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Bibliometric Analysis and Review of Shariah Audit

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Abstract

The aim of this research is to draw a map on shariah audit since 2009 to 2022. The potential citations, keywords, authors, affiliations, country will be exposed in this paper. A content analysis are used in this study from 78 articles related to shariah audit which published by Scopus Database as a reference to derive imperative findings. This study finds that Darmadi, S. is the most authors, Journal of Humanomics is the most published journal, Malaysia is the most published country, corporate governance disclosure in the annual report: An exploratory study on Indonesian Islamic banks is the most cited article, and Universiti Putra Malaysia is the most affiliated institutions. This analysis addresses the literature gaps on measuring the compliance, determinants and the growth of shariah audit. Future research is expected to include articles which published by WoS (Web of Science) database. A root on shariah audit discipline is exposed and can be used as reference for practitioners in various Islamic financial institutions. To the best of the authors' knowledge, this is the first article that discuss on shariah audit field using a systematic literature review.

Keywords: Shariah Audit; Islamic Finance; Bibliometric

1. Introduction

The conduct of a Shariah Audit (SA) must be in accordance with all applicable laws and regulations in Malaysia as well as the fatwas, regulations, and guidelines issued by the Shariah Supervisory Board (SSB), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and national accounting standards and practices. This means that in addition to complying with Islamic law, the SA must also do so in accordance with civil law. Without compromising the criteria of the conventional, SA techniques are primarily intended to boost the institution's financial element that emphasizes shariah compliance and improve the report's credibility (Kasim & Sanusi, 2013). Thus, strengthening shariah compliance and enhancing the integrity of Islamic Financial Institutions (IFI) are the primary goals of the need for SA techniques.

Since the early 2000s, the Islamic banking sector has quickly expanded (Safiullah and Shamsuddin, 2018). Global investment in assets subject to Sharia law climbed from \$1.4 trillion in 2014 to \$1.5 trillion in 2015 (IFSB, 2017). It is assumed that this increase happened since the growing up of people's awareness of practitioners /bankers on the importance of adopting shariah audit. The evolution of Islamic finance across 60 countries of 14

jurisdictions has concomitantly amplified its complexity in size and activities (Shabsigh et al., 2017). With this positive development, Shariah audit could play crucial role in supporting the development of Islamic finance institution.

1.1. The Importance of Shariah Audit (SA)

The existing empirical studies have mainly focused on countries such as Malaysia (Mohd Ali et al., 2018; Najeeb and Ibrahim, 2014) and Indonesia (i.e., Suryanto and Ridwansyah, 2016). The existing review research discussed shariah auditing from various aspects based on the narrative theoretical and critical review (Alahmadi et al., 2017; Khalid and Sarea, 2021; Najeeb and Ibrahim, 2014). Recently, to the best of the authors' knowledge, there is a previous study on Shariah audit by Handoko, Luqman Hakim and Mardian, Sepky (2021), which acknowledge about a "Mapping the Knowledge of Islamic Accounting Studies on Shariah Audit: A Bibliometric Analysis". Therefore, we want to make further research related to SA and explore the sustainability of research related to SA.

To get intended, the result of this study will conduct bibliometrics to analyze 78 articles derived from Scopus database. Expectedly, the study will expose the continuity of research since 2009.

2. Literature Review

According to AAOIFI's Auditing Standard for Islamic Financial Institutions No. 1 (ASIFI 1), the objective of an audit of financial statements of IFIs "... is to enable the auditor to express an opinion as to whether the financial statements are prepared, in all material respects, in accordance with the Shariah Rules and Principles, the accounting standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and relevant national accounting standards and practices in the country in which the financial institution operates" (AAOIFI, 2010).

The research on SA would be interesting to analyze since it has been a recent subject to discuss. On the other hand, the regulation in SA has a different perspective to conventional audit. However, the differences emerge based on some SA standards (Yahya, 2018). To achieve the objectives of the study, a systematic literature review approach was used. For example, the conventional audit uses International financial reporting standards (IFSB) and IAS (broadly any set of generally accepted accounting principles - GAAP), while the SA using Islamic finance standards as the shariah principles and rules.

