran, 3:102) and Allah also saying “And whoever fears Allah - He will make for him a way out. And will provide for him from where he does not expect. And whoever relies upon Allah - then He is sufficient for him. Indeed, Allah will accomplish His purpose. Allah has already set for everything a [decreed] extent” (Quran, 65:2, 3). The Messenger of Allah (ﷺ) said, "Truth leads to piety and piety leads to Jannah, A man persists in speaking the truth till he is recorded with Allah as a truthful man, Falsehood leads to transgression and transgression leads to the Hell-fire, A man continues to speak falsehood till he is recorded with Allah as a great liar" (Al-Bukhari and Muslim). Finally, Messenger of Allah (ﷺ) said, "Fear Allah wherever you are, do good deeds after doing bad ones, the former will wipe out the latter, and behave decently towards people" (At- Tirmidhi). So, Muslim accountant should by piety for Allah and for the owners of corporations.

6.1.4 Perfection work and Beneficence: Muslim Accountant should not be limited to the performance of his duties functional and professional, but it has to work to achieve the Perfection work and Beneficence. The perfection work by Muslim accountant can achieved training; qualifications; practices and knowledge about Islamic sharia which represent main religion requirements for his work and main source for his practices (AAOIFI, 2010). Allah saying “Indeed, Allah orders justice and good conduct” (Quran, 16:90) and Allah also saying “And do well; indeed,

Allah loves the doers of good” (Quran, 2:195). Messenger of Allah (ﷺ) said, “Allah will be pleased with those who try to do their work in a perfect way” (At- Tirmidhi). Messenger of Allah saying “Verily Allah has prescribed Ihsan (proficiency, perfection) in all things” (Muslim), consequently, Muslim accountant should do his working by perfection and Ihsan for Allah and for stakeholders.

6.1.5 Monitoring of Allah: Muslim believes that Allah control and monitoring all his acts worship or his slaves. This is required from Muslim accountant to do his job without taking into his consideration the people’s or his superiors’ control in his actions but he should care about monitoring of Allah. Allah saying “Indeed Allah is ever, over you, an Observer” (Quran, 4:1) and also saying “Then is He who is a maintainer of every soul, [knowing] what it has earned, [like any other]” (Quran, 13:33). The codes of ethics in contemporary accounting is depend on the self-censorship and human law but it may be weaken until it is linked to faith and a sense of supervision by Allah as he saying “And if you speak aloud - then indeed, He knows the secret and what is [even] more hidden” (Quran, 20:7)

6.1.6 Allah’s Accountability for His slaves: Muslim believes that Allah sergeant and control on his slaves’ actions and will hold him accountable on the day of resurrection about their actions. This is leading for self-accountability by Muslim to avoid what Allah prohibited. Allah saying “So whoever does an atom's weight of good will see it, And whoever does an atom's weight of evil will see it” (Quran, 99:7, 8) and also saying “And sufficient is Allah as Accountant” (Quran, 4:6). Therefore, the accountant must always remember that he is responsible to Allah and then in front of his community; his profession; his superiors; client and finally in front of himself (AAOIFI, 2010). Muslim accountant has to accountable his self in all his actions (self-accounting). However, there is no value for self-accounting until linked to the faith and clear charter by Allah as Omar bin El-Katab saying “Monitoring and accounting yourself before Allah accounting you and weight yourself before Allah weighing your deeds”.

6.2 The second dimension: The ethical principles for Muslim Accountant: Based on the foundations of the legitimacy for Islamic accountant we can derive the following principles of ethics that govern the performance of the accountant and his functional and professional practice:

6.2.1 Confidence/Truest: Muslim accountant should be trusted and honest in his performance through acting his duties and functional, professional services. This trust in him requires from him to characterize by conduct of integrity; honesty; integrity and to maintain the confidentiality of the information of his corporation and do not display information by non-reality (AAOIFI, 2010)

6.2.2 Legitimacy (Compliance with sharia): Accountant should verify the legitimacy of everything related to his work and the performance of his duties and services and professional

career in the light of the provisions and principles of the Islamic Sharia. So, Muslim accountant has to approve and guaranty that all the IFP's transactions comply with Islamic sharia to satisfy Allah and also stakeholders that motivated by religion.

