CHAPTER 4

FINDINGS

4.0 Introduction

This chapter outlines the analysed of the collected data from the surveys conducted for this research and the results. The data is summarised and presented in the form of tables and pie-charts. The collected data has been analysed and interpreted in line with the aim of the study. This chapter explained the process of data editing and coding, response rate, data screening for missing data, demographic results and analysis of the findings.

4.1 Demographic Analysis

Among the 342 distributed questionnaires, only 152 questionnaires were returned and completed for analysis. Between the returned 152 questionnaires, there were 145 (95.4%) male and 7 (4.6%) females. The highest participation percentage (56.6%) was from the age group (34-41) years, while the lowest participation percentage (2%) was from those within the age group (<25) years. In addition, most of the respondents were those holding a Bachelor degree (55.9%), and most employees had 6 to 10 years of experience (36.8%). The participants were mostly (60.3%) working in organisations which have been established >20 years.

Table 4.1: Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	11	7.2	7.2	7.2
	Undergraduate degree	85	55.9	55.9	63.2
	Postgraduate	56	36.8	36.8	100.0

	Total	152	100.0	100.0	

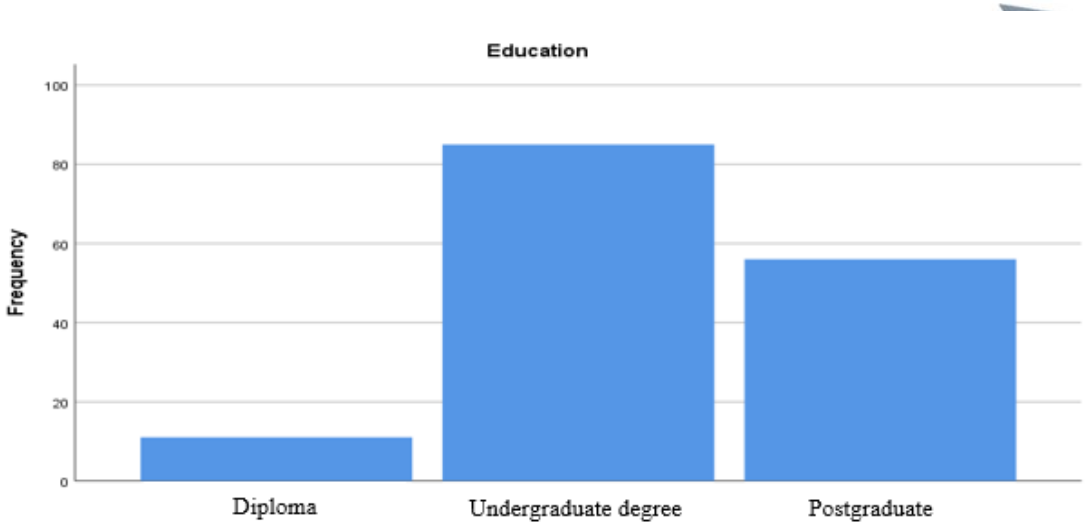


Table 4.2: Experience

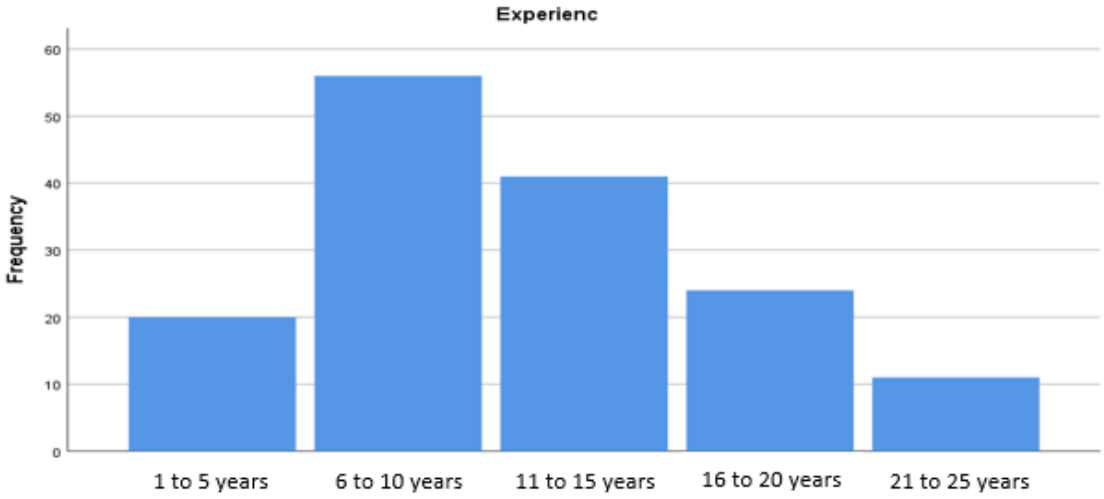
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	From 1 to 5 years	20	13.2	13.2	13.2
	From 6 to 10 years	56	36.8	36.8	50.0
	From 11 to 15 years	41	27.0	27.0	77.0
	From 16 to 20 years	24	15.8	15.8	92.8
	From 21 to 25 years	11	7.2	7.2	100.0
	Total	152	100.0	100.0	

Table 4.3: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	145	95.4	95.4	95.4
	Female	7	4.6	4.6	100.0
	Total	152	100.0	100.0	

Table 4.4: Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Director General	6	3.9	3.9	3.9
	Finance Manager	10	6.6	6.6	10.5
	Accountant	39	25.7	25.7	36.2
	Internal Audit	17	11.2	11.2	47.4
	Others:	80	52.6	52.6	100.0
	Total	152	100.0	100.0	



Bar Chart

4.2 Descriptive Statistics

Descriptive statistics are important to test the difference and distribution in the sample which provides an indication of the existence of outliers that can negatively affect the analysis. It also helps give a quantitative description for the relationships and correlations that exist between different items.

4.3 SURVEY QUESTIONNAIRE ANALYSIS

In this study, the respondents were asked to indicate their level of agreement on a scale ranging from 5 (strongly agree) to 1 (strongly disagree) about the internal control practices (independent variables) and the accountability discharging practice (dependent variable).

4.3.1 The Control Environment

Table 4.5 shows that Al-Rahma employees showed moderate use of controls. The respondents graded the following two objectives of the control environment highest: There is an atmosphere of mutual trust in Al-Rahma (M=4.2105, SD=0.6158), and All positions in Al-Rahma have written job descriptions, reference manuals or other forms of communication. (M=4.1579, SD=0.6915). The result shows that the majority of the employees either agree or strongly agree with the statement "There is an atmosphere of mutual trust in Al-Rahma". Some 95% of the employees believe that Al-Rahma has a consistent and effective communication of ethical behaviour and integrity. Astonishingly, the following two objectives were ranked at the bottom. The independence of all board members is periodically reviewed for affiliations and relationships that could result in a conflict of interest (M=3.8158, SD=0.8333) and management reviews and modifies the organisational structure of Al-Rahma in light of anticipated changing conditions or revised priorities (M=3.8553, SD=0.8796). The finding illustrates that a significant number of respondents "agree", which suggests that the environment in Al-Rahma is controlled by high ethics and an effective internal control system. The findings suggest that Al-Rahma has a significant atmosphere of mutual trust. The average control environment practice and implementation in Al-Rahma is 88%.

Table 4.5: Analysis of the respondents' perception of control environment

Measure Phrases	Agree	Strongly Agree	Neutral	Disagree	Strongly	Mean	Std. Deviation	Rank
						Statistic		
Al-Rahma top management's commitment to integrity and ethical	98	34	11	7	2	4.0197	0.7761	7
	64%	22%	7%	5%	1%			

behaviour is consistently and effectively communicated throughout Al-Rahma, both in words and deeds.	87%		7%	6%				
Al-Rahma has a code of conduct and/or ethics policy.	97	39	11	3	2	4.1053	0.7202	5
	64%	26%	7%	2%	1%			
	89%		7%	3%				
When Al-Rahma hires new staff, the person is trained or made aware of the importance of high ethics and sound internal controls.	111	32	4	1	4	4.0921	0.7034	6
	73%	21%	3%	1%	3%			
	94%		3%	3%				
Al-Rahma's culture sets the tone of an organisation, influencing the control consciousness of its people. It is the foundation for the other components of internal control.	107	35	4	4	2	4.1118	0.6862	4
	70%	23%	3%	3%	1%			
	93%		3%	4%				
The independence of all board members is periodically reviewed for affiliations and relationships that could result in a conflict of interest.	107	17	18	3	7	3.8158	0.8333	11
	70%	11%	12%	2%	5%			
	82%		12%	7%				
Management reviews and modifies the organisational structure of Al-Rahma in light of anticipated changing conditions or revised priorities.	96	26	17	8	5	3.8553	0.8796	10
	63%	17%	11%	5%	3%			
	80%		11%	9%				
All positions in Al-Rahma have written job descriptions, reference manuals or other forms of communication.	92	44	14	0	2	4.1579	0.6915	2
	61%	29%	9%	0%	1%			
	89%		9%	1%				
Al-Rahma's structure and tone at the top helps enforce individual accountability for performance of internal control responsibilities.	103	31	10	3	5	4.0000	0.8056	8
	68%	20%	7%	2%	3%			
	88%		7%	5%				
Al-Rahma has an accounting and financial system.	97	41	9	3	2	4.1316	0.7158	3
	64%	27%	6%	2%	1%			
	91%		6%	3%				
There is an atmosphere of mutual trust in Al-Rahma	102	43	4	2	1	4.2105	0.6158	1
	67%	28%	3%	1%	1%			
	95%		3%	2%				
Al-Rahma has a very sound control environment to safeguard assets against abuses.	103	27	15	2	5	3.9539	0.7918	9
	68%	18%	10%	1%	3%			
	86%		10%	5%				
Al-Rahma has put in place separation of powers/checks and balances in its outfit to control its activities.	106	21	14	4	7	3.8553	0.8567	10
	70%	14%	9%	3%	5%			
	84%		9%	7%				

