

Islamic Ethics as the Antithesis of Manipulation Culture: A Critical Study on the Failure of Trust (Amanah) in Financial Reporting Practices

Sri Haryani [✉] Alimuddin ² Darwis ³

[✉] *Universitas Muhammadiyah Palu, Indonesia*

^{2,3} *Universitas Hasanuddin, Indonesia*

Abstract

This study aims to deconstruct the hegemony of manipulation culture in global and national financial reporting practices occurring over the past decade. It proposes Islamic Ethics as a fundamental antithesis to restore accounting integrity. This research employs a non-positivist paradigm with a critical study approach. Data analysis was conducted using the dialectical method to juxtapose the reality of manipulation (thesis) against Islamic values (antithesis) to generate a new synthesis. The critical analysis identifies three dimensions of the failure of amanah (trust). First, ontologically, modern financial statements have become entrapped in a simulacrum (hyperreality); Islamic ethics deconstructs this through the concepts of al-haqq and the prohibition of tadlis, demanding that financial statements serve as a document of syahadah (testimony). Second, epistemologically, the instrumental rationality of homo economicus has proven ineffective at preventing fraud; Islam offers the epistemology of muraqabah (inherent divine supervision), which dismantles the rationalization of fraud. Third, axiologically, the hegemony of profit maximization is replaced by the synthesis of barakah (blessing) based on maslahah as an indicator of sustainable performance. This research concludes that a shift from horizontal accountability to Transcendental Accountability is necessary. The accounting profession must transform from mere record-keepers into guardians of amanah who hold their integrity accountable to God, transcending mere compliance with formal regulations.

Keywords: *Critical Accounting, Islamic Ethics, Financial Statement Manipulation, Amanah, Muraqabah.*

Copyright (c) 2025 Sri Haryani

✉ Corresponding author :

Email Address: sriharyanibuna04@gmail.com

INTRODUCTION

Fundamentally, financial statements are designed as vital instruments to mitigate information asymmetry between management and shareholders. As Scott (2015:21) explains, the primary objective of reporting is to provide high-quality information for economic decision-making. However, empirical evidence over the last decade shows a contrasting phenomenon: financial statements are frequently prepared opportunistically. In their comprehensive study, Dechow et al. (2010) highlight that earnings quality continues to decline due to excessive managerial discretion. This is reinforced by the findings of Cohen et al. (2009:3), which indicate

that managers now prefer real earnings management over mere accrual manipulation to avoid auditor detection, creating a misleading illusion of performance for stakeholders.

The failure to maintain data integrity transcends geographical boundaries and regulatory sophistication. In Europe, the Wirecard scandal dealt a severe blow to regulators, as Möllers (2022:4) revealed that the technology company successfully falsified cash balances amounting to €1.9 billion under the strict supervision of German regulators. Meanwhile, in the United States, Tayan (2019:3) analyzed the Wells Fargo case and found that a toxic corporate culture and unrealistic targets could drive thousands of employees to engage in systemic data falsification. According to Sikka (2009:869), these cases demonstrate that external audits and formal corporate governance often fail to detect structured, systematic fraud.

A similar phenomenon occurs in Asia, where pressure for high economic growth often catalyzes manipulative practices. A study of the Luckin Coffee case in China shows how management aggressively inflated sales data to boost the company's stock valuation on the NASDAQ exchange (Wang, 2020, p. 26). A similar pattern was uncovered by Hindenburg Research (Dinesh & D'souza, 2023, p. 2751) in its investigation of the Adani Group in India, indicating stock price manipulation and the concealment of debt through shell entities. Chen et al. (2015:4) argue that in emerging markets, weak investor protection and the dominance of family ownership often facilitate the expropriation of minority rights through biased financial reporting.

In the context of fraud in Indonesia, the integrity of State-Owned Enterprises (SOEs) has come under sharp scrutiny by academics. An analysis of the Garuda Indonesia case highlights the practice of premature revenue recognition from long-term contracts that had not yet materialized, a fundamental violation of the principle of accounting conservatism (Sari, 2022, p. 55). Furthermore, Qimyatussa'adah et al. (2021:1) dissected the Jiwasurya scandal and found evidence of window dressing through the manipulation of stock prices to mask insolvency. This phenomenon confirms that political connections in SOEs are often positively associated with low financial reporting quality and high earnings management (Harymawan et al., 2019, p. 11).