6.2.3 Objectivity: Islamic accountant should be just detached; neutral impartial; justice and avoid conflict of interest with the interests of offering them the service. Muslim accountant should be independent and not contrary to the influence of others is configured to provisions professional and carrying out his duties and services functional and professional (AAOIFI, 2010)

6.2.4 Professional competence (Qualification) and perfection work: Muslim accountant should be qualifying for doing his tasks and duties. He should fullest of care and proficiency and to spare no effort in fulfilling its responsibilities towards Allah; his community; his profession; his superiors; his client and himself.

6.2.5 The Ethical and Religion Behaviour: Muslim accountant must be characterized by behaviour and actions that consist with the Islamic values which derived from the provisions and principles of Islamic law (Sharia). Allah saying in Quran to approve that all Muslim's actions should be for Allah only "Say, "Indeed, my prayer, my rites of sacrifice, my living and my dying are for Allah , Lord of the worlds" (6:162).

To sum up, it is clear from the previous ethical principles for Muslim accountant that, there are common origins of the foundations of legitimacy and human foundations professional such as trust, objectivity, professional competence and perfection of work. However, there are some principles which are completely based on the foundations of legitimacy or Islamic sharia such as the legality and conduct of faith and finally some these principles is based entirely on the basics of professional that do not conflict with the provisions and principles of Islamic law, such as the principle of professional behaviour and technical standards. This conclusion approves the holistic framework for accountant from an Islamic model as it's created and guided by Allah not by humans.

7. Main accountabilities and roles for Islamic accountant

Depend on the ethical standards for AAOIFI (2014), professional and religion value and characteristics for Islamic accountants, we can conclude the following responsibilities and roles that Islamic accountant should do it and care about achieving. These responsibilities are classified according to the ethical principles that have emerged about the rules as following:

7.1 Accountabilities emanating from the principle of confidence/trueth

Accountant should perform his duties and services by highest level of trust, integrity and honesty. To achieve that, the accountant is responsible for Display and provides information and professional judgments and opinions by sufficient honesty; integrity and transparency whether

positive or negative content; Maintaining of the confidentiality of the information that is available to him through doing his duties and does not disclose of this information only within the limits of the disclosure requirements according to AAOIFI or the implementation of the legal requirements; Avoid the exploitation of information which is available for his organization through doing his duties and functional and professional services for personal benefit or for the benefit of others and refrain from any behaviour that can threaten the achievement of the goals and moral legitimacy of the institution to comply with sharia

7.2 Accountabilities emanating from the principle of legitimacy

Accountant is responsible for verification of the legality of all matters relating to the performance of his duties and services. He always should remember that he is responsible in front of Allah; community; superiors; his client and himself, and is derived from this principle, to achieve that, the accountant is responsible for accountant should fulfil its responsibility in front of Allah as a priority. He should believe that Allah almighty would help him to achieve other responsibilities at the same time. Allah saying “And whoever fears Allah - He will make for him a way out, and will provide for him from where he does not expect” (Quran, 65:2, 3); Islamic accountant is responsible for familiarity with the provisions and principles of Islamic law relating to financial transactions. IFI should ensure that, their accountants are qualify and aware about Islamic knowledge can achieve through CIPA.

Also Islamic accountant is responsible for verifying the legality of the business for which he doing or for what he revised in the light of the provisions and principles of Islamic law as determined by the SSB for corporation and accountant is responsible for compliance with the provisions and principles of Islamic law as determined by the SSB as Islamic Sharia is the authoritative source in the ruling on the legality of the transactions and actions and behaviours related to the performance of his duties

7.3 Accountabilities emanating from the principle of objectivity

Accountant is responsible for protection of his independence through does not put himself in situations that may effect on the impartiality or bias and removed him from the impact of Justice. Consequently, based on this, the accountant is responsible for not accept any gifts or donations or services offered to him, which may effect and detract from the objectivity of his professional judgment and avoid conflict of interests with the interests of his service offers such as the existence of a family or personal relationships with the BOD, which could threaten the objectivity and independence