4.3.2 The Risk Assessments

Table 4.6 displays that Al-Rahma employees had moderate risk assessment. The respondents graded the following two objectives of the risk assessment highest: Management establishes a materiality threshold for the purpose of identifying significant accounts and disclosures. This considers risk at each location where Al-Rahma conducts activities (M=4.0526, SD=0.5494), and Al-Rahma management ensures that risk identification considers internal and external factors and the potential impact on the operations (M=4.0461, SD=0.6645). The result shows that the majority of the employees either agree or strongly agree with the statement "Management establishes a materiality threshold for the purpose of identifying significant accounts and disclosures". This considers risk at each location where Al-Rahma conducts activities. It means that 90% of the employees believe risks to the organisation are sufficiently identified. Surprisingly, the following two objectives were ranked at the bottom. These are Al-Rahma has in place mechanisms of mitigating critical risks that may arise during the doing business (M=3.1579, SD=0.9205) and Al-Rahma's assessment of fraud risk considers the opportunities for wilful violations of laws, regulations or policy at each location where Al-Rahma conducts activities (M=3.6908, SD=0.9210). The finding illustrates that a significant number of respondents agree. This finding suggests that the assessment of risk is considered a priority before conducting any activities in Al-Rahma. The findings suggest that Al-Rahma management makes sure that the identification process of risk include external factors and the potential impact on the operations. The average risk assessment practice and implementation in Al-Rahma is 81%.

Table 4.6: Analysis of the respondents' perception of risk assessments

Measure Phrases	Agree	Strongly Agree	Neutral	Disagree	Strongly	Mean	Std. Deviation	Rank
						Statistic		
Management establishes a materiality threshold for the purpose of identifying significant accounts and disclosures. This considers risk at each location where Al-Rahma conducts activities	112	25	13	2	0	4.0526	0.5494	1
	74%	16%	9%	1%	0%			
	90%		9%	1%				
Al-Rahma sets entity-wide financial reporting controls and assesses the risks that those controls will not prevent material misstatements, errors, or omissions in the financial statements	105	28	17	1	1	4.0395	0.6185	3
	69%	18%	11%	1%	1%			
	88%		11%	1%				

Al-Rahma management ensures that risk identification considers internal and external factors and the potential impact on the operations	99	32	18	2	1	4.0461	0.6645	2
	65%	21%	12%	1%	1%			
	86%		12%	2%				
Al-Rahma adequately and effectively manages risks to the organisation and has designed internal controls that mitigate the identified risk	97	20	24	2	9	3.7697	0.9096	8
	64%	13%	16%	1%	6%			
	77%		16%	7%				
Al-Rahma's risk identification/assessment is broad and includes all significant interactions, both internal and external business partners and outsourced service providers	93	25	18	10	6	3.7961	0.9303	6
	61%	16%	12%	7%	4%			
	78%		12%	11%				
Al-Rahma's assessment of fraud risk considers the opportunities for wilful violations of laws, regulations or policy at each location where Al-Rahma conducts activities	100	22	16	6	8	3.6908	0.9210	11
	66%	14%	11%	4%	5%			
	80%		11%	9%				
Al-Rahma's assessment of fraud risks consider opportunities for unauthorised acquisition, use and disposal of assets, altering the reporting records, or committing other inappropriate acts	99	18	17	6	12	3.8882	1.0048	4
	65%	12%	11%	4%	8%			
	77%		11%	12%				
Al-Rahma identifies risks that affect achievement of the objectives in a timely manner	90	29	23	7	3	3.7105	0.8343	10
	59%	19%	15%	5%	2%			
	78%		15%	7%				
Al-Rahma has a criteria for ascertainment of the risks that are most critical to the organisation	98	20	14	10	10	3.7303	1.0009	9
	64%	13%	9%	7%	7%			
	78%		9%	13%				
Al-Rahma has in place mechanisms of mitigating critical risks that may arise during the doing business	108	14	15	5	10	3.1579	0.9205	12
	71%	9%	10%	3%	7%			
	80%		10%	10%				
Al-Rahma periodically identifies both external and internal factors which could cause financial frauds	104	22	14	8	4	3.8684	0.8193	5
	68%	14%	9%	5%	3%			
	83%		9%	8%				
The organisation estimates the significance of the risk factors and assesses the likelihood of the risk occurrence	101	21	15	5	10	3.7763	0.9574	7
	66%	14%	10%	3%	7%			
	80%		10%	10%				

4.3.3 Control Activities

Table 4.7 displays that Al-Rahma employees employed moderate control activities. The respondents graded the following two objectives of control activities highest: The organisation reviews its operational performance periodically (M=4.1447, SD=0.6751), and Al-Rahma has control over its resources and record (M=4.1118, SD=0.7052). The result shows that the majority of the employees either strongly agree

or agree with the statement "Management control activities consider all the relevant processes, information technology and locations where control activities are needed, including outsourced providers". It means that 93% of the employees believe that in order to accomplish the objectives, the organisation must maintain strong policies and procedures. Unexpectedly, the following two objectives were ranked at the bottom. Al-Rahma periodically reviews system privileges and access controls to the different applications and databases within the IT infrastructure (M=3.8882, SD=0.8422) and Al-Rahma verifies and reconciles claims of resource application (M=3.9671, SD=0.8567). The finding illustrates that a significant number of respondents agree. This finding suggests that Al-Rahma is aware of the importance of policies and procedures in conducting and following up its activities. The findings also suggest that Al-Rahma management reviews its operational performance periodically and takes corrective action to the weaknesses. The average control activities practice and implementation in Al-Rahma is 90%.

Table 4.7: Analysis of the respondents' perception of control activities

Measure Phrases	**Agree**	**Strongly Agree**	**Neutral**	Disagree	Strongly Disagree	Mean	Std. Deviation	Rank
						Statistic		
Management control activities consider all the relevant processes, information technology and locations where control activities are needed, including outsourced providers	115	27	10			4.1118	0.4821	2
	76%	18%	7%	0%	0%			
	93%		7%	0%				
Policies, procedures and other safeguards help ensure, that objectives are accomplished	116	25	9	2		4.0789	0.5214	3
	76%	16%	6%	1%	0%			
	93%		6%	1%				
Al-Rahma periodically reviews system privileges and access controls to the different applications and databases within the IT infrastructure	106	23	12	5	6	3.8882	0.8422	10
	70%	15%	8%	3%	4%			
	85%		8%	7%				
Al-Rahma has policies and procedures addressing proper segregation of duties between the authorisation, custody, and recordkeeping	114	21	14	2	1	4.0000	0.5868	8
	75%	14%	9%	1%	1%			
	89%		9%	2%				
Corrective action is taken to address weaknesses in Al Rahm	118	18	14	2		4.0000	0.5147	8
	78%	12%	9%	1%	0%			
	89%		9%	1%				
Al-Rahma has a well-organised chart of account	107	30	9	2	4	4.0329	0.7407	5
	70%	20%	6%	1%	3%			
	90%		6%	4%				
	113	26	12	1		4.0789	0.5214	3

It is impossible for one staff to have access to all valuable information without consent from the senior staff	74%	17%	8%	1%	0%			
	91%		8%	1%				
Controls are in place to check on incurring expenditure in excess of allocated fund	110	28	11	3		4.0526	0.6590	
	72%	18%	7%	2%	0%			
	91%		7%	2%				4
Al-Rahma's security system identifies and safeguards its asset	108	29	8	3	4	4.0197	0.7500	
	71%	19%	5%	2%	3%			
	90%		5%	5%				6
The organisation reviews its operational performance periodically	99	40	10	1	2	4.1447	0.6751	
	65%	26%	7%	1%	1%			
	91%		7%	2%				1
Al-Rahma has put in place authorisation and approval procedures for resource utilisation	98	36	9	3	6	4.0197	0.8572	
	64%	24%	6%	2%	4%			
	88%		6%	6%				6
Al-Rahma has control over its resources and record	103	37	6	4	2	4.1118	0.7052	
	68%	24%	4%	3%	1%			
	92%		4%	4%				2
Al-Rahma verifies and reconciles claims of resource application	108	28	7	1	8	3.9671	0.8567	
	71%	18%	5%	1%	5%			
	89%		5%	6%				9
Al-Rahma has supervisory controls of resource application	113	26	6	2	5	4.0066	0.7502	
	74%	17%	4%	1%	3%			
	91%		4%	5%				7