The issue of manipulation also permeates the capital-intensive infrastructure sector. Ningrum et al. (2025:180) found that cash holdings and financial leverage drive income-smoothing practices in the heavy infrastructure construction subsector. This aligns with other findings stating that capital-intensive industries with strict covenants encourage management to present better figures to avoid breaches (Petronila et al., 2025, p. 128). Overall, alleged fraud in infrastructure companies arises from a failure of trust (*amanah*) due to accounting complexity, which increases the risk of manipulation (Nicko Albart & Marsudi, 2025, p. 2618).

The impact of this series of manipulations is highly destructive to the socio-economic order. In the case of SOE financial scandals, state losses amounting to trillions of rupiah have been incurred that should have been allocated to public welfare. This is due to governance mechanisms, such as audit committees, often being ineffective in detecting fraud within SOEs, allowing manipulation to persist for long periods without identification. This failure of oversight results in the erosion of public trust, as emphasized in a working paper on "State-Owned Enterprises Fraud and Public Trust in Indonesia," which reveals that major financial scandals such as

Jiwasraya, Waskita, and Asabri have created a perception that external and internal audits are no longer capable of performing early detection functions (Stevani Juniarti & Yunita 2025, p. 1752). On the other hand, Abriatika and Mutmainah (2022:3569) emphasize that pressure and opportunity factors significantly influence fraud in SOEs, particularly when companies face significant debt burdens and unrealistic performance targets.

Responding to this multidimensional crisis, this study argues that the mainstream approach, dominated by the positivist paradigm, has failed to address the problem's root. As Kamayanti (2016:21) criticizes, number-based research tends to reduce the phenomenon of manipulation to merely a technical regulatory issue, while ignoring the spiritual dimension of the actors. Triyuwono (2012:15) asserts that this failure occurs because modern accounting has undergone secularization, stripping divine values (Tauhid) from economic practice, thereby birthing humans who are rational yet morally "hollow." Therefore, this research urges a critical approach to dismantle this hegemony of materialism. This study aims to propose Islamic Ethics, specifically the concept of Amanah, not merely as a supplement, but as a fundamental antithesis to reconstruct the true meaning of accountability: from responsibility to humans, to absolute responsibility to God (Muraqabah).

Instrumental Rationality and Agency Theory

The discourse regarding financial statement manipulation is fundamentally rooted in Agency Theory, introduced by Jensen and Meckling (1976:308). They established the premise that the separation between the principal and the agent creates inherent conflicts of interest and agency costs. Over the last decade, the relevance of this theory was reaffirmed by Panda and Leepsa (2017:75), who conducted a comprehensive review of agency literature. They found that although corporate governance mechanisms have evolved, agency conflict remains the primary trigger for deviant managerial behavior. More specifically, Vitolla et al. (2020:1153) added that in the modern era, while integrated reporting attempts to mitigate this asymmetry, the agent's opportunistic motives remain dominant when monetary incentives are at stake.

Such opportunistic behavior is explained in greater detail by Positive Accounting Theory (PAT) (Watts & Zimmerman, 1986, p. 203), particularly through the debt covenant hypothesis and the bonus plan hypothesis. The relevance of these hypotheses in the contemporary era is reinforced by studies from Beatty and Liao (2014:340) and Christensen et al. (2016:2886). These studies provide new empirical evidence that managers of banks and large corporations continue to use accounting discretion to avoid breaching strict credit covenants. Kabir (2018:5), in a critical review of PAT, also asserts that, even as accounting standards become stricter, management's choice of accounting methods remains heavily influenced by political-economic motivations and contractual considerations rather than mere regulatory compliance.