7.4 Accountabilities emanating from the principle of professional competence (Qualification) and perfection work: Muslim accountant is committed against Allah and then in front of his community; his profession; his superiors and finally his self to performs his duties by highest levels of efficiency and proficiency. To achieve this target, the accountant is responsible for acquire a high level of academic and practical training in addition to knowledge of Islamic financial transactions and professional experience. Accountant should follow-up conscious of developments that occur in the structure and follow-up the recently accounting and auditing standards that issued by AAOIFI; Perform his duties perfectly and it should consistent with the provisions and principles of Islamic Sharia laws and national and international regulations, which does not violate with provisions and principles of sharia and taking into consideration the completeness and clarity of the reports prepared by the accountant and support it by appropriate analysis of the information that is characterized by accuracy and reliability

7.5 Accountabilities emanating from the principle of the ethical and religion behaviour: Accountant should take into account his behaviour and his actions to be comply with the values of sharia that derived from the provisions and principles of Islamic law. Consequently, based on this, the accountant is responsible for sensor the control of Allah (Self-monitor); sensor the accountability in front of Allah at the Day of Resurrection (Self-accounting); dedication at work in order to please and satisfy Allah without affected by other pressures and fulfilment of covenants and contracts as Allah saying “And the covenant of Allah fulfil, this has He instructed you that you may remember” (Quran, 6:152). Moreover, he is responsible for cooperation with others to be able to perform the duties and services by efficiency; effectively and easy way; love and brotherhood in Allah to achieve cooperation and trust between the accountant and other who deal with him; forgiveness and compassion in dealing in addition to patience and ability to solving problems; and Islamic accountant should be ideal for other assistants and subordinates

7.6 Accountabilities emanating from the principle of professional conduct and professional standards: Muslim accountant should into his consideration the commitment to the application of accounting and auditing standards for AAOIFI; Intensive care in the performance of duties and accounting steps and he should did not act any activities that effect on his truest; objectivity and independency as accepting gifts

The main characteristics of Muslim accountant depend on AAOIIF ethical standards No.1 can show by the following figure

Essentially, in the sense of conventional accounting, the role of accountant includes the process of identifying, measuring, recording, classifying and summarizing business transactions which make it probable to accomplish its main goals of financing reporting to the stakeholders for

decision making (Amer, 2007). Thus, the accountant must use a superior “language” to communicate financial information about a business to those responsible for decisions making. Accounting, in a comprehensive sense, is the science which tries to present and categorize the statistics of the properties and property rights in the business enterprise. All appreciated considerations coming into the possession of a business concern should be accounted for, and the rights which several individuals and interests have in the business must be protected (Paton & Stevenson 1978). Paton (1992) argued that accounting is the information system designed to provide for diverse communities related to certain corporation of accounting regarding information on this corporation that will qualify them to make decisions about their dealings with this corporation which are leading to direct scarce economic resources to be used proficiently and accomplish the objectives of the community and to generate income and provide employment opportunities through investment.

