

Skepticism Accounting in Islam Perspective

Heni Oktavianti

*Accounting Department, Faculty of Economics and Business, Airlangga University, Indonesia

Abstract- Skepticism is absolutely necessary from the point of view of accounting especially for the auditor profession. But when we look at it from another perspective, skepticism is a notion that sees things as always uncertain (doubts, suspicious) that ultimately leads to social upheaval. This shows that in the end accounting will continue to close the input to values that should be upheld by humanity as expected by religion. This paper tries to explain the position of professional skepticism in terms of its conformity with religious values especially from an Islamic perspective. This research is a qualitative research with interpretive paradigm. The discussion of this research uses Wan Ismail Wan Yusoh's framework which focuses on three aspects: truth, honesty, and justice to see whether or not a principle with Islamic values is appropriate.

Index Terms- *Skepticism, Audit, Accounting, Religion, Islam.*

I. INTRODUCTION

Statement of Financial Accounting Standards (PSAK) is a guide in making financial report in Indonesia where the description of the material in it covers almost all aspects related to accounting. The importance of PSAK guidelines in the preparation of financial statements is to unite perceptions within a distinction in understanding the concepts, standards, definitions, methods and presentation of an item presented in the financial statements so that the information presented by management can be understood by the same understanding by various parties.

To increase the confidence of the various users against the information presented by management in the financial statements required an assessment conducted by an independent party to determine the fairness of the information presented which is called the process of auditing. Auditing is a process of collecting and evaluating evidence of measurable information about an economic entity conducted by a competent and independent person to be able to determine and report the conformity of information referred to the predefined criteria [1].

The auditing process performed by the auditor ends with the result of the assessment stated in an opinion statement regarding the fairness of the presentation of the balance sheet and the financial position of the company as well as the operating results of the company's operations and the cash flows for the specified date being audited. This shows that accounting and auditing are inseparable. Simply, it can be interpreted that accounting is the

process of making financial statements, while the audit is an examination of financial statements that have been made.

An auditor in carrying out the audit assignment in the field not only follow the audit procedures listed in the audit program, but also must be accompanied by professional skepticism. The professional standards of public accountants define professional skepticism as an auditor's stance that includes thoughts that always question and critically evaluate audit evidence [2].

A skeptical auditor, will not take for granted the client's explanation, but will ask questions to obtain the reason, proof and confirmation of the object in question. Without applying professional skepticism, the auditor will only find misstatements caused by mistakes and it is difficult to find misstatements caused by cheating, since cheating will usually be hidden by the perpetrators. The auditor's failure to detect fraud is evident in the presence of several financial scandals involving public accountants such as Enron, Xerox, Walt Disney, World Com, Merck, and Tyco in the United States. In addition, the case of Kimia Farma and a number of Banks involving public accountants in Indonesia, as well as a number of other cases of financial failure.

Skepticism is absolutely necessary from the point of view of accounting especially for the auditor profession. But when we look at it from another perspective, skepticism is a notion that sees things as always uncertain (doubts, suspicious) that ultimately leads to social upheaval. Furthermore, skepticism is one of the views that enter the ideology of capitalism, which in this concept ignores the existence of moral values in each policy [3]. This nature of course also affects accounting. Accounting will not be able to assess the non-material aspects of an economic transaction carried out by an entity. Accounting only takes into account significant monetary aspects, beyond that is not included in the accounting process [4]. This shows that in the end accounting will continue to close the input to values that should be upheld by humanity as expected by religion.

Accounting knowledge guided by Islamic values (sharia accounting) is no longer just a discourse. This is evidenced by the data obtained from Central Bureau of Statistics which states that the majority of Indonesia's population embraced Islam with the amount of 207.2 million [5]. Along with the development of this amount is not an exaggeration if the accounting research associated with religious values also progressed progressively. As a knowledge, sharia accounting is intensively reviewed, reviewed, conceptualized and practiced by the community,

especially those associated with financial institutions both nationally and internationally.

This paper tries to explain the position of professional skepticism in terms of its conformity with religious values especially from an Islamic perspective. From this study will be obtained a description of the method (technique) is derived from the accounting principles (traditional) which is acceptable or rejected by the values of sharia.

II. LITERATUR REVIEW

Skepticism According to Science

Skepticism is an act of questioning or an attitude of distrust. Skepticism comes from the Greek word, 'σκέπτομαι' skeptomai, which in its usage is generally interpreted "to look around", "to consider". Based on word analysis and its use, skepticism generally refers to an attitude of doubt or disposition either in general or towards a particular object. Skepticism is also understood as a doctrine in science that emphasizes the uncertainty of a scientific realm. In skepticism there is a systematic doubt, a method of consideration and criticism that is skeptical.

This kind of character is important to science. Science requires a certainty as accurate as possible because scientists are expected to be skeptical. Scientists should not immediately believe in the news, experiments and so forth. This is because the methods in science are rigorous. You always question the evidence. Science should not be easy to believe. If scientists want to believe things without evidence, then science will be filled with things that can not be trusted truth.