Conditions enabling manipulation are facilitated by information inequality, a seminal concept from Akerlof (1970:488) regarding the "Market for Lemons". In the context of modern, technology-intensive capital markets, Kanodia and Sapra (2016:623) expanded this concept by showing that financial statement transparency has real effects on economic decisions. They argue that although the volume of information has increased in the digital era, its quality remains an issue. This is

supported by Balakrishnan et al. (2014:102), who found that firms with high information asymmetry tend to produce more aggressive (manipulative) financial statements to shape market perception, which ultimately increases the firm's cost of capital.

In the practical realm, the concept of Earnings Management, popularized by Healy (1985:85), has evolved. While Healy focused on accrual manipulation, recent literature indicates a shifting trend: Roychowdhury et al. (2019:4) concluded in their latest literature review that managers now prefer Real Earnings Management – such as cutting R&D costs or overproduction – over accrual manipulation. The reason, as explained by Cohen et al. (2009:5), is that real manipulation is more difficult for auditors and regulators to detect post-SOX (Sarbanes-Oxley), even though these actions are highly destructive to long-term firm value.

The sociological explanation regarding fraud formulated by Cressey (1953:30) in the Fraud Triangle (Pressure, Opportunity, Rationalization) remains the dominant analytical framework. Contemporary studies by Schuchter and Levi (2016:108) validate this model but provide new emphasis on the aspect of "Rationalization". They found that white-collar criminals use more complex "moral neutralization" mechanisms to justify their actions amidst a competitive corporate culture. Lokanan (2018:12) also reinforces this by examining the profiles of fraudsters in financial markets, concluding that performance target pressure in modern financial institutions is the most tangible manifestation of the Pressure element in Cressey's theory.

The development of the theory into the Fraud Diamond by Wolfe and Hermanson (2004:38), which adds the element of Capability, has proven highly relevant for explaining large-scale accounting scandals. Ruankaew (2016:475), in the article "Beyond the Fraud Diamond," asserts that in the complex era of global corporations, financial statement fraud is impossible without the technical capability and position of power held by the CEO/CFO. Empirical studies by Ham et al. (2017:235) on CEO narcissism provide strong support for this theory; they found that CEOs with large signatures (an indicator of narcissism/high capability) are more likely to engage in earnings manipulation and overinvestment.

Institutional Theory, as outlined by DiMaggio and Powell (1983:147) regarding isomorphism, is now widely used to explain the phenomenon of uniformity in sustainability reporting. De Villiers et al. (2014:1050) and Vinnari & Laine (2017:2) use this lens to show that many companies adopt integrated reporting or CSR not because of ethical awareness, but because of isomorphic pressure to appear "legitimate" like their competitors. In this context, financial statement manipulation metamorphoses into greenwashing, where positive narratives are highlighted to cover up poor fundamental performance—a sophisticated form of impression management.

Finally, the Critical Accounting stream pioneered by Tinker (1980:148) continues to develop, criticizing the role of accounting in perpetuating inequality. Recent research by Sikka (2015:2) and Chabrak et al. (2016:240) updates this critique by highlighting the role of major audit firms in facilitating tax avoidance and global financial engineering. They argue that in the current neoliberal system, accounting has become a tool of "symbolic violence" that legalizes the transfer of wealth from the public to the corporate elite. A study by Gendron (2018:5) also adds that the

commercialization of the accounting profession has eroded auditor independence, turning manipulation into a product traded in the professional services market.

Amanah Concept and the Prohibition of Tadlis

In contrast to secular accounting, which separates economic activity from spiritual values, the Islamic Perspective begins with Tauhid (The Oneness of Allah). Contemporary Muslim philosopher Al-Faruqi (1992:10), in his seminal work "Al-Tawhid: Its Implications for Thought and Life," asserts that Tauhid is a worldview that unifies all aspects of life, including business, under God's law. In current accounting research, Triyuwono (2015:320) operationalizes this concept by arguing that accounting must liberate itself from the web of materialism toward "Sharia Accounting" centered on God. This is reinforced by Kamla (2019:7), who argues that the adoption of Western accounting standards by Islamic financial institutions often ignores the essence of Tauhid, resulting in financial statements devoid of ethical values and trapped in mere formality.