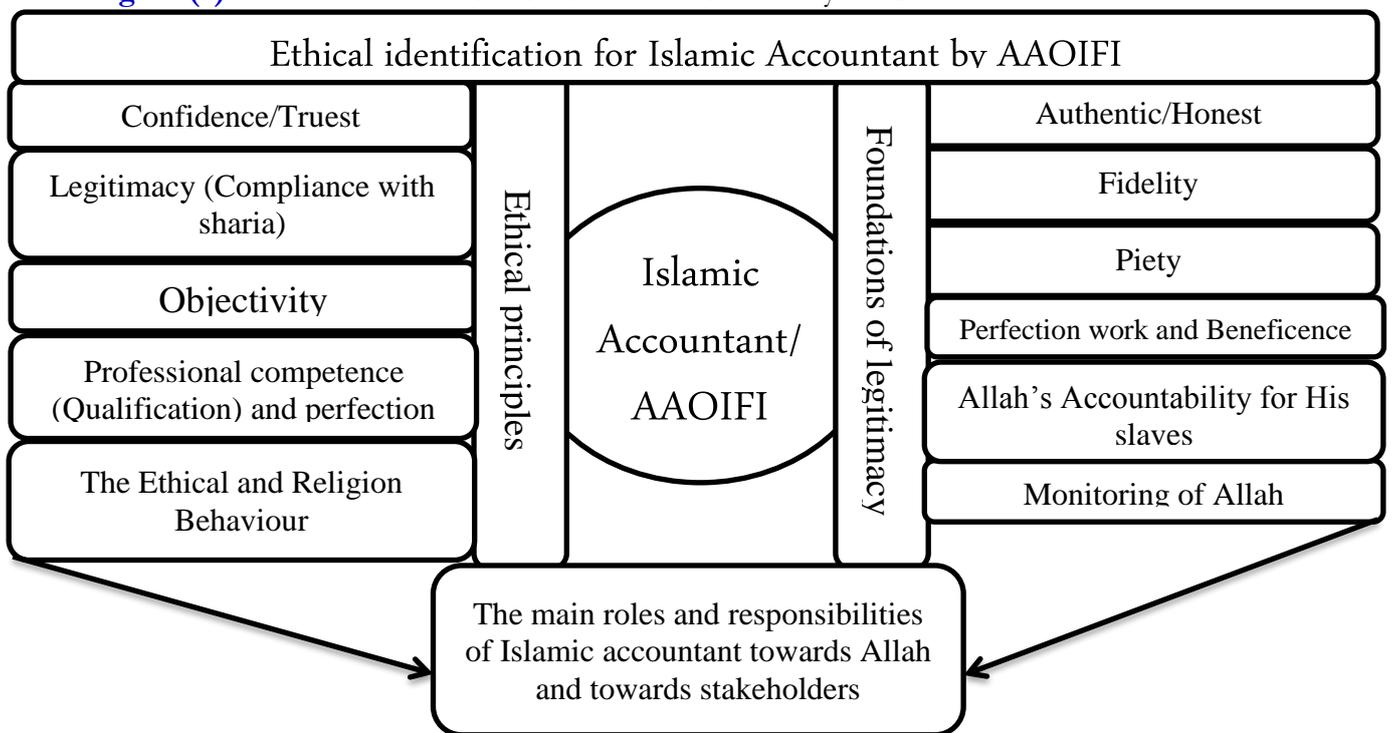
From what preceded it can be observed that accountants’ performance affects the public through the preparation of financial reports. Consequently, users of financial report, particularly decision makers, suppose professional accountants to be highly knowledgeable, reliable, and objective. Those involved in the field of accounting must not only be well qualified but must also own a high degree of professionalism and ethic so as to be able to provide valuable information to users (Abdul Rahman, 2003). According to the Islamic belief system, “And I did not create the jinn and mankind except to worship me” (Adh-Dhāriyāt, 56). The word worship (ibadah) here has a comprehensive meaning including all permissible human activities and intentions as part of the general act of acceptable ibadah (Addas, 2008). Therefore, Islamic accountants should comprehend their role in the society as part of ibadah. Abdul Rahman (2003) highlights that accountants should be trained and be aware of the fact that they are accountable to various stakeholders. Some of the significant roles that Muslim accountants can play in relation to the Islamic institutions are debated as follow:

1. Ensuring the accountability of Islamic Institutions

Accounting functions to release the accountability of the institutions as a result of separation of ownership and the management. The users might be stockholders, creditors, prospective investors and the public. From Islamic view point, the concept of accountability is entrenched in the basic creation of Man as a vicegerent of God on the earth. Man’s mission on earth is to accomplish the purpose of his existence in the world. Man is thus created as a trustee and is responsible for all his actions. Consequently, accounting should function not only as a service activity providing financial information to the users and to the community at large but, more significantly, accountants should

discharge their accountability by providing information to allow society to follow God's instructions (Abdul Rahman 2003).