4.3.4 Information and Communication

Table 4.8 displays that Al-Rahma employees showed recognisable use of information and communication. The respondents graded the following two objectives of control activities highest: Al-Rahma has processes in place to communicate the results of reports provided by the Independent Auditor to the Board of Director (M=4.1118, SD=0.5817), and there is a process to quickly disseminate critical information throughout Al-Rahma when necessary (M=4.0987, SD=0.6172). The result shows that the majority of the employees either strongly agree or agree with the statement "There is a process to quickly disseminate critical information throughout Al-Rahma when necessary". It means that 93% of the employees believe that the essential information is communicated instantly and smoothly throughout Al-Rahma. Unexpectedly, the following two objectives were ranked at the bottom. The reporting system on the organisational structure spells out all the responsibilities of each department in Al Rahm (M=3.9474, SD=0.7168) and Pertinent information must be

identified, captured and communicated to enable people to carry out their responsibilities in timely manner (M=4.0263, SD=0.6505). The finding shows that a significant number of respondents agree. This finding suggests that there is a remarkable communication system in Al-Rahma. The findings also suggest that Al-Rahma makes sure the requisite communication between the board of directors and management is done easily and efficiently in order to fulfil their responsibilities. The average information and communication practice and implementation in Al-Rahma is 91%.

Table 4.8: Analysis of the respondents' perception of information and communication

Measure Phrases	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Deviation	Rank
						Statistic		
Pertinent information must be identified, captured and communicated to enable people to carry out their responsibilities in timely manner	113	25	9	3	2	4.0263	0.6505	6
	74%	16%	6%	2%	1%			
	91%		6%	3%				
Communication exists between management and the board of directors to ensure both have information needed to fulfil their responsibilities	112	30	5	2	3	4.0789	0.6762	5
	74%	20%	3%	1%	2%			
	93%		3%	3%				
There is a process to quickly disseminate critical information throughout Al-Rahma when necessary	110	31	7	3	1	4.0987	0.6172	2
	72%	20%	5%	2%	1%			
	93%		5%	3%				
Al-Rahma management has a communication process for reinforcing to all employees their roles in internal control responsibility	101	33	16	2		4.0855	0.6084	4
	66%	22%	11%	1%	0%			
	88%		11%	1%				
Al-Rahma has processes in place to communicate relevant and timely information to external parties (e.g., donors, government)	104	34	9	4	1	4.0921	0.6647	3
	68%	22%	6%	3%	1%			
	91%		6%	3%				
Al-Rahma has processes in place to communicate the results of reports provided by the Independent Auditor to the Board of Director	102	34	15	1		4.1118	0.5817	1
	67%	22%	10%	1%	0%			
	89%		10%	1%				
All the employees understand the concept and importance of internal control including the division of responsibilities	106	32	10	2	2	4.0789	0.6664	5
	70%	21%	7%	1%	1%			
	91%		7%	3%				
The reporting system on the organisational structure spells out all the responsibilities of each department in Al Rahm	113	21	10	5	3	3.9474	0.7168	7
	74%	14%	7%	3%	2%			
	88%		7%	5%				

4.3.5 Monitoring

Table 4.9 displays that Al-Rahma employees employed moderate monitoring. The respondents graded the following two objectives of the monitoring highest: Al-Rahma audits its accounts periodically to ensure compliance (M=4.1776, SD=0.5991), and Al-Rahma periodically evaluates its business processes (e.g., cash management, comparison of budget to actual results) (M=4.1382, SD=0.6616). The result shows that the majority of the employees either strongly agree or agree with the statement "Al-Rahma audits its accounts periodically to ensure compliance". It means that 94% of the employees believe that policies and procedures are being examined by Al-Rahma management periodically. Surprisingly, the following two objectives were ranked at the bottom. There are independent processes, checks and evaluation of control activities on an ongoing basis (M=3.9605, SD=0.7624), and an internal review of implementation of the internal control practices in departments is conducted periodically to ascertain its effectiveness (M=3.9605, SD=0.6894). The finding illustrates that a significant number of respondents strongly agree. This finding suggests that the monitoring procedures are considered an important step in the internal control practices of Al-Rahma. The findings also recommend that Al-Rahma management reviews and checks its policies and procedures periodically and takes a corrective action to the audit findings and recommendations. The average monitoring practice and implementation in Al-Rahma is 91%.

Table 4.9: Analysis of the respondents' perception of monitoring

Measure Phrases	Agree	Strongly	Neutral	Disagree	Strongly	Mean	Std. Deviation	Rank
						Statistic		
Al-Rahma periodically evaluates its business processes (e.g., cash management, comparison of budget to actual results)	105	37	6	2	2	4.1382	0.6616	2
	69%	24%	4%	1%	1%			
	93%		4%	3%				
Al-Rahma management periodically check whether policies and procedures are being followed and functioning as intended	113	27	10	1	1	4.0789	0.5700	3
	74%	18%	7%	1%	1%			
	92%		7%	1%				
Al-Rahma monitors subrecipients to ensure that the funds provided are expended only for allowable activities, goods, and service	107	30	12	1	2	4.0658	0.6477	4
	70%	20%	8%	1%	1%			
	90%		8%	2%				
	110	24	11	2	5	3.9605	0.7624	7
	72%	16%	7%	1%	3%			

There are independent processes, checks and evaluation of control activities on an ongoing basis	88%		7%	5%				
An internal review of implementation of the internal control practices in departments is conducted periodically to ascertain its effectiveness	113	21	12	3	3	3.9605	0.6894	7
	74%	14%	8%	2%	2%			
	88%		8%	4%				
Al-Rahma undertakes monitoring to ensure that audit findings and recommendations are adequately and promptly resolve	119	21	6	5	1	4.0132	0.6088	5
	78%	14%	4%	3%	1%			
	92%		4%	4%				
Through evaluation and feedback processes, and organisation assesses, tracks and monitors its performance over time	109	26	12	2	3	4.0066	0.6953	6
	72%	17%	8%	1%	2%			
	89%		8%	3%				
Al-Rahma makes separate evaluations of operating projects	105	30	9	4	4	4.0066	0.7763	6
	69%	20%	6%	3%	3%			
	89%		6%	5%				
Al-Rahma audits its accounts periodically to ensure compliance	104	39	7	1	1	4.1776	0.5991	1
	68%	26%	5%	38%	9%			
	94%		5%	1%				

4.3.6 Accountability Practices

Table 4.10 shows that the employees of Al-Rahma showed moderate use of accountability practices. The respondents graded the following two objectives of the control environment highest: Al-Rahma issued Financial annual reports (M=4.2566, SD=0.5661), and Activities of the previous five years increasing gradually (M=4.2237, SD=1.28481). Surprisingly, the result shows that the majority of the employees either agree or strongly agree with the statement "Al-Rahma published non-financial reports". It means that 95% of the employees believe that Al-Rahma publishes financial and non-financial reports. Astonishingly, the following two objectives were ranked at the bottom. Al-Rahma has appointed the board of director from the representative of waqf stakeholders (M=3.7500, SD=1.0050) and Al-Rahma has information systems that produce reports that contain non-financial and compliance-related information about its operation (M=3.9408, SD=0.7740). The finding illustrates that a significant number of

respondents agree. This finding suggests that the accountability in Al-Rahma has been developed by taking several procedures in order to enhance the practices of the accountability inside and outside Al-Rahma. The findings suggest that waqf activities in Al-Rahma have been increasing in the past years as well as the donations. The average accountability practice and implementation in Al-Rahma is 90%.