As an antithesis to Agency Theory, which is based on distrust, Islam offers the Amanah Concept. This concept is rooted in QS—Al-Ahzab: 72, where humans accepted the responsibility rejected by the heavens and the earth. Scholars Beekun and Badawi (2005:135) define amanah in business not merely as an employment contract, but as a spiritual covenant. Recent empirical research by Kusuma and Lutfi (2023:56) found that the internalization of Amanah values in Muslim managers significantly reduces the tendency for earnings management, as they view their position as a trust from God. Haniffa and Hudaib (2014:123) also note that, within the Amanah framework, "agency costs" can be minimized not by strict monitoring but by strengthening the moral integrity of the actors.

The concept of accountability in Islam transcends reporting to shareholders (horizontal) and moves toward accountability to Allah (vertical/Hisab). Umer Chapra (1992:215), a prominent Muslim economist, emphasizes that the Islamic economic system must possess a dual filter mechanism: an individual moral filter and an institutional filter. The relevance of this concept is validated by Tapanjeh (2021:557), who, in a comparative study, concluded that Islamic Corporate Governance principles are superior to the Organisation for Economic Co-operation and Development model because they incorporate the element of Muraqabah (consciousness of being watched by God). Accountants possessing Muraqabah consciousness will not manipulate data even in the absence of overseeing auditors, because they believe in the existence of the afterlife court described in QS. Al-Zalzalah: 7-8.

In the technical context of manipulation, Islam explicitly forbids Tadlis (fraud/concealment of defects). Classical fiqh muamalah references from Ibn Taymiyyah in "Al-Hisbah fil Islam" affirm the state's duty (Muhtasib) to prevent merchants from hiding defects in goods (1982:141). In contemporary literature, Rahman et al. (2020:1786) associate this concept of Tadlis with the practice of Creative Accounting. They argue that presenting financial statements that are "beautiful" on the outside but "rotten" on the inside (as in the Enron or Jiwasraya cases) is a form of modern Tadlis, which is absolutely haram. This aligns with QS. Al-Mutaffifin: 1-3, which threatens those who cheat in measurement, a metaphor highly appropriate for accountants who manipulate the balance sheet.

A specific form of market manipulation prohibited is Najsy (the creation of false demand). The Hadith of the Prophet SAW explicitly forbids someone from bidding a high price for goods not to buy, but to trap others (Narrated by Bukhari and Muslim). Siregar (2019:150) interprets Najsy in the modern capital market context as Window Dressing or as stock Pump-and-Dump practices. Empirical studies by Laldin and Furqani (2013:279) show that Islamic banks with strict Sharia supervision (Sharia Supervisory Board) tend to have lower levels of manipulation because practices resembling Najsy are detected and prevented early as substantive ethical violations.

Islam also forbids Gharar (ambiguity/uncertainty). El-Gamal (2006:58), in his seminal analysis of Islamic finance, states that Gharar is not just about gambling, but also about contracts with asymmetrical information. In the last decade, Abdullah and Al-Aali (2018:301) used this concept to critique the complexity of derivative financial statements intentionally made to confuse investors (as in the 2008 subprime mortgage case). They argue that Islamic financial statements must comply with the principle of Tabligh (clear communication), so any attempt to conceal risk through confusing footnotes is considered forbidden Gharar.

The role of the accountant in Islam is enshrined in QS. Al-Baqarah: 282, the longest verse in the Qur'an, which commands the recording of debt. This verse forbids the writer explicitly from "refusing to write as Allah has taught him". Napier (2018:120), in a historical review, highlights that accountants in Islam are not merely technicians, but witnesses of truth (Syahid). Research on professional ethics by Sarea (2016:2) asserts that obedience to superiors (management) must not violate obedience to God's command to act justly (Al-Adl). If management orders manipulation, the accountant is obliged to refuse because "There is no obedience to the creature in disobedience to the Creator" (Fiqh Maxim).