There is an assessment that says that skepticism is wrong. Some reasons put forward for him: First, skepticism is mistaken for assuming that if we know something we will never be wrong about it. Right and wrong are the categories used to assess knowledge. A proposition becomes true as far as reality is concerned, or otherwise false if it is not in accordance with belief. Example: If we know of any gravitational force, that is, every object that is cast will fall down so we know we will never go wrong. So it can be said that the proposition is in accordance with reality because it realizes it really happens and exists. Second, reality always shows the concept of pairing between black and white, right and wrong, small and big, heavy and light, know and do not know. Because skepticism accepts that people never know something, it naturally shows that the opposite must also be accepted as a possibility, that man will know everything. The consequence that what the skeptics said or said would be automatically denied as the concept of pairing in each other, that is, there is black there must be white, there is right and there must be wrong, and so on. Thirdly, radical skepticism will produce contradictions. The skeptics' statement that "all our beliefs are in doubt" presupposes that the skeptics themselves are convinced that the statement or belief must be true. Yet with that

statement, the statement that states "all our beliefs need to be doubted" must also be doubted. Hence the skeptical statement that "all our beliefs need to be doubted" is also not true. So the beliefs or sayings of skeptics become contradictory as well. Every thing the skeptics believe is also a belief then it can be doubted as skeptics doubt other things.

Professional Skepticism in Accounting

Professional skepticism needs to be owned by the auditor especially when obtaining and evaluating audit evidence. The auditor should not assume that management is dishonest, but the auditor should not assume that management is completely honest [2;13] Similar statements are also found in ISA no. 200 (IFAC 2004) which says that the auditor should plan and conduct an audit with professional skepticism, acknowledging that there is a possibility of misstatement in the financial statements.

Auditor professional skepticism is an auditor's attitude in performing an audit assignment in which this attitude includes a mind that always questions and critically evaluates the audit evidence. Because audit evidence is collected and assessed during the audit process, professional skepticism should be used throughout the process [2;13]. Skepticism is a manifestation of objectivity. Skepticism does not mean being cynical, over-criticizing, or insulting. Auditors who have adequate professional skepticism will deal with the following questions: (1) what I need to know; (2) how I can get the information well; and (3) whether the information I get makes sense. Skepticism of the auditor's professionals will lead him to question any cues that suggest the possibility of fraud [6].

The auditor applies professional skepticism when asking questions and performing audit procedures, not quickly satisfied with less persuasive audit evidence based solely on the belief that management and stakeholders are honest and integrity [7]. In ISA no. 200, it is said that professional skepticism means that the auditor makes critical assessments, with a questioning mind about the validity of audit evidence obtained, alert to contradictory audit evidence or raises questions relating to the reliability of the document, and responding to questions and other information obtained from management and related parties

Professional Skepticism In Islam

The Qur'an as the holy book of Muslims considers the problem of recording as a serious problem with the passage of the longest verse, the verse 282 of Surah Al-Baqarah [8] which describes the functions of recording transactions, its basics, and its benefits, as explained by the rules laws that should be guided in that regard. As at the beginning of the verse states:

"O ye who believe! When ye deal with each other, in transactions involving future obligations in a fixed period of time, reduce them to writing Let a scribe write down faithfully as between the parties: let not the scribe refuse to write: as Allah Has taught him, so let him write. Let

him who incurs the liability dictate, but let him fear His Lord Allah, and not diminish aught of what he owes..... " From the above verses we can also note that since the emergence of the Islamic treatise brought by Prophet Muhammad, there has been a command for truth, justice between the two parties who have muamalah relationship earlier (which we now more familiar with the term accountability).

In the Qur'an itself has been identified as an audit process. As in the letter of Al-Insiyaq verses 6-9, that Allah will hold responsible every human being in the last day. For those who receive the record of their right-handed deeds, they will be easily reclaimed and will be blessed. Likewise it is recorded in the holy book in the letter of Al-Infithar verses 10-12. . Indeed on the human side there are angels as a charity recorder in the world. Whether it's good or bad. They (the angels) know what human beings do. Note that this will be the weighing of a person in Yaumul Mizan.

In Islam, the function of auditing is referred to as "tabayyun" as described in Surah Al-Hujuraat verse 6 [8] which reads:

"O ye who believe! If a wicked person comes to you with and afterwards become full of repentance for what ye have done".

Based on the above verse can be interpreted that the need to check carefully before a news before believe it, or postpone trust before checking carefully. This provides evidence that in Islam it is advocated to have a professional skepticism attitude towards a thing.

IV. RESULT ANALYSIS AND DISCUSSIONS

Islamic Perspective on Accounting Skepticism

The attitude of skepticism is still a contradiction when viewed from various points of view. In this discussion using the framework Wan Ismail Wan Yusoh [11] to see whether or not a principle with Islamic values. Yusoh developed three criteria to assess whether the principle of a principle is compatible with Islamic values. First, the value is true (honest) and legitimate. Secondly, the fair value of putting things into place, applied in all situations not biased, must meet the minimum needs that a person must have. Third, the value of goodness, which is to do things better than standards and habits.