Figure (3): Ethical identification for Islamic Accountant by AAOIFI



- Main accountabilities by Muslim accountant:**
- Display professional judgments and opinions by sufficient honesty; integrity and transparency and maintaining of the confidentiality of the information
 - Fulfil its responsibility in front of Allah as a priority
 - Guarantee the compliance with the provisions and principles of Islamic law
 - Avoid conflict of interests
 - Acquire a high level of academic; practical training and knowledge of Islamic financial transactions and professional experience
 - Self-monitor and Self-accounting
 - Commitment to the application of accounting; sharia and auditing standards for AAOIFI

Muslims also believe that men are vicegerents on earth and straight responsible for all their actions and they are only trustees of God. So, accountants should lay formal claim to the status of moral

arbiters to confirm the responsibility and transparency of an institution's internal procedures, so that issues of policy and governance are properly argued and recorded with due concern for morality (Abdul Rahman 2003). The accountant in Islam is not only required to maintain a noble relationship with superiors, customers and the management but he is likewise required to maintain, develop and strengthen his relationship with God by fulfilling his religious obligations. In fact, the relationship with the God will determine the mode of relationship with fellow servants. Guided by the appropriate relationship with God, the human accountant would then be inspired by the values of truthfulness, fairness, tolerance, uprightness, etc. (Abdul Rahman 2003)

2. Accountant and decision making

Accountant are under obligation to communicate applicable information for decision-making clearly. The process of making decisions is commonly considered to contain numerous steps as a clear understanding of the objective – what are we striving to achieve in the future. Traditionally, accountants have concerned themselves with past and recorded history whereas the decision making tend to look at the future, based on the information about the past. Consequently, if the Muslim accountant wishes to serve as an active member of the institution, thus providing management with a more operative tool in resolving several of long-range planning problem areas, he will have to reorient his thinking by looking toward the future. Some people opine that accounting is supposed to be a significant tool to the corporation and the practitioners. Accounting system, as felt by experts, is an essential requirement for their effective functioning in the institutions. Though, the role of accounting technology and the authority of the accountant is very limiting. Then, from their point of view, accounting is regarded as no more than a technology to record accounting and financial information. In this sense, the authority of the accountant to manage the financial accountability and control system has been unimportant. The role of the accountant has been subjugated to the role of bookkeeper. Thus, it is understood that the accountant would not be included in the decision making process.

Hence, the Islamic accountants must be given more authority and should be approved as significant players in the Islamic banks. The Islamic accountants should be encouraged to take part in decision making particularly participating in the financial decision making, even though the final decision made by committee of higher authority. There is an awareness that at least, they have to attempt to take part in decision making in order to meet the goals of Islamic Sharia. From Islamic standpoint, a significant aspect of decision making is how a group should go about making a decision. Quran evidently states consensus as important method of decision making (Al Shura 42:38). The importance of consensus in decision making is that if for some reason, a mistake is committed, and then the accountability is shared by all. Consequently, in decision-making process,

the participants should work together freely and honestly in order to arrive at a sound decision (Shaikh, 1988). As a Muslim, an accountant should also participate in decision-making process of institutions by providing accurate information. However, from practical aspect, most of the Islamic banks have diverse cultural perspective as regards to the issue of power and authority.

Therefore, in some banks the role of accounting and the authority of the accountant are very limited and restrictive (Abdul Rahman & Goddard). At the same time, accounting as a moral discipline requires accountants to keep in mind the influence of their data in the process of decision making hence, be aware of their social responsibility in communicating their data in the process of decision making (Rahman. 2003). Islam does not separate accounting process from ethics. Consequently, Islamic accountants should free themselves from the secular worldview which treats ethics as a hidden aspect of professional and worldly life. Muslim accountants have to train themselves to be more humanized and raise their role as an ethical human being. Islam indeed views the work of accountants as extremely significant. For their work improve a proper management of this world, hence, leading to the achievement of the ultimate blessing of God as His vicegerents (khalifah) on the earth. Therefore, in order for accountants to be able to act as moral arbiters in a business society they need to be imbued with an Islamic ethical 'filter' mechanism. So, accountants should play dynamic role in decision-making process by contributing positively to those decisions which are in conformity with the religious considerations and public interest.