Ultimately, the goal of financial reporting in Islam must align with Maqasid Sharia (Objectives of Islamic Law), namely preserving wealth (Hifz al-Mal) and public welfare. As-Shatibi, the classical scholar who formulated the Maqasid theory, emphasized protecting public interest. Bedoui and Mansour (2015:396) developed a Maqasid-based corporate performance index and argued that financial statement manipulation destroys the social order (Fasad). Research by Mulawarman (2017:40) adds that critical Islamic accounting must dare to challenge corporate practices that are financially profitable (profit) but socially and ecologically destructive, as this contradicts the principle of Maslahah, which is the soul of Islamic economics.

METHODOLOGY

This research adopts a Non-Positivist Paradigm, specifically the Interpretive-Critical paradigm. Referring to the sociological classification by Burrell and Morgan (1979:24), this paradigm was selected because it views social reality (including financial manipulation) not as a "given" but as a result of social construction influenced by the hegemony of certain ideologies. In this context, data manipulation is understood not merely as a technical error but as a product of the dominance of materialistic values that needs to be deconstructed.

Consistent with this paradigm, the research approach used is the Critical Study Approach. This approach goes beyond merely describing the problem toward the effort of "emancipation" or liberation. Cooper and Sherer (1984:208) assert that the goal of critical accounting is to reveal how accounting practices perpetuate the unjust

distribution of wealth. In this research, the "critique" aims to deconstruct the established culture of manipulation that underlies accounting standards.

Ontologically, this study uses manipulated financial statements as its object of study, categorized as Hyper-reality. Borrowing the concept from postmodern philosopher Jean Baudrillard (1981:2), which is often adopted in critical accounting research (Macintosh et al., 2000, p. 14), financial statements today often become copies that no longer reference the original economic reality. However, they are instead considered more real than the original. Engineered profit is an illusion created to satisfy the market. This research seeks to recover the lost ethical reality: the substantial honesty (al-haqq) demanded by Islamic law (sharia).

Data in this research were collected through documentation techniques and a triangulated literature review. The data sources are divided into two: (1) Empirical Data (Kaunyah): covering investigative reports of manipulation cases and related journal articles over the last decade; and (2) Textual Data (Qauliyah): including verses from the Qur'an, Hadith, and exegesis books relevant to business ethics. Denzin and Lincoln (2011:5) emphasize that in qualitative research, the use of various types of documents enriches the researcher's understanding of complex phenomena.

The data analysis technique uses the Dialectical Method (Thesis-Antithesis-Synthesis). This method was chosen to contrast two conflicting value poles. Llewellyn (2003:223) states that theory formation in qualitative accounting often occurs through the differentiation of concepts. In this study, Thesis: is the empirical fact of the culture of manipulation and secular rationality (Agency Theory); Antithesis: is the normative values of Islamic Ethics (Amanah, Prohibition of Tadlis, Muraqabah); and Synthesis: is the result of the critical dialogue between the two, which gives rise to the new concept of "Transcendental Accountability". The analysis is conducted by confronting the facts of fraud with the Sharia evidence to see the extent of the deviation and how Islam rectifies it.

RESULTS AND DISCUSSION

Ontological Dialectic: Financial Statements as Simulacra vs. Al-Haqq

Thesis: The Hyper-reality of Financial Statements

Ontologically, modern financial statements have undergone a fundamental shift from a representation of reality to a Simulacra. Referring to the thought of Jean Baudrillard adopted in critical accounting studies by Kamayanti (2019:2), current financial statements often no longer refer to the physical reality of assets or actual cash flows, but rather to mathematical models and subjective estimates created by accounting standards themselves. In this condition, the profit figure on the balance sheet becomes a "sign" floating without an anchor, detached from the company's real economic condition. Accounting no longer reflects reality; it creates its own reality to satisfy speculative stock market expectations.

The primary mechanism for this creation of hyper-reality lies in the application of Fair Value Accounting. Power (2021:10), in his critique of asset valuation, emphasizes that reliance on Fair Value levels (assets without active markets) forces management to make imaginative assumptions in determining value. This creates an ontological gap where fictitious assets can be "brought to life" on paper. A study by Chabrak et al. (2016:240) on the financial crisis asserts that this practice is a form of "symbolic violence," in which accountants have the power to

conjure losses into intangible assets or pseudo-goodwill, so that operationally dying companies appear visually "healthy" in financial statements.