The Perspective of Truth

Truth is a principle that must be upheld by Muslims. The Qur'an states that the truth is sourced from Allah SWT while man must always be active to fight for the truth. Truth in this context relates to measurement of business and financial activity. There are many verses of the Qur'an that encourage people to act correctly. Q.S As-Syu'araa (26): 181 states: "Complete measure and do not be among the disadvantaged" [8]. Furthermore, Q.S As-Syu'araa (26): 182-183 respectively states: "And weigh it with a weighing scale" (182); [8]; "And do not harm man in his rights and do not rampant on the earth by making mischief" (183) [8].

The attitude of skepticism is implicitly or explicitly an audit standard that is designed for accountants, especially auditors. Auditors are expected to use professional skepticism in

III. METHODOLOGY

This research includes the type of library research which is descriptive qualitative with the study of primary sources namely Al-Quran, and primary sources and secondary sources related to professional skepticism. This research is a qualitative research with interpretive paradigm. Qualitative method is the process of inquiry of understanding based on different methodological traditions of the investigation by exploring social or human problems. Researchers build complexity, holistic imagery, analyze data, report detailed views of information and conduct research in the environment [9].

The method of analysis used in this research is content analysis, comparative analysis, and reflective analysis. Qualitative content analysis is used to reveal the messages of the Quran relating to the concepts studied. Comparative analysis methods are used in assessing the concept of skepticism in accounting compared to skepticism from an Islamic perspective. Reflective analysis method is used to reveal the views of life, values and beliefs that exist behind a concept and terms related to the object of research. The final result of this research is conclusion. Conclusions in qualitative research are new findings that may have never existed before. The findings can be descriptions or descriptions of an object whose findings are still vague or dark, so that their expectations after being examined become bright or clear [10].

conducting audits, and gather sufficient evidence to support or challenge management assertion statements. Professional skepticism is done by balancing between suspicion and belief. The balance of attitudes between trust and suspicion is illustrated in the planning of audits with the audit procedures chosen to be performed. This is sometimes difficult to expect, because of the influence outside the auditor's self that can reduce the attitude of professional skepticism. The influence can be self-serving bias because the auditor in performing his duties get rewarded from the auditee. Sometimes because it is difficult to get an explanation from the client, make the auditor feel bad because fuss finally concluded according to their own understanding or even trust the client only. Auditors in the audit process should use their proficiency professionally, thoroughly and thoroughly.

Perspectives of Justice

At the introductory point it has been written that the attitude of skepticism is one of the views embodied in the ideology of capitalism. This attitude only concerns accounting as a significant monetary aspect goal and ignores the existence of moral values in every policy. It is seen that skepticism excessive attitude will only benefit the owner of capital alone without considering other aspects of humanity. Whereas as asserted by Mas'ud [12] Islam is a life view derived from Al-Quran and Hadist where the principles are fully established for the welfare of mankind. Thus, the implementation of accounting principles that are not in accordance with Islamic Shari'ah that aims to

welfare some groups (shareholders) alone is not in accordance with sharia accounting, because it does not reflect justice. The Islamic economic system should be based on the idea that everything in the universe belongs to God. Humans are merely agents and recipients of trust, who are believed to realize God's purposes. The agent is required to use God-given resources in relation to God-given instructions.

The highest responsibility for the trust given to man is to God. Thus, a very dominant accountability to shareholders by excessive skepticism does not conform to the teachings of Islam. Attitude of skepticism needs to be done, but in a professional, balanced, fair way between suspicion and belief, so as not to subordinate aspects of humanity.

Perspective of Honesty

The key ethical and moral business really lies in the culprit, which is why the mission of sending the Messenger of Allah to the world is to improve the morality of humans who have been damaged. A Muslim businessman is obliged to uphold the ethics and morals of Islamic businesses that include Husnul Khuluq. One of the good morals in Islamic business is honesty. QS: Al Ahzab, 70-71 [8] states "Set honesty because veracity really leads to good and indeed good leads to heaven". Other morals are trustworthy; Islam wants a Muslim businessman to have a responsive heart, by guarding it by fulfilling the rights of God and man, and keeping his muamalah from elements that are beyond the limit or in vain.

In expressing business practices based on honesty values, accountants are required to uphold the attitude of skepticism to ensure that the information on the financial statements presented by management does not contain an element of misstatement or there is even an element of fraud in the business process.

V. CONCLUSION

Accounting is a reactive social science to environmental change. A variety of accounting standards are adjusted as a reactive action on those changes. Accountant as a profession in charge of the field is expected to also be able to improve the ability that is owned along with professional ethics, skepticism attitude, and other professional accounting attitude. Differences in the viewpoint of accounting skepticism from different sides are interesting to examine if associated with a religious perspective. The study of Islamic accounting character continues to show progress from time to time based on religious beliefs, coupled with economic, political and social reality on the basis of scientific development by still based on Al-Quran, Hadith and Fiqh to tauhid alibadah (recognizing God as the owner of the universe).

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AUTHORS

First Author – Heni Oktavianti, Post Graduate Student, Airlangga University, iamheni@yahoo.com

Correspondence Author – Heni Oktavianti, iamheni@yahoo.com , henioktavianti@gmail.com, +(62)87878286878