Table 4.10: Analysis of the respondents' perception of accountability practices

Measure Phrases	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Deviation	Rank
						Statistic		
Activities of the previous five years increasing gradually	99	44	8	1		4.2237	0.5661	
	65%	29%	5%	1%	0%			
	94%		5%	1%				2
The Waqf collection increasing yearly	112	25	13	2		4.0526	0.5494	
	74%	16%	9%	1%	0%			
	90%		9%	1%				8
The percentage of each waqf is growing compared to non-cash waqf	107	23	20	1	1	3.9868	0.6088	
	70%	15%	13%	1%	1%			
	86%		13%	1%				12
The number of beneficiaries is gradually increasing	103	37	11	1		4.1579	0.5650	
	68%	24%	7%	1%	0%			
	92%		7%	1%				3
Training increases the understanding of waqf organisation	99	24	29			3.9671	0.5915	
	65%	16%	19%	0%	0%			
	81%		19%	0%				13
Al-Rahma regularly involve waqf organisational staff in training to increase the individual piety and awareness of their dual accountability in this world and Hereafter to Allah	102	21	29			3.9474	0.5730	
	67%	14%	19%	0%	0%			
	81%		19%	0%				14
Al-Rahma has self-developed of performance measurement indications	104	26	16	3	3	3.9671	0.7317	
	68%	17%	11%	2%	2%			
	86%		11%	4%				13
Al-Rahma always tries to ensure the Fulfilment of waqif (donor) requirement	100	38	13		1	4.1447	0.6134	
	66%	25%	9%	0%	1%			
	91%		9%	1%				4
Al-Rahma has information systems that produce reports that contain operational and financial	105	32	10	1	4	4.0526	0.7350	
	69%	21%	7%	1%	3%			
	90%		7%	3%				8
Al-Rahma has information systems that produce reports that contain non-	115	21	8	2	6	3.9408	0.7740	
	76%	14%	5%	1%	4%			15

financial and compliance-related information about its operation	89%		5%	5%				
Al-Rahma always attempted to ensure the fulfillment of government auditing requirement	109	32	7	3	1	4.1053	0.6214	6
	72%	21%	5%	2%	1%			
	93%		5%	3%				
Al-Rahma has appointing external auditor in all branches	94	36	16		6	4.0132	0.8377	10
	62%	24%	11%	0%	4%			
	86%		11%	4%				
Al-Rahma has appointed in the board of director from the representative of waqf stakeholders	101	21	13	5	12	3.7500	1.0050	16
	66%	14%	9%	3%	8%			
	80%		9%	11%				
Al-Rahma performs a regular visit to the waqif (donor) to inform the progress of waqf programme	109	28	10	2	3	4.0329	0.6945	9
	72%	18%	7%	1%	2%			
	90%		7%	3%				
Al-Rahma regularly tries to arrange events and ceremonies to gather public to ask their feedback on waqf	110	25	14		3	4.0132	0.6610	10
	72%	16%	9%	0%	2%			
	89%		9%	2%				
Al-Rahma has Involving beneficiaries in the waqf programme	119	24	9			4.0987	0.4569	7
	78%	16%	6%	0%	0%			
	94%		6%	0%				
Al-Rahma conducts beneficiary's satisfaction survey in a regular base	107	26	15	1	3	4.0000	0.6905	11
	70%	17%	10%	1%	2%			
	88%		10%	3%				
Al-Rahma has put in place effective reporting procedures in communicating a balanced and understandable account of the organisation's position and procedures.	117	23	4	3	5	3.9868	0.7457	12
	77%	15%	3%	2%	3%			
	92%		3%	5%				
Al-Rahma published Non-financial reports	114	31	5	1	1	4.1382	0.5525	5
	75%	20%	3%	1%	1%			
	95%		3%	1%				
Al-Rahma issued Financial annual reports	87	55	7		3	4.2566	0.7233	1
	57%	36%	5%	0%	2%			
	93%		5%	2%				

4.4. Overall Average of Practices

4.4.1 Overall Average Internal Control Practices in Al-Rahma

Based on Tables (4.5; 5.6; 5.7; 5.8; 5.9) for the internal control practice in Al-Rahma, the average agreement of the monitoring practice and implementation, information and communication practice and implementation in Al-Rahma is 91%. This is followed by the average control activities practice and implementation by 90%. The

average control environment practice and implementation in Al-Rahma is 88%. The lowest average practice and implementation is risk assessment by 81%. The overall average of internal control practice and implementation in Al-Rahma is 88%. This descriptive analysis allows us to address the research objective number (1) exploring the internal control practices in Al-Rahma International Waqf Institution as in Table (4.11)

Table 4.11: Overall Average of Internal Control Practices in Al-Rahma

Variables	Average (%)
Control Environment	88
Risk Assessment	81
Control Activities	90
Information and Communication	91
Monitoring	91
Overall average of Internal control practice and implementation in Al-Rahma International	88

4.4.2 Overall Average Accountability Practices in Al-Rahma

Based on Table (5.10) for the accountability practice in Al-Rahma, the average agreement of the accountability practice reporting and implementation is 94%. Followed by the average of the accountability practice performance and implementation by 89%. Then the average the average of accountability practice evaluation and implementation in Al-Rahma is 88%. The overall average of accountability practice and implementation in AL-Rahma International is 90%. This descriptive analysis addresses the research objective number (2) about examining the accountability practices in Al-Rahma International as in Table (4.12)

Table 4.12: Overall Average of Accountability Practices in Al-Rahma

Variables	Average
Accountability Practices Evaluation	88
Accountability Practices Performance	89
Accountability Practices Reporting	94
Overall average of accountability practice and implementation in Al-Rahma International	90

4.5 Exploratory Factor Analysis

Factor analysis is a multivariate statistical technique, and data reduction technique. It summarises a large number of variables into a small number of factors (Davis and Cosenza, 1993). More importantly, factor analysis is undertaken in this study to explore the relationship between dependent and independent variables. Every variable should be given its due consideration in exploring these relationships. Therefore, the following tests were undertaken:

i. Examine the Kaiser-Meyer-Olkin (KMO) for measuring the adequacy of the sample. The higher the value of KMO the more effective the factor analysis. the KMO value should be higher than 0.50 to be acceptable (Remenyi et al., 1998).

ii. Bartlett's Test suggests that there are significant correlations among the variables (i.e., p-value<0.0001).

iii. Examine the Eigen values, it must be more than one to be included in the analysis (Remenyi et al., 1998).

iv. Cronbach's alpha test measures the internal reliability and consistency of variables (Cooper and Schindler, 2003).

Table 4.13: Measures of Sample Adequacy

Variables	KMO Value	Bartlett's Test
Control Environment	0.791	0.000
Risk Assessment	0.848	0.000
Control Activities	0.848	0.000
Information and Communication	0.745	0.000
Monitoring	0.817	0.000
Accountability Practices Evaluation	0.782	0.000
Accountability Practices Performance	0.782	0.000

4.5.1 Exploratory Factor Analysis for Control Environment

The control environment attributes were measured by 12 items. As shown in Table 4.3.1, only one factor has an Eigen-value greater than one, and total variance percentage of (62%). Based on the initial factor analysis, items (ICE1, ICE2, ICE7, ICE9, ICE10) were deleted due to failing to meet the EFA criteria and to improve the reliability of the outcome. The final result of factor analysis for the remaining items, reported that the remaining items were loaded into two components. The first component includes (ICE3, ICE4, ICE5, ICE8). By refereeing to these statements, it could be named general attributes of internal control environment. For the second components loaded by (ICE6, ICE11, ICE12), it could be named specific attributes of internal control environment. It also indicated high internal reliability. Based on Cronbach's Alpha for all factors, they were more than 0.94 which is excellent internal reliability. In addition, the findings of the anti-image and communalities show good item fit of the control environment.

Table 4.14: Control Environment

Items	**Communalities**	**Anti-image Matrices**	**Factor Loading**	
			General attributes IC Envir.	**Specific attributes IC Envir.**
ICE3	0.579	.855a	0.674	
ICE4	0.630	.798a	0.746	
ICE5	0.607	.755a	0.748	
ICE6	0.572	.820a		0.824
ICE8	0.584	.831a	0.764	
ICE11	0.677	.713a		0.816
ICE12	0.716	.774a		0.691
Eigenvalues			2.297	2.068
% of Variance			62.359	
Cronbach's Alpha			0.791	0.800

4.5.2 Exploratory Factor Analysis for Risk Assessment

The risk assessment attributes were measured by 12 items. As shown in Table 4.3.2, only one factor has an Eigen-value greater than one, and total variance percentage of (61%). Based on the initial factor analysis, items (ICR4, ICR5, ICR11) were deleted due to failing to meet the EFA criteria and to improve the reliability of the outcome. The final result of factor analysis for the remaining items reported that the remaining items were loaded into two components. The first component includes (ICR1, ICR2, ICR3). By looking to the questionnaire, these three statements are about financial risk assessment. Therefore, the first extracted component could be named financial risk assessment. For the second components loaded by (ICR6, ICR7, ICR8, ICR9, ICR10, ICR12), it could be named non-financial risk assessment attributes. It also indicated high internal reliability. Based on Cronbach's Alpha for all factors, they were more than 0.94 which is excellent internal reliability for scale. In addition, the findings of the anti-image and communalities showing good item fit of risk assessment.

Table 4.15: Risk Assessment

Items	**Communalities**	**Anti-image Matrices**	**Factor Loading**	
			Financial ICR	Non-Financial ICR
ICR1	0.676	.606a	0.815	
ICR2	0.586	.656a	0.784	
ICR3	0.621	.634a	0.765	
ICR6	0.550	.830a		0.728
ICR7	0.612	.864a		0.782
ICR8	0.567	.857a		0.738
ICR9	0.647	.855a		0.804
ICR10	0.698	.825a		0.828
ICR12	0.576	.851a		0.758
Eigenvalues			3.611	1.922
% of Variance			61.477	
Cronbach's Alpha			0.791	0.800

4.5.3 Exploratory Factor Analysis for Control Activities

The control activities attributes were measured by 14 items. As shown in Table 4.3.3, only one factor has an Eigen-value greater than one, and total variance percentage of (59%). Based on the initial factor analysis, items (ICA3, ICA4, ICA7, ICA8, ICA9) were deleted due to failing to meet the EFA criteria and to improve the reliability of the outcome. The final result of factor analysis for the remaining items reported that the remaining items were loaded into two components. By looking to the questionnaire's statements, and statements loaded in the first component (ICA1, ICA2, ICA5, ICA6), it could be named indirect internal control activities. Whereas the statements loaded in the second extracted component (ICA10, ICA11, ICA12, ICA13, ICA14) are about authorisation, review, verification, segregation, and supervisory control activities. Therefore, the second extracted component could be named direct control activities. It also indicated high internal reliability. Based on Cronbach's Alpha for all factors, they were more than 0.94 which is excellent internal reliability for scale. In addition, the findings of the anti-image and communalities showing good item fit of control activities.