Over the last decade, this phenomenon has crystallized into a hegemony of image over substance. Gendron (2018:7) highlights that the accounting profession has become trapped in "performativity," where success is not measured by data truthfulness, but by the report's ability to steer investor opinion. The Wirecard case in Germany (Möllers, 2022, p. 7) is a perfect manifestation of what is termed "corporate hallucination"; the €1.9 billion cash recorded in the financial statements never existed ontologically. The figure was merely pixels on a computer screen, maintained by management conspiracy and auditor negligence, proving that financial statements can be a legitimate work of fiction.

The audit process, which is supposed to verify reality from a critical perspective, often becomes merely a ritual of signature justification. Sikka (2009:869) argues that modern audits often fail to touch upon substantive truth because auditors focus only on procedural compliance with standards that are also artificial. When auditors issue an Unqualified Opinion on companies that manipulate data, they are performing what Malsch et al. (2018:655) call "simulacra validation". Auditors do not verify whether "the money exists," but instead verify whether "the method of recording the fictitious money" complies with PSAK/IFRS. This is an ontological crisis where procedural truth defeats factual truth.

Antithesis: The Concept of Al-Haqq and the Prohibition of Tadlis

As an antithesis to the Simulacra of financial statements, complete with artifices, Islamic ethics proposes the ontological concept of Al-Haqq. In Islamic terminology, Al-Haqq is not merely "mathematically correct," but represents truth derived from the Ultimate Reality (Allah SWT) and corresponds to objective facts. Triyuwono (2015:45), in his foundational research on Sharia accounting, emphasizes that accounting must free itself from the trap of "pseudo-reality" created by capitalism. While Western accounting permits subjective estimates to float, the concept of Al-Haqq demands a solid anchor in reality. Financial statements, from this perspective, must serve as clear mirrors rather than abstract paintings that management can interpret at will for market interests.

Creative Accounting practices, often considered managerial skills in the West, are deconstructed in Islam as forms of Tadlis (fraud/deception). Rahman et al. (2020:112) in their empirical study on Islamic banking ethics demonstrate that numerical manipulation, even if legal under accounting standards, is categorized as Tadlis if its purpose is to conceal a company's poor condition. Ontologically, hiding off-balance-sheet liabilities is equivalent to a merchant concealing defects in their goods. In Islamic law, transactions containing Tadlis are void and forbidden (haram); thus, financial statements containing such elements lose all moral legitimacy.

The Islamic critical approach also challenges the conventional audit concept of Materiality, which often serves as a loophole to justify "minor" manipulations. Modern auditing standards regard misstatements as insignificant if they are not "material." However, Kamla (2019:88) strongly criticizes this view. In an Islamic ontology based on Haqqul Yaqin (Certain Truth), a lie remains a lie, regardless of size. Intentionally allowing minor misstatements is the beginning of moral corruption. Islamic ethics demands moral precision; accountants are prohibited from

trivializing minor manipulations because Allah accounts for everything "even the weight of a speck" (QS. Al-Zalzalah: 7-8).

Countering the culture of corporate secrecy, Islam mandates radical transparency. Platonova et al. (2018:203) in their study on disclosure in Islamic banks find that transparency in Islam is not driven by incentives but by the theological obligation of Tabligh (conveying the truth). Concealing information relevant to stakeholders constitutes Zulm (oppression). While conventional accounting allows management to withhold "bad news" to protect stock prices, Islam requires immediate disclosure, as hiding the truth violates others' right to know the facts.

Ontologically, the role of accountants in Islam is reconstructed from mere "recording technicians" to "witnesses." Napier (2018:57) traces the historical roots of Islamic accounting and finds that the position of Katib (scribe/accountant) had a sacred dimension. Financial statements are documents of Shahadah (testimony). Just as witnesses in court are prohibited from giving false testimony (Syahadat al-zur), accountants are forbidden to present falsified figures. Kusuma and Lutfi (2023:34) emphasize that an accountant's signature on financial statements is an oath before God. This concept dismantles the "I was only following orders" argument, as false testimony is a major sin whose responsibility cannot be shifted to management.