The literature extensively deals with shariah scrutiny from the perspective of agency, while it has not given sufficient consideration to other theories such as the Maqasid al Shariah and Islamic accountability theory.

The previous study reveals that the current review provides a comprehensive systematic evaluation of the growing literature on shariah auditing from various aspects such as geographical distribution and theoretical lens. The study presents many opportunities for researchers to fill the gaps in the future by accurately identifying research gaps and presenting future proposals to researchers.

The SA performs the developing, monitoring and evaluating the organization's compliance with the provisions and principles of Islamic shariah and related controls (Khalid et al., 2017). SA can be interpreted as a process to ensure that the activities carried out by Islamic financial institutions do not violate shariah or a comprehensive shariah compliance test for shariah activities. Every shariah financial institution that operates must of course be in accordance with sharia principles and good governance according to the rules that have been set. SA is one of ways to maintain and ensure the integrity of sharia financial institutions in implementing sharia principles. Therefore, if there is a failure in the SA, there will have a bad impact on the fulfillment of sharia principles itself.

Numerous investigations have noted that the words "Shariah review", "Shariah auditing", and "Shariah supervision" are frequently used interchangeably with little distinction made between their technical distinctions (Sultan, 2007; Alomrani, 2015). By obscuring the distinctions between the terminologies, it may cause concepts to become unclear, which may then result in a misinterpretation of the requirements for the position of the Shariah auditor. By distinguishing the concepts, shariah auditing will be defined more fully and precisely, allowing for an accurate evaluation of its efficacy.

The effectiveness of SA refers to the extent to which the auditors can achieve the objectives of institutions through the process of verifying their commitment to the provisions of Islamic shariah. It is, therefore, crucial to have factors such as independence and efficiency to enhance the effectiveness of the audit process. Shafiq et al. (2014a) focused on the need to build the auditor's competency through training courses. This is in line with Khalid et al. (2017), who stressed that efficiency in shariah auditing enhances audit quality through professional certificates providing the shariah auditor with skills that improve the ability to perform tasks more professionally.

Aziz et al. (2019) suggested that shariah auditing does not completely reject all of the methods and procedures of conventional auditing because they can be applied to gauge compliance with shariah. Furthermore, Yahya (2018) said that the socioeconomic framework and culture of Islamic society can benefit from auditing approaches learned from traditional auditing in the financial industry. Internal shariah auditing has a similar goal to

conventional financial institutions' auditing processes. But there are discrepancies depending on the national accounting standards, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards, and Auditing Standard No. 1 for Islamic Financial Institutions (ASIFI).

Even though both tasks were carried out by the same department, AAOIFI consolidated the scope of SA and shariah review and gave each a distinct level of accountability within the organization. The system and departments that are a part of the supervisory process should not be referred to as shariah supervision. The name “shariah auditing department” or “shariah review department” for the overseeing division would be more fitting (Hameed and Mulyani, 2007).

Additionally, Abubakr (2013) advises that to make sure that Islamic finance is headed in the right direction, administration of shariah oversight should be given great attention. According to Alomrani (2015), the law and its articles must give the fundamentals that encompass all relevant topics and spell out the process of its work in order to arrange the work involved in shariah supervision and shariah auditing.

3. Methodology

This study aims to investigate the topic of SA by tracing its evolution over a ten-year period using a comprehensive bibliometric analysis of 78 publications from journals between 2009 and 2022. The research in the previous section showed that since shariah audit was first conceptualized, the number of publications related to it has grown dramatically. Out of the number of articles, the most cited article in the SA subject is “Corporate governance disclosure in the annual report: An exploratory study on Indonesian Islamic banks” Darmadi, S. (2013) which has 47 citations. Additionally, In terms of the total number of citations received, Darmadi, S. and Ullah, H. are the most dominant authors, with 47 and 37 citations. Then, the International Islamic University Malaysia is in the top list, while for the total citations received, the University Putra Malaysia is the highest in the rank with a total citation of 41, followed by the International Islamic University Malaysia with a count of 24. Additionally, according to the overall number of citations, Malaysia, which has a count of 283, is the most prominent nation, followed by the United Kingdom, which has a count of 88. The findings paint a picture of the most important factors that have a substantial impact on SA and highlight the growing interest in SA by prominent scholars and institutions globally. Moreover, based on the results of a co-citation analysis, it reveals that Darmadi, S. and Ullah, H. are the two most frequently cited authors in the subject of SA. This result means the concept of SA has broader aspects that researchers could explore. Meanwhile, other encouraging keywords considerably could shape the future works of SA.