3. Role of Islamic accountant in environmental affairs

The interaction of business with the environment is great interest to the society. This is perceptible from the growing body of environment related regulations and legislation, for a superior interest of the community, and the continuing focus of the media upon corporate environmental performance. Over an extended period society's awareness of the environmental issues has radically climbed and there has been a remarkable growing in environmental pressure group membership throughout the world community. From Islamic approach, the Holy Quran stated the prohibition of fraud in the combination with the prohibition of doing damage to the earth, which implies the existence of a strong relation between environment and the business world. "So give full measure and full weight and wrong not men in their things, and do not mischief on the earth after it has been set in order, that will be better for you, if you are believers". (Quran 7:85)

The pollution of the environment indicates a huge problem for the world community today, due to its devastating influence on the health and performance of workers as well as society and the nature. Not only is the impact of environment so devastating to the society, but also the effect

speculation in the market. For those who regulate the objectives of the bank in relation to its profits also have severe consequence on the image of the company hence, its profits and its ability of attaining revenue. So, taking the environmental accounting into consideration, particularly environmental costs will qualify accounting professional to provide applicable and suitable information for decision makers. Most of the countries in the world have issued laws for the protection of the environment and have established a suitable agency, authority, or department to oversee their implementation both at the federal and local levels. The core objective of the enactments has been to ensure the protection of environment against both public and private activities that fail to take account of costs or harms inflicted on the environment (Hasan, 2006).

The environment occupies central position in Islam. Several Islamic principles in the Quran and in the Sunna, such as Tawheed (Unity of God), Khilafah (vicegerency), Ummah (community), Adl (justice), Ihsan (kindness), Hikmah (wisdom) and Tawadu' (modesty) carry practical implications concerning the relationship between humankind and the natural environment. Islam reproaches its adherents to reflect on such concerns and pay full attention to the protection of environment and the earth planet. It also guidelines the humanity repeatedly to spread virtue and respectable deeds, in the Quran: 'that Home of the Hereafter We shall give to those who intend not high-handedness or mischief on earth: and the end is (best) for the righteous' (Quran 28: 83).

According to the Islamic principle of trusteeship, the accountant, and hence accounting, is actually given a very main role hence, presenting a more holistic notion of accounting than is obtainable by conventional accountant. The meaning of trusteeship in Islam is evidently construed from other Islamic principles that reinforced by the core Unity of God or tawheed principle. For this principle have serious implications in terms of the insights for accounting as well as concern for the protection of the Earth. It means the person who is tasked with the accountability to ensure that the daily business transactions are done in a manner that is not harming the society. The modern term with the similar significance is accountant. Thus, we can safely say that the accountant's played important role. Among his responsibilities were to confirm that business activities such as baking were situated in save areas and were not affecting harm to the people, through the emissions and smells they produced.

Additionally, the accountant was charged with the task of making sure that businesses operators were not risking society's health by disposing their waste in a way that was harmful to the community surrounding them. During 15th and 16th centuries Muslim ruler appointed muhasibs or accountants who used to pay surprise visit to business locations for the purposes of making sure that those activities were in compliance with the best interests of the Ummah (Kamla et al., 2006). The accountant's role in respect of accountability in an Islamic society, consequently, was

not limited to technical and financial traditions. It was a social role, whereby the accountant's accountability extended to making sure that Sharia's social rules in respect of Ummah's welfare and interests were enforced and fulfilled with.