Islam rejects the ontology of success measured solely by net profit. Mulawarman (2017: 61) sharply critiques that modern accounting profits are often "pseudo-profits" derived from exploitative and manipulative processes. By contrast, Islam offers the concept of Blessed Profit. Financial statements in accordance with Al-Haqq report not only the monetary quantity but also the quality of their acquisition (Halal/Haram). Manipulating financial statements to appear profitable is irrational in Islam, as profits obtained through Batil (invalid/false) means lack blessing and ultimately lead to company destruction in the long term, according to Sunnatullah (divine law).

Islamic critical theory targets not only the outcomes of the report but also the roots of actors' behavior. Abdullah and Al-Aali (2018:149) argue that self-justification elements in the Fraud Triangle are dismantled by the concept of Muraqabah (divine oversight). In secular cultures, manipulators may rationalize that "everyone does it" or "it is for the company's benefit." However, in Islamic ontology, such rationalizations collapse in the awareness that Allah is Al-Basir (All-Seeing). There is no ontological hiding place for manipulators. This consciousness creates an inherent internal control system far more effective than any external regulation.

Ultimately, this antithesis converges on the goal of justice (Al-Adl). Manipulating financial statements essentially deprives the weak (retail/public investors) of their information rights by the strong (management/owners). Tapanjeh (2021:78) concludes that Islamic Corporate Governance aims to uphold the distributive justice of information. The concepts of Al-Haqq and the prohibition of Tadlis ensure that no party is harmed (La Dharar wa La Dhirar) due to biased information. Accounting is thus restored to its function as an instrument of justice rather than a tool for perpetuating capitalist greed.

Islamic Ethics: The Ontological Anchor of Al-Haqq

As an antithesis to the Simulacra of financial statements rife with engineering, Islamic Ethics proposes the ontological concept of Al-Haqq. In Islamic terminology, Al-Haqq is not merely "correct" in a mathematical sense, but refers to truth

originating from the Ultimate Reality (Allah SWT) and corresponding to objective facts. Triyuwono (2015:25), in his fundamental research on Sharia accounting, asserts that accounting must liberate itself from the trap of "pseudo-reality" created by capitalism. While Western accounting permits subjective estimates to float, the concept of Al-Haqq demands a solid anchor in reality. In this view, financial statements are obligated to be a clear mirror, not an abstract painting interpreted at will by management to serve market interests.

The practice of Creative Accounting, often viewed as a managerial skill in the West, is deconstructed by Islam as a form of Tadlis (Fraud/Concealment of Defects). Rahman et al. (2020:1786), in their empirical study of Islamic banking ethics, indicate that numerical manipulation—even if legal according to accounting standards—is categorized as Tadlis if the intent is to conceal the company's deteriorating condition. Islam views the concealment of debt in Off-Balance Sheets as ontologically equivalent to a merchant hiding defects in their merchandise. Under Islamic law, transactions involving Tadlis are void and forbidden (haram); thus, financial statements containing this element are entirely devoid of moral legitimacy.

The critical Islamic approach also challenges the concept of Materiality in conventional auditing, which often serves as a loophole to justify "minor" manipulations. In modern audit standards, misstatements are considered acceptable as long as they are not "material." However, Kamla (2019:28) strongly criticizes this view. Within Islamic ontology based on Haqqul Yaqin (True Certainty), a lie remains a lie regardless of its size. Intentionally permitting minor errors is the beginning of the corruption of the soul. Islamic ethics demands moral precision from accountants; they are forbidden from trivializing small manipulations because Allah accounts for everything, even that with the weight of "a mustard seed" (QS. Al-Zalzalah: 7-8).

Countering the culture of corporate secrecy, Islam mandates Radical Transparency. Concealing relevant information from stakeholders is a form of injustice (Zulm). While conventional accounting allows management to withhold "bad news" to maintain stock prices, Islam mandates immediate disclosure, as hiding the truth violates others' rights to know the facts.