4. Result and Discussion

In this part, the results of the analysis using the techniques of bibliometric analysis are elaborated. Firstly, it would present the citation analysis results, sequentially followed by analyses of co-citation and co-occurrence of author keywords. There are items to be reviewed in this citation analysis, such as the number of publications per year, most cited documents; most dominant authors; most dominant journals; most dominant institutions, and most dominant countries.

As depicted Table 1, it shows a total of 78 articles from 71 journals, written by 199 authors affiliated to 150 institutions from 99 countries, with a total number of references cited of 540. These general results give a portrait of all the articles being reviewed on the subject of shariah audit.

Table 1. General Results.

Criteria	Quantity
Articles	78
Journals	71
Authors	199
Institutions	150
Countries	99
Cited References	540

Furthermore, the next most cited article is the work of Darmadi, S. (2013). In this article, the author revealed that Bank Muamalat and Bank Syariah Mandiri, the county's two largest and oldest Islamic commercial banks, score higher than their peers. Disclosure of the sample banks on some dimensions, such as board members and risk management, is found to be strong. On the other hand, disclosure on internal control and board committees tends to be weak.

Table 2. Most cited documents in Shariah Audit Literature.

Rank	Document	Authors	Citations
1	Corporate governance disclosure in the annual report: An exploratory study on Indonesian Islamic banks	Darmadi, S.	47
2	Shari'ah compliance in Islamic banking: An empirical study on selected Islamic banks in Bangladesh	Ullah, H.	37
3	Corporate governance quality of Islamic banks: measurement and effect on financial performance	Ajili, H., Bouri, A.	30
4	An evaluation of corporate governance practices of Islamic banks versus Islamic bank windows of conventional banks: A case of Pakistan	Bukhari, K.S., Awan, H.M., Ahmed, F.	30
5	Governance, religious assurance and Islamic banks: Do Shariah boards effectively serve?	Haridan, N.M., Hassan, A.F.S., Karbhari, Y.	29
6	Governance mechanisms and efficiency: Evidence from an alternative insurance (Takaful) market	Karbhari, Y., Muye, I., Hassan, A.F.S., Elnahass, M.	26
7	Does corporate governance affect the performance of Islamic banks? New insight into Islamic countries	Aslam, E., Haron, R.	24
8	Did corporate governance mechanisms affect earnings management? Further evidence from GCC Islamic banks	Kolsi, M.C., Grassa, R.	24
9	Professionalizing the role of Shari'ah auditors: How Malaysia can generate economic benefits	Najeeb, S.F., Ibrahim, S.H.M.	21
10	Shari'ah governance of Islamic Banks in Bangladesh issues and challenges	Abdullah, M.F., Rahman, A.A.	20
11	Exploring auditor independence: An interpretive approach	Hudaib, M., Haniffa, R.	20
12	Conceptualizing the duties and roles of auditors in islamic financial institutions what makes them different?	Othman, R., Ameer, R.	19
13	Relationship between internal Shariah audit characteristics and its effectiveness	Khalid, A.A., Haron, H.H., Masron, T.A.	18
14	Competency and effectiveness of internal Shariah audit in Islamic financial institutions	Khalid, A.A., Haron, H., Masron, T.A.	16
15	Problems of Shariah governance framework and different bodies: An empirical investigation of Islamic Banks in Bangladesh	Alam, M.K., Mustafa, H., Uddin, M.S., Islam, M.J., Mohua, M.J., Hassan, M.F.	12

As depicted in Table 3, It displays the shariah audit subject's most influential authors. The number of publications the authors have written regarding shariah audit and the number of citations each of them has gotten are used to determine the authors' influence. The writers with the most citations overall are Darmadi, S., and Ullah, H., with 47 and 37 citations, respectively.