Table 4.16: Control Activities

Items	**Communalities**	**Anti-image Matrices**	**Factor Loading**	
			Indirect ICA	Direct ICA
ICA1	0.579	0.847[a]	0.750	
ICA2	0.665	0.779[a]	0.807	
ICA5	0.507	0.871[a]	0.676	
ICA6	0.561	0.831[a]	0.557	
ICA10	0.572	0.891[a]		0.699
ICA11	0.542	0.884[a]		0.736
ICA12	0.548	0.889[a]		0.646
ICA13	0.675	0.785[a]		0.814
ICA14	0.677	0.863[a]		0.709
Eigenvalues			2.946	2.380
% of Variance			59.174	

Cronbach's Alpha	0.781	0.788

4.5.4 Exploratory Factor Analysis for Information and Communication

The information and communication attributes were measured by eight items. As shown in Table 4.3.4. only one factor has an Eigen-value greater than one, and total variance percentage of (45%). The result of factor analysis reported that all items were loaded into one component. This result supported unidimensionality. It also indicated high internal reliability. Based on Cronbach's Alpha for all factors, they were more than 0.94 which is excellent internal reliability for scale. In addition, the findings of the anti-image and communalities showing good item fit of information and communication.

Table 4.17: Information and Communication

Items	Communalities	Anti-image Matrices	Factor Loading
ICI1	0.509	0.784[a]	0.636
ICI2	0.518	0.778[a]	0.654
ICI3	0.512	0.744[a]	0.685
ICI6	0.573	0.705[a]	0.757
ICI7	0.501	0.739[a]	0.607
Eigenvalues			2.243
% of Variance			44.867
Cronbach's Alpha			0.771

4.5.5 Exploratory Factor Analysis for Monitoring

The monitoring attributes were measured by nine items. As shown in Table 4.3.5, only one factor has an Eigen-value greater than one, and total variance percentage of (55%). The result of factor analysis reported that all items were loaded into one component. This result supported unidimensionality. It also indicated high internal reliability. Based on Cronbach's Alpha for all factors, they were more than 0.94 which is excellent internal reliability for scale. In addition, the findings of the anti-image and communalities showing good item fit of monitoring.

Table 4.18: Monitoring

Items	Communalities	Anti-image Matrices	Factor Loading (3)
ICM1	0.515	0.810[a]	0.717
ICM2	0.560	0.814[a]	0.748
ICM3	0.532	0.772[a]	0.729
ICM4	0.575	0.799[a]	0.758
ICM5	0.533	0.836[a]	0.730
ICM6	0.568	0.875[a]	0.754
Eigenvalues			3.283
% of Variance			54.710
Cronbach's Alpha			0.751

4.5.6 Exploratory Factor Analysis for Accountability Practices

The accountability practices attributes were measured by 20 items. As shown in Table 4.3.6, only one factor has an Eigen-value greater than one, and total variance percentage of (50%). Based on the initial factor analysis, items (APP1, APP2, APP3, APE3, APE4, APE8, APR1, APR2) were deleted due to failing to meet the EFA criteria and to improve the reliability of the outcome. The result of factor analysis for the remaining items reported that the remaining items were loaded into two components. The attributes loaded in the first extracted component (APP4, APP6, APP7, APP8) were all related to accountability practices under the performance aspect. Whereas the second group of statements loaded in the second extracted component (APE1, APE2, APE5, APE6, APE7, APE9, APE10) were related to accountability practices under the evaluation aspect. Therefore, the first component was named performance accountability practice, and the second component named evaluation accountability practice. It also indicated high internal reliability. Based on Cronbach's Alpha for all factors, they were more than 0.94 which is excellent internal reliability for scale. In addition, the findings of the anti-image and communalities showing good item fit of accountability practices.

The above findings of EFA for the accountability practices attributes showed that only accountability performance practices (APP) and accountability evaluation practices (APE), while the attributes of accountability reporting practices (ARP), the findings do not load any of the attributes in separate extracted factor. Therefore, the accountability reporting practices (ARP) is excluded from the next analysis. In other words, the regression model and the hypotheses testing analysis is based on the accountability performance practices (APP) and accountability evaluation practices (APE).

Table 4.19: Accountability Practices

Items	**Communalities**	**Anti-image Matrices**	**Factor Loading**	
			Performance APP	Evaluation APE
APP4	0.650	0.580[a]		0.772
APP6	0.579	0.696[a]		0.746
APP7	0.502	0.806[a]		0.610
APP8	0.508	0.759[a]		0.683
APE1	0.498	0.815[a]	0.551	
APE2	0.504	0.787[a]	0.688	
APE5	0.486	0.798[a]	0.621	
APE6	0.531	0.819[a]	0.628	
APE7	0.511	0.795[a]	0.674	
APE9	0.572	0.828[a]	0.743	
APE10	0.514	0.801[a]	0.688	
Eigenvalues			3.285	2.219
% of Variance			50.029	
Cronbach's Alpha			0.790	0.800

4.6 RELIABILITY ANALYSIS

4.6.1 Normality Test

There are several normality indicators tests. In this study, Skewness and Kurtosis measures were undertaken to measure the normality of the data for each variable. Table 4.6.1 presents the result of the normality tests. The result shows that data for all variables are normally distributed because all of them were within the value of

+2 and -2 which indicated that the normality of the data is not a significant issue to run the regression. This finding was confirmed by the Histogram of the regressed variables and the Normal P-P Plot of Regression Standardised Residual.[3]

Table 4.20: Normality

Variables		DV / IV	Skewness	Kurtosis
General internal control environment	ICE.G	IV	-1.5283	-2.6173
Specific internal control environment	ICE.S	IV	-1.8548	1.9148
Financial risk assessment	ICR.Fin	IV	-1.8988	1.9478
Non-Financial risk assessment	ICR.Nfin	IV	-0.8323	1.5597
Indirect internal control activities	ICA.Ind	IV	-1.6755	1.7715
Direct internal control activities	ICA.Dir	IV	1.0492	1.2515
Information and communication	ICI	IV	1.5854	1.8156
Monitoring	ICM	IV	-1.3860	1.6792
Performance accountability practice	APP	DV	-1.7754	1.9212
Evaluation accountability practice	APE	DV	1.1495	0.6312

4.6.2 Multicollinearity Test

One of the regression assumptions is that the data is free from multicollinearity to avoid unreliable regression outcomes. The correlation among regressed variables must exist, but not highly significant inter-correlation. According to Cooper and Schindler, (2003) if the correlations are above 0.7, the multicollinearity exists among the variables. Hence, for this study Bivariate Pearson Correlation analysis was conducted to test the multicollinearity. By looking to the result in Table 4.4.2, the multicollinearity does not exist among the variables. Besides, all the correlations coefficients were below 0.5 which indicated that there are no inter-correlations among regressed variables.

[3] Appendix II, Appendix III

Table 4.21: The Multicollinearity Test – Bivariate Pearson Correlation

	ICE.G	ICE.S	ICR.Fin	ICR.Nfin	ICA.Ind	ICA.Dir	ICI	ICM	APP	APE
ICE.G	1									
ICE.S	0.108	1								
ICR.Fin	0.223**	0.147	1							
ICR.Nfin	0.106	0.442**	0.102	1						
ICA.Ind	0.184*	0.184*	0.217**	0.254**	1					
ICA.Dir	0.217**	0.268**	0.178*	0.360**	0.147	1				
ICI	0.240**	0.245**	0.256**	0.299**	0.333**	0.249**	1			
ICM	0.227**	0.294**	0.222**	0.465**	0.358**	0.304**	0.432**	1		
APP	0.066	0.302**	0.286**	0.210**	0.239**	0.274**	0.246**	0.282**	1	
APE	0.172*	0.268**	0.137	0.359**	0.232**	0.288**	0.297**	0.398**	0.106	1

* Correlation is significant at the 0.05 level (2-taild)