Muslim society as a comprehensive is required to form a system whereby people are encouraged to do well and avoid evil. Thus there is a sense of collective as well as individual responsibility. This principle should also be reflected in accounting at the several levels (Kamla et al., 2006). Haniffa (2001) highlights kinds of information that should be disclosed by Sharia abiding organisations to meet the requirements of Islamic societies. This comprises, the provision of information regarding lawful and unlawful activities, the reasons for undertaking the latter activities and how the bank/organization is dealing with them. Other sorts of information contain employee policy, debtors and creditors, the use of resources and protection of the environment. Disclosure of such information being in conformity with the Islamic principles of vicegerency, justice and Ummah, therefore should not be viewed negatively.

4. Prevention of fraud and exploitation

Prevention of fraud and its removal from all levels of financial management mainly that related to accountancy is of a great significance. So, as financial professionals, the accounting staffs founding cost-effective controls to prevent fraudulent behaviour. It is doubtful that all frauds will be prohibited with even the best internal controls. Consequently, each organization should adopt measures that are valuable in earlier detection of fraud hence, minimising its financial cost. The current role of an accountant is limited to compliance with the rules and procedures and comprehensiveness of paperwork. It is easy to show the compliance of an organisation with all the instructions and regulations without realising that the financial reporting and auditing are fraudulent. Since the accountability of the accountant is to check only the extent of organization's adherence to the rules and procedures, he cannot contribute to evaluating the achievement of the objective of setting up the business in the context of Islam, at the earliest stage. Opposite from the capitalist environment, in an Islamic society with a very heavy social and ethical agenda, this existing practice may be considered insufficient (Kasim & Khalid, 2010).

The role of Islamic accountant in the prevention of fraud and exploitation in the Islamic institutions can be envisaged in two diverse manners. First, as a Muslim accountant his belief system prevent him the fraudulent financial reporting and auditing. Second, as a Muslim accountant he prevent the fraudulent acts by others in the organizations through the concept of Hisba/Muhasib in Islam. As debated previously, Muslim accountant characteristics of wara', amanah, trusteeship and awareness of his accountability to God, enable him to provide accurate and correct information. In fact these characteristics function as safety valves hence, perverting

him from falling prey to any financial scandal. Current accounting scandals, of companies' fraudulent financial statements, and auditor's issuance of clean views on the fraudulent statements, have eroded the trust among participants in the financial markets. Kasim and Khalid (2010: 72) believed that Islam has indirectly laid down a main concept in accounting i.e. "taklif" or "accountability" in one of its surah in the al-Quran i.e. Al-Baqarah, verse 282 (2:282). Islam has developed its own concept of accountability, which is the concept of 'taklif' where everyone is considered accountable for his deeds hence, receiving punishment or reward depending on the nature of his act, in this world or in the Hereafter or both. Taklif is diverse from its non-Islamic counterparts for it implies insistence on the fact of each one being accountable for his own deeds. This also means that people must accept all their responsibilities whole heartedly along with their presumed liabilities. On the other hand, the final decisions of our actions (right or wrong) will be decided by Allah (SWT).

In addition, an Islamic accountant is observed as a muhasib whose task, often, is to check and appraise the institution that he is attached to. In Islamic history, the institution of Hisba and the role of the Muhasib— to monitor, control and prevent fraudulent exploitations on consumers in the market place go back to the time of Prophet Muhammad (PBUH) and four rightly guided Caliphs. Its function and role, as defined in the Quran, was to encourage right and prevent wrong. For example in Surah Ali-Imran, verse 104, "Let there arise out of you, a band of people, inviting to all that is good, enjoining what is right, and forbidding what is wrong: They are the ones, to attain felicity."