Table 3. Most Dominant Authors (in terms of total citations received).

Rank	Authors	Documents	Citations
1	Aslam, E	4	30
2	Alam, M.K	2	12
3	Endri	1	11
4	Ridwan, R	1	10
5	Aribi, Z.A	1	9
6	Sulub, S.A	2	7
7	Savitri, E	1	5
8	Ali, N.A.M	1	5
9	Khalid, A.A.	7	4
10	Al-Hunnayan, S.H.	1	4

As depicted in Table 4, it shows the most dominant journals have narrated about the concept of shariah audit where the International Journal of Islamic and Middle Eastern Finance and Management has a higher rank with the number of published articles of 5 and followed by Humanomics with the number of published articles of 4. On the total number of citations received, the Humanomics attests as the most dominant journal with a total of citations of 47, followed by the International Journal of Islamic and Middle Eastern Finance and Management with a total citation of 37.

Table 4. Most Dominant Journals (in terms of the total article published).

Rank	Journal	Articles	Citations
1	Humanomics	4	47
2	International Journal of Islamic and Middle Eastern Finance and Management	5	37
3	International Journal of Islamic and Middle Eastern Finance and Management	5	30
4	Management Research Review	1	30
5	Journal of Management and Governance	2	29
6	Journal of International Financial Markets, Institutions and Money	3	26
7	Corporate Governance (Bingley)	3	24
8	International Journal of Islamic and Middle Eastern Finance and Management	5	24
9	Pacific Basin Finance Journal	1	21
10	Journal of Islamic Economics, Banking and Finance	2	20

As depicted in Table 5, the most significant organizations that have written about shariah audits are included in Table 5. The institutions are depicted based on the authors who have written for those publications, earned citations from them, and have affiliations there. The International Islamic University Malaysia is at the top of the list for total papers published, however the University Putra Malaysia is ranked best for total citations received, with a total of 41, followed by the International Islamic University Malaysia with a count of 24.

Table 5. Most Dominant Institutions (in total citations received)

Rank	Institutions	Documents	Citations
1	Universiti Putra Malaysia	5	41
2	International Islamic University Malaysia	20	24
3	Universiti Sultan Zainal Abidin	4	20
4	Universiti Sains Malaysia	4	18
5	Universiti Teknologi MARA	8	-
6	Universiti Sains Islam Malaysia	7	-
7	Universiti Pendidikan Sultan Idris	7	-
8	Universiti Kebangsaan Malaysia	5	-
9	Ahlia University	4	-

The most popular nations with highly cited works on shariah audit are included in Table 6. Malaysia is the most prominent nation, according to the overall number of citations, with a count of 283, followed by the United Kingdom with 88.

Table 6. Most Dominant Countries (in total citations received).

Rank	Country	Documents	Citations
1	Malaysia	52	283
2	United Kingdom	7	88
3	Indonesia	6	73
4	Tunisia	3	55
5	Bangladesh	6	53
6	Pakistan	5	35
7	Nigeria	3	28
8	Saudi Arabia	4	17
9	Bahrain	5	14
10	Australia	2	2

5. Conclusion

This study attempts to complement the existing works on SA by providing insightful content that adopts a systematic review. Each of the studies has limitations, including for this study despite the significant contribution of this study. This study's use of a single source or database for data collecting and synthesis poses one restriction. Although prior bibliometric studies avoided duplication by using a single database, there may be additional methodologies that can be used to analyze the literature about shariah audits. Another drawback is the inability to fully reflect the broader and deeper context of the articles' citation structures. However, this study has adequately outlined several additional citation formats for the SA literature.

The study has some significant implications. Among others, it gives some important information on the dominant contributors to SA, providing information on the most influential research, journals, and organizations that contribute to the SA subject. The report also demonstrates the evolution and advancement of the SA topic over time as well as disclosing the key research themes that emerge from the literature of SA and describes a comprehensive insight on the concept of SA that can be used as a reference for any strategic initiatives.

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