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

4.7 FINDINGS AND ANALYSIS

In this section, regression analysis was performed by regressing the outcome components of exploratory factor analysis. The following two regression models were tested:

$$\mathbf{APP}[4] = \beta_0 + \beta_1 \mathbf{ICE.G}[5] + \beta_2 \mathbf{ICE.S}[6] + \beta_3 \mathbf{ICR.Fin}[7] + \beta_4 \mathbf{ICR.Nfin}[8] + \beta_5 \mathbf{ICA.Ind}[9] + \beta_6 \mathbf{ICA.Dir}[10] + \beta_7 \mathbf{ICI}[11] + \beta_8 \mathbf{ICM}[12] + \varepsilon \ [13]$$

$$\mathbf{APE}[14] = \beta_0 + \beta_1 \mathbf{ICE.G} + \beta_2 \mathbf{ICE.S} + \beta_3 \mathbf{ICR.Fin} + \beta_4 \mathbf{ICR.Nfin} + \beta_5 \mathbf{ICA.Ind} + \beta_6 \mathbf{ICA.Dir} + \beta_7 \mathbf{ICI} + \beta_8 \mathbf{ICM} + \varepsilon \ [15]$$

4.7.1 Internal control and Performance Accountability Practice

In the first regression model, the internal control components has been regressed with performance accountability practice (APP). This regression analysis aims to explore the role of internal control components on the accountability practice in terms of the performance. Table 4.5.1 summarises the regression analysis using enter method for all independent variables (internal control components) and dependent variable (performance accountability practice). By looking to the model fit indicators, F-test indicates that all the independent variables (ICE.G, ICE.S, ICR.Fin, ICR.Nfin, ICA.Ind, ICA.Dir, ICI, ICM) significantly predicted the good fit and dependent variable (PPA)

[4] APP: Accountability Practices Performance.
[5] ICE.G: General Internal Control Environment.
[6] ICE.S: Specific Internal Control Environment.
[7] ICR.Fin: Financial Risk Assessment.
[8] ICR.Nfin: Non-financial Risk Assessment.
[9] ICA.Ind: Indirect Internal Control Activities.
[10] ICA.Dir: Direct Internal Control Activities.
[11] ICI: Information and Communication.
[12] ICM: Monitoring.
[13] Appendix I
[14] APE: Accountability Practices Evaluation.
[15] Appendix II

(F = 7.987, p<.05). Second is the coefficient of determination the adjusted R-square (R^2), which indicates the model's explanatory power. In this model the adjusted R^2 is 27%, which means that the independent variables explained 27% of variance of the dependent variable.

In addition, Table 4.5.1 shows that at significance level 0.10, two independent variables were statistically significant. First IV is the indirect internal control activities (ICA.Ind) (β=0.207, p=0.061) and non-financial risk assessment (ICR.Nfin) (β= 0.181, p=0.055) had significant impact on performance accountability practice (APP). Second at 0.05 significance level, the specific internal control environment (ICE.S) (β= 0.131, p=0.031), and direct internal control activities (ICA.Dir) had a significant impact on performance accountability practice (APP) (β= 0.207, p=0.061). Where at 0.01 significance level, only monitoring (ICM) has a significant impact on performance accountability practice (APP) (β= 0.301, p=0.002).

Based on the enter method regression analysis, the general internal control environment (ICE.G), financial risk assessment (ICR.Fin), and information and communication (ICI) had no statistically significant impact on performance accountability practice (APP).

Table 4.22: Regression Analysis using Enter Method

APP = β_0 + β_1 ICE.G + β_2 ICE.S + β_3 ICR.Fin + β_4 ICR.Nfin + β_5 ICA.Ind + β_6 ICA.Dir + β_7 ICI + β_8 ICM + ε				
Variables	***Standardised Coefficients*** ***Beta (β)***	***Std. error***	***t-value***	***Sig. vale***
(Constant)	0.001	0.069	0.119	0.330
General internal control environment (**ICE.G**)[b]	0.169	.085	.015	0.988
Specific internal control environment (**ICE.S**)[b]	0.131	.078	2.172	**0.031****
Financial risk assessment (**ICR.Fin**)[b]	0.183	.080	1.651	0.101

Non-Financial risk assessment (**ICR.Nfin**)[b]	0.181	.095	1.938	**0.055****
Indirect internal control activities (**ICA.Ind**)[b]	0.207	.096	1.887	**0.061***
Direct internal control activities (**ICA.Dir**)[b]	0.079	.095	2.171	**0.032****
Information and communication (**ICI**)[b]	0.329	.090	-.875	0.383
Monitoring (**ICM**)[b]	0.001	.107	3.084	**0.002*****
R^2 0.309 Adjusted R^2 0.270 F 7.987 Sig. F 0.000[b]				

a. Dependent Variable: Performance Accountability Practice (APP)
b. Predictors for all independent variables
*** Significant at 0.01 level (2-taild)
** Significant at 0.05 level (2-taild)
* Significant at 0.10 level (2-taild)

The study also applied stepwise regression method to improve the findings of the regression analysis. The findings of stepwise regression analysis for the same model are presented in Table 4.5.2. Only three internal control components show statistical impact. First, monitoring (ICM) has a significant impact on performance accountability practice (APP) (β= 0.352, p=0.000) at 0.001 significance level. In addition, the financial risk assessment (ICR.Fin) (β=0.183, p=0.014) and specific internal control environment (ICE.S) (β= 0.181, p=0.015) at 0.05 significance level. The other independent variables (ICE.G, ICR.Nfin, ICA.Ind, ICA.Dir, ICI) have been excluded from the regression model in order to overcome the overlapping issue among the independent variables.

Table 4.23: Regression Analysis using Stepwise Method

APP = β_0 + β_1 ICE.G + β_2 ICE.S + β_3 ICR.Fin + β_4 ICR.Nfin + β_5 ICA.Ind + β_6 ICA.Dir + β_7 ICI + β_8 ICM + ε				
Variables	***Standardised Coefficients*** ***Beta (β)***	***Std. error***	***t-value***	***Sig. vale***
(Constant)	0.021	0.069	0.119	0.630
Monitoring (**ICM**)[b]	0.352	0.075	4.663	**0.000*****
Financial risk assessment (**ICR.Fin**)[b]	0.183	0.073	2.499	**0.014****
Specific internal control environment (**ICE.S**)[b]	0.181	0.074	2.464	**0.015****

R^2	0.273	Adjusted R^2	0.258
F	18.484	Sig. F	0.000[b]

a. Dependent Variable: Performance Accountability Practice (APP)
b. Predictors for all independent variables
c. Excluded variable, **ICE.G, ICR.Nfin, ICA.Ind, ICA.Dir, ICI**
******* Significant at 0.01 level (2-taild)
****** Significant at 0.05 level (2-taild)
***** Significant at 0.10 level (2-taild)

By looking to the findings of both methods, it is worth noting that monitoring internal control (ICM) and specific internal control environment (ICE.S) were having statistically significant roles in performance accountability practice (APP) in both methods (enter and stepwise). Furthermore, using stepwise method weakened and excluded the role non-financial risk assessment (ICR.Nfin) and direct internal control activities (ICA.Dir). Financial risk assessment (ICR.Fin) showed significant impact on performance accountability practices (APP).

4.7.2 Internal Control and Evaluation Accountability Practice

In this regression model, the internal control components have been regressed with evaluation accountability practice (APE). This regression analysis explores the role of internal control components on the accountability practice in terms of the evaluation. Table 4.5.3 summarises the regression analysis using enter method for all independent variables (internal control components) and dependent variable (evaluation accountability practice). By looking to the model fit indicators, F-test indicates that all the independent variables (ICE.G, ICE.S, ICR.Fin, ICR.Nfin, ICA.Ind, ICA.Dir, ICI, ICM) predicted a good fit and dependent variable (PPE) ($F = 7.176$, $p<.05$). Second is the coefficient of determination the adjusted R-square (R2), which indicates the model's explanatory power. This model's adjusted R^2 is 24.7%, which means that the independent variables explained 24.7% of variance of the dependent variable. In addition, Table 4.5.3 shows that at significance level 0.01, one independent variable

was shown a significant value, the Information and communication (ICI) (β=0.239, p=0.009) significant impact on evaluation accountability practice (APE). Where at 0.01 significance level, only information and communication (ICI) has a significant impact on evaluation accountability practice (APE) (β= 0.239, p=0.009). Based on the enter method regression analysis, the independent variables had no statistically significant impact on evaluation accountability practice (APE).