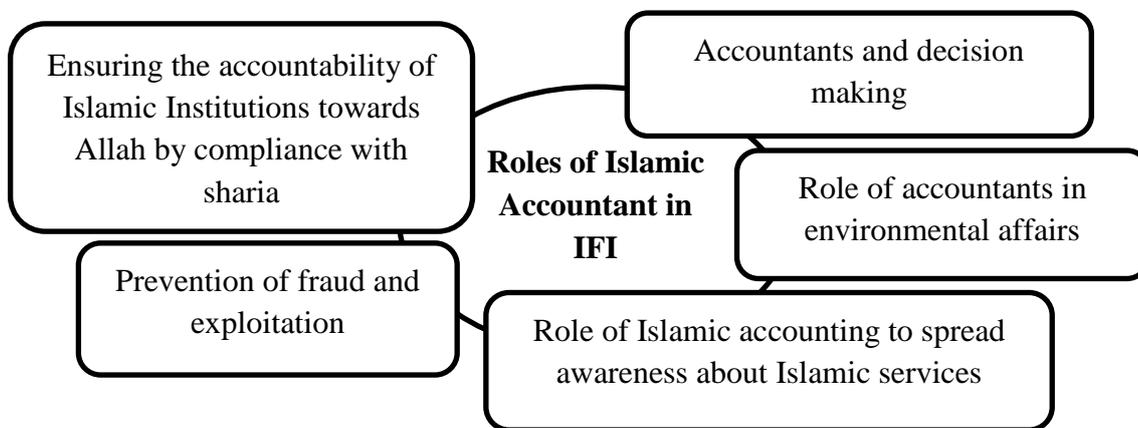
According to Muslim scholars, hisba practice must be seen as a fard kifayah for Muslims; where each Muslim is expected to play a positive role in the propagation of good (ma'ruf) and suppression of evil (munkar); though, it has been made an obligation on a section of society to remain engaged in it. In this connection, an Islamic accountant is the official appointed by the institution to implement hisbah on behalf of the institution. As an accountant, he is predictable to be accountable not only to the society under his control, but more significantly to God. In other words, the audit function in an Islamic state is vital and mandatory as it reflects the accountability of the auditor not only to the users of the financial statements, but more significant, to the Creator, Allah SWT

5. Role of Islamic accounting to spread awareness about Islamic services

As the Islamic accountant has an important role in IFI and in the same time he owns suitable and professional knowledge related to Islamic banking and Fiqh el-mo'malat, one of the main roles for Muslim accountant is spread the awareness and knowledge about Islamic banking and their services which help people specially investors and generally Muslim to know the basic of Islamic

banking from who possess the knowledge. This role comply with what the Messenger of Allah (PBUH) said, "He who calls others to follow the Right Guidance will have a reward equal to the reward of those who follow him, without their reward being diminished in any respect on that account" and also the Messenger of Allah (PBUH) said "The best people who more valuable and more benefit for other people" (Narrated by Muslim). This debating approves the role of Islamic accountant towards stakeholders with Islamic banks specially stockholders to share knowledge about Islamic services which improve and enhance their awareness and effect on their decision making. This role can achieve through good disclosure in the annual reports for Islamic banks to reflect all Islamic products and activities of bank that reflects the true image for Islamic banking. All roles that discussed can shows in the figure (4)

Figure (4): Roles of Islamic Accountant in IFIs



8. Conclusion, Limitations and Recommendations

Islam is a holistic code for spiritual and material life. The Quran offers direction for accounting in additional to guide for main characteristics for Islamic accountant. The benchmark for Islamic accountant contains multi different features which covers personal and professional qualifications as sufficient knowledge for Islamic sharia, Wara' (Devotion), Wisdom, Perfection (itqan) and Precision (diqqah) in work in additional to ethical features as Amanah, Neutrality and Ethics. The roles of Islamic accountant go beyond ensuring the accountability of Islamic Institutions to approve his role in decision making, Prevention of fraud and exploitation and his role in environmental affairs and finally his role towards spreading knowledge about Islamic banking for Muslim. AAOIFI present a framework for Islamic accountant contains multi different dimensions and roles that can add value for all stakeholders. Depend on the previous results, we recommend further exploring for Islamic banks related to the mechanism of choosing their accountants and for what extent it comply with the ideal model for Islamic accountant. The other suggested issues is investigate for what extent AAOIFI and CIPA comply with this benchmark and how can this modification for this certificate effect on the acceptance and spread of Islamic certificates against

international as CPA and ACCA. A possible limitation that may be inferred, especially by non-Muslims, is the heavy reliance on Islamic literature in the development and arguments of this paper. A further possible limitation could be the limited sources to support the appointment requirements being.

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