Table 4.24: Regression Analysis using Enter Method

APE = β_0 + β_1 ICE.G + β_2 ICE.S + β_3 ICR.Fin + β_4 ICR.Nfin + β_5 ICA.Ind + β_6 ICA.Dir + β_7 ICI + β_8 ICM + ε				
Variables	***Standardised Coefficients*** ***Beta (β)***	***Std. error***	***t-value***	***Sig. vale***
(Constant)	1.501	0.070	0.000	1.000
General internal control environment (**ICE.G**)[b]	-0.023	0.086	-0.262	0.793
Specific internal control environment (**ICE.S**)[b]	0.102	0.079	1.295	0.197
Financial risk assessment (**ICR.Fin**)[b]	0.107	0.081	-1.319	0.189
Non-Financial risk assessment (**ICR.Nfin**)[b]	0.110	0.096	1.144	0.254
Indirect internal control activities (**ICA.Ind**)[b]	-0.053	0.097	0.546	0.586
Direct internal control activities (**ICA.Dir**)[b]	0.140	0.097	1.445	0.151
Information and communication (**ICI**)[b]	0.239	0.092	2.699	**0.009*** **
Monitoring (**ICM**)[b]	0.176	0.109	1.618	0.108
R^2 0.286	Adjusted R^2 0.247			
F 7.176	Sig. F 0.000[b]			

a. Dependent Variable: Evaluation Accountability Practice (APE) b. Predictors for all independent variables ******* Significant at 0.01 level (2-taild) ****** Significant at 0.05 level (2-taild) ***** Significant at 0.10 level (2-taild)

The study also applied stepwise regression to improve the findings of the regression analysis. The findings of stepwise regression analysis for the same model are presented in Table 4.5.4. Only three internal control components show statistical impact. First, information and communication (ICI) has a significant impact on the evaluation accountability practice (APE) (β= 0.352, p=0.001) at 0.001 significance level. In addition, the direct internal control activities (ICA.Dir) (β= 0.183, p=0.024) and non-financial risk assessment (ICR.Nfin) (β= 0.181, p=0.041) at 0.05 significance level. The other independent variables (ICE.G, ICR.Nfin, ICA.Ind, ICA.Dir, ICI) were excluded from the regression model in order to overcome the overlapping issue among the independent variables.

Table 4.25: Regression Analysis using Stepwise Method

APE = $\beta_0 + \beta_1$ ICE.G + β_2 ICE.S + β_3 ICR.Fin + β_4 ICR.Nfin + β_5 ICA.Ind + β_6 ICA.Dir + β_7 ICI + β_8 ICM + ε				
Variables	***Standardised Coefficients*** ***Beta (β)***	***Std. error***	***t-value***	***Sig. vale***
(Constant)	8.101	0.080	1.149	1.000
Information and communication (**ICI**)[b]	0.352	0.075	3.325	**0.001*****
Direct internal control activities (**ICA.Dir**)[b]	0.183	0.073	2.283	**0.024****
Non-Financial risk assessment (**ICR.Nfin**)[b]	0.181	0.074	2.058	**0.041****
R^2 0.257	Adjusted R^2 0.242			
F 17.033	Sig. F 0.000[b]			
a. Dependent Variable: Evaluation Accountability Practice (APE) b. Predictors for all independent variables c. Excluded variable, **ICE.G, ICE.S, ICR.Fin, ICA.Ind, ICM**				

*** Significant at 0.01 level (2-taild) ** Significant at 0.05 level (2-taild) * Significant at 0.10 level (2-taild)

By looking to the findings of the enter and stepwise methods above, it is worth noting that information and communication internal control (ICI) and direct internal control activities (ICA.Dir) were having statistically significant roles in evaluation accountability practice (APE) in both methods (enter and stepwise). Furthermore, using stepwise method had weakened and excluded the role of financial risk assessment (ICR.Fin) and indirect internal control activities (ICA.Ind). Non-financial risk assessment (ICR.Nfin) showed a significant impact on evaluation accountability practices (APE).

4.8 DISCUSSION OF RESULTS

This study has five hypotheses according to the internal control components. In according to the findings of the exploratory factor analysis (EFA), two extracted variables represent the accountability practices, namely performance accountability practices (APP) and evaluation accountability practices (APE). Therefore, the sub-hypotheses are based on the two extracted dependent variables (APP; APE).

The first main hypothesis regarding the role of internal control environment on accountability practice in Al-Rahma International (H1: there is a significant impact at ($\alpha \leq 0.05$) of the control environment on the accountability practice in Al-Rahma International). The sub-hypotheses are (*H1a: there is a significant impact at ($\alpha \leq 0.05$) of the control environment on the **performance accountability practice** in Al-Rahma International*) and (*H1b: there is a significant impact at ($\alpha \leq 0.05$) of the control environment on the **evaluation accountability practice** in Al-Rahma International*).

The internal control environment (ICE) represented in the regression analysis above by two variables according to the exploratory factor analysis findings, general internal control environment (ICE.G) and specific internal control environment (ICE.S), this finding is consistent with (Effah, 2011; Hermanson et al, 2012). By looking back to the above regression analysis in Tables 4.5.1, 4.5.2, 4.5.3, 4.5.4. and Figure 4.1 below, it can be seen that the general internal control environment has no significant impact on both dimensions of accountability practice (performance; evaluation), whereas the specific internal control environment demonstrated a significant impact on accountability performance practice but not om accountability evaluation practice. Therefore, hypothesis 1a could be accepted partially, while hypothesis 1b is rejected.

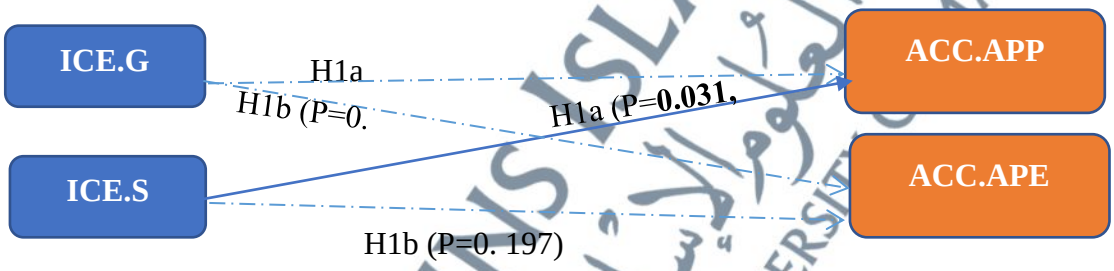


Figure 4.1: Hypothesis H1

The second main hypothesis regarding the role of risk assessment on accountability practice in Al-Rahma International (H2: there is a significant impact at ($\alpha \leq 0.05$) of the risk assessment on the accountability practice in Al-Rahma International). Whereas the sub-hypotheses are as follows (*H2a: there is a significant impact at ($\alpha \leq 0.05$) of the risk assessment on the **performance accountability practice** in Al-Rahma International*) and (*H2b: there is a significant impact at ($\alpha \leq 0.05$) of the risk assessment on the **evaluation accountability practice** in Al-Rahma International*).

The risk assessment (ICR) is represented in the regression analysis above by two variables according to the exploratory factor analysis findings, the financial risk assessment (ICR.Fin) and non-financial risk assessment (ICR.Nfin), this finding is

consistent with (Petrovits et al. 2009; Hermanson et al, 2012; Johari et al. 2016). By looking back to the above regression analysis in Tables 4.5.1, 4.5.2, 4.5.3, 4.5.4. and Figure 4.2 below, it can be seen that the financial risk assessment and non-financial risk assessment have significant impact on of performance accountability practice, while the non-financial risk assessment indicates a significant and no significant impact on evaluation accountability practices. Therefore, we can accept hypothesis 2a and partially accept hypothesis 2b.

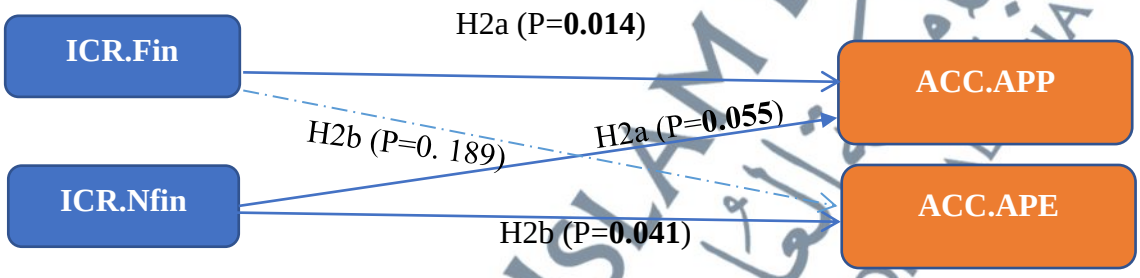


Figure 4.2: Hypothesis H2

The third main hypothesis regarding the role of internal control activities on accountability practice in Al-Rahma International (H3: there is a significant impact at (α≤0.05) of the internal control activities on the accountability practice in Al-Rahma International). Whereas the sub-hypotheses are as follows (*H3a: there is a significant impact at (α≤0.05) of the internal control activities on the* ***performance accountability practice*** *in Al-Rahma International*) and (*H3b: there is a significant impact at (α≤0.05) of the internal control activities on the* ***evaluation accountability practice*** *in Al-Rahma International*).

The internal control activities (ICA) are represented in the regression analysis above by two variables according to the exploratory factor analysis findings, the direct internal control activities (ICA.Dir) and indirect internal control activities (ICA.Ind), this finding is consistent with (Mahadeen et al. 2016; Jamaliah et al, 2013). By looking back to the above regression analysis in Tables 4.5.1, 4.5.2, 4.5.3, 4.5.4. and Figure 4.3

below, it can be seen that the direct internal control activities (ICA.Dir) has a significant impact on the performance and evaluation accountability practices, while indirect internal control activities (ICA.Ind) has a significant role in the evaluation accountability practice only. Therefore, we can accept hypothesis 3a and partially accept hypothesis 3b.

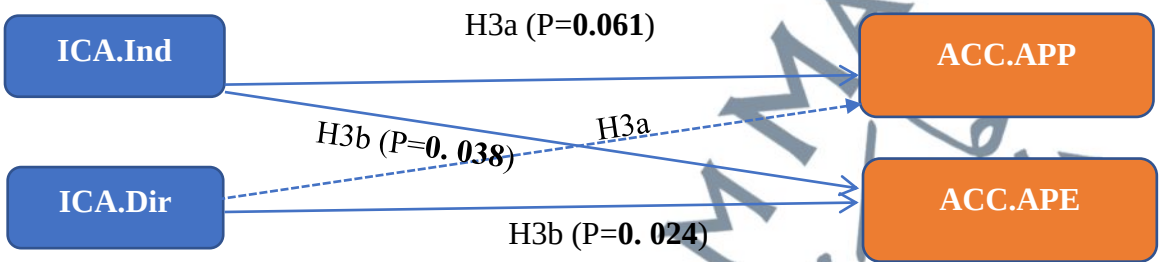


Figure 4.3: Hypothesis H3

The fourth hypothesis regarding the role of the information and communication on accountability practice in Al-Rahma International (H4: there is a significant impact at (α≤0.05) of the information and communication on the accountability practice in Al-Rahma International). Whereas the sub-hypotheses are as follows (*H4a: there is a significant impact at (α≤0.05) of the information and communication on the* ***performance accountability practice*** *in Al-Rahma International*) and (*H4b: there is a significant impact at (α≤0.05) of the information and communication on the* ***evaluation accountability practice*** *in Al-Rahma International*).

By looking back to the above regression analysis in Tables 4.5.1, 4.5.2, 4.5.3, 4.5.4. and Figure 4.4 below, it can be seen that the information and communication (ICI) have no significant impact on the performance accountability practices but it has a significant impact on the evaluation accountability practices. This this finding is consistent with (Jamaliah et al, 2013; Sanusi et al. 2015; Henri, 2006). Therefore, we reject hypothesis 4a and accept hypothesis 4b.

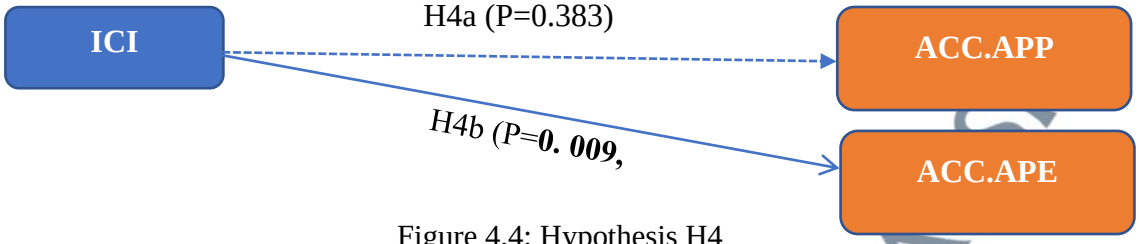


Figure 4.4: Hypothesis H4

The fifth hypothesis regarding the role of monitoring on accountability practice in Al-Rahma International (H5: there is a significant impact at (α≤0.05) of the monitoring on the accountability practice in Al-Rahma International). Whereas the sub-hypotheses are as follows (*H5a: there is a significant impact at (α≤0.05) of the monitoring on the* ***performance accountability practice*** *in Al-Rahma International*) and (*H5b: there is a significant impact at (α≤0.05) of the monitoring on the* ***evaluation accountability practice*** *in Al-Rahma International*).

By looking back to the above regression analysis in Tables 4.5.1, 4.5.2, 4.5.3, 4.5.4. and Figure 4.5 below, it can be seen that the monitoring (ICM) has a significant impact on the performance accountability practice and has no significant impact on the evaluation accountability practices, this finding is consistent with (Michino, 2011; Jamaliah et al, 2013; Johari et al. 2016). Therefore, we can accept hypothesis 5a and reject hypothesis 5b.

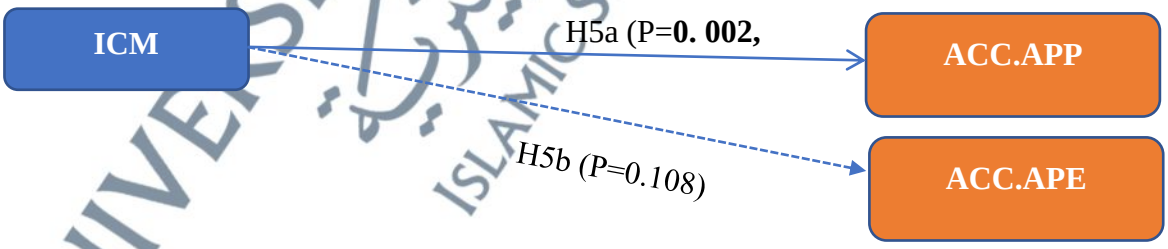


Figure 4.5: Hypothesis H5

In summary, from the above discussion of the hypotheses, both hypotheses (H3a, H3b) with regards the impact of internal control activities on accountabilities practices in terms of performance and evaluation were accepted. Additionally,

hypotheses (H2a, H2b) regarding the risk assessment and the performance and evaluation accountability practices were accepted. Furthermore, the hypotheses related to performance accountability practices have more acceptance than the evaluation accountability practices. These might be because the accountability performance policies and procedures are continuous and more visible to the Al-Rahma International, while the accountability evaluation policies and procedures are less noticeable by the employees. Table 4.5.5 illustrates the overall summary of the hypotheses results.

By referring to the accountability theory which stated that the mutawallī (management) of this charitable organisation is responsible and obligate to discharge their responsibility by following the best practices (e.g., internal control practices) and inform and explain the action (performance) to the stakeholders, the findings above illustrate that accountability theory explain the Al-Rahma International accountability practices in terms of (i.e., performance and evaluation) but not in terms of the informing and reporting to the stakeholders. It seems that Al-Rahma International's internal control practices focus more on the physical and financial control practices rather the holistic accountability practices.

Table 4.26: Hypotheses Summary

Hypothesis	**Result**
H1: There is a significant impact at (α≤0.05) of the control environment on the accountability practice in Al-Rahma International.	
H1a: there is a significant impact at (α≤0.05) of the control environment on the ***performance accountability practice*** *in Al-Rahma International.*	Accepted partially
H1b: there is a significant impact at (α≤0.05) of the control environment on the evaluation accountability practice in Al-Rahma International.	Rejected
H2: There is a significant impact at (α≤0.05) of the risk assessment on the accountability practice in Al-Rahma International.	
H2a: there is a significant impact at (α≤0.05) of the risk assessment on the performance accountability practice in Al-Rahma International.	Accepted
H2b: there is a significant impact at (α≤0.05) of the risk assessment on the evaluation accountability practice in Al-Rahma International.	Accepted partially

H3: There is a significant impact at (α≤0.05) of the control activities on the accountability practice in Al-Rahma International.	
H3a: there is a significant impact at (α≤0.05) of the internal control activities on the performance accountability practice in Al-Rahma International.	Accepted
H3b: there is a significant impact at (α≤0.05) of the internal control activities on the evaluation accountability practice in AL-Rahma International.	Accepted partially
H4: There is a significant impact at (α≤0.05) of the information and communication on the accountability practice in Al-Rahma International.	
*H4a: there is a significant impact at (α≤0.05) of the information and communication on the **performance accountability practice** in Al-Rahma International.*	Rejected
*H4b: there is a significant impact at (α≤0.05) of the information and communication on the **evaluation accountability practice** in Al-Rahma International.*	Accepted
H5: There is a significant impact at (α≤0.05) of the monitoring on the accountability practice in Al-Rahma International.	
*H5a: there is a significant impact at (α≤0.05) of the monitoring on the **performance accountability practice** in Al-Rahma International.*	Accepted
*H5b: there is a significant impact at (α≤0.05) of the monitoring on the **evaluation accountability practice** in Al-Rahma International.*	Rejected

4.9 CONCLUSION

This study explored the internal control practices in Al-Rahma International Waqf Institution, examined its accountability practices and the role of these internal control practices play in enhancing its accountability. A survey questionnaire was distributed among the employees of Al-Rahma International, and a total of 152 responses were received and analysed. Analysis of the respondents revealed that majority 95.4% of the 152 participants were male and most of the respondents were holding a Bachelor's degree (55.9%). Moreover, the most of employee had experience between 6 to 10 years (36.8%).

The respondents ranked the control environment as the most important factor at 62% followed by risk assessment at 61%. Control activities was ranked third at 59%,

monitoring was ranked fourth at 55%. Where the accountability practice was ranked fifth at 50% and finally Information and Communication at 45%.

The findings show that both hypotheses with regards to the impact of internal control activities on accountabilities practices in terms of performance and evaluation were accepted. Where the hypotheses were accepted such as risk assessment and performance and evaluation accountability practices, the hypotheses related to performance accountability practices have more acceptance than the evaluation accountability practices. This is probably because of the policies and procedures of the accountability performance are regularly focused by the employees in Al-Rahma International while the policies and procedures are less noticeable in terms of accountability evaluation.