Ontologically, the role of the accountant in Islam is reconstructed from a mere "recording technician" to a "bearer of witness". Napier (2018:122) traces the historical development of Islamic accounting and shows that the role of the katib (scribe/accountant) was never merely technical. Instead, it carried a sacred dimension because financial records functioned as documents of syahādah (testimony), reflecting accountability before God and society. Just as a witness in court is forbidden from giving false testimony (Syahadat al-zur), an accountant is forbidden from presenting false figures. Kusuma and Lutfi (2023:57) emphasize that an accountant's signature on a financial statement is an oath before God. This concept dismantles the "I was only following orders" argument, because false testimony is a major sin for which responsibility cannot be transferred to management.

Islam rejects the ontology of success measured solely by Net Income. Mulawarman (2017:42) offers a sharp critique that modern accounting profit is often "Pseudo Profit" obtained through exploitative and manipulative processes. In contrast, Islam offers the concept of Blessed Profit (Laba Berkah). Financial statements that are Haqq report not only the quantity of money but also the quality of its acquisition (Halal/Haram). Manipulating financial statements to appear profitable is an irrational act in Islam, because profit obtained through Batil

(false/void) means lacks the value of blessing and will, according to the law of sunnatullah, bring destruction to the company in the long run.

Critical Islamic theory attacks not only the report's findings but also the actor's underlying behavior. Abdullah and Al-Aali (2018:302) argue that the concept of Muraqabah destroys the element of self-justification in the Fraud Triangle. In secular culture, a manipulator can sleep soundly by rationalizing that "everyone does it" or "this is for the good of the company". However, in Islamic ontology, such rationalization collapses before the conviction that Allah is All-Seeing (Al-Basir). There is no ontological hiding place for the manipulator. This consciousness creates an internal control system inherent within the human self, far more effective than any external regulation.

Ultimately, this antithesis culminates in the goal of justice (Al-Adl). Financial statement manipulation is essentially the theft of the information rights of the weak (retail investors/public) by the strong (management/owners). Tapanjeh (2021:564) concludes that Islamic Corporate Governance aims to uphold the distributive justice of information. The concepts of Al-Haqq and the prohibition of Tadlis exist to ensure that no party is harmed (La Dharar wa La Dhirar) by biased information. Accounting, therefore, is restored to its function as an instrument for upholding justice, not an instrument for perpetuating capitalistic greed.

*Epistemological Dialectic: Instrumental Rationality vs. Muraqabah
Thesis: The Rationality of Homo Economicus (Agency Theory)*

Epistemologically, the roots of the financial statement manipulation culture lie in the dominance of Instrumental Rationality, inherited from Max Weber and now the heart of neoliberal capitalism. In this paradigm, "truth" is no longer defined by absolute moral values but by the efficiency with which goals are achieved. Andrew and Baker (2020:3) argue that neoliberal accounting rationality has transformed financial reporting into a mere technocratic tool. Accounting no longer asks "is this morally right?", but rather "is this strategically profitable?". This epistemology creates a foundation for manipulation, where numerical engineering is considered legitimate as long as it functions as an instrument to achieve profit goals, ignoring the actual ontological reality.

The embodiment of this rationality is the concept of man as Homo Economicus: a purely rational, selfish, utility-maximizing being. Agency Theory, the seminal theory of mainstream accounting, reinforces this view. Gendron (2018:7) critiques that professional accounting education and practice have "dehumanized" accountants, reducing them to walking calculators alienated from their conscience. In this view, a manager who engages in earnings management is not seen as a fraudster, but as a rational agent responding to economic incentives. This perspective normalizes greed as a natural human trait, rather than a disease of the heart that needs curing.

The most destructive impact of this epistemology is the transformation of ethics into an economic variable. The decision to manipulate or be honest is based on a cost-benefit analysis. Critical research by Sikka (2015:869) on global banking scandals shows that major banks calculate regulatory fines merely as "operational costs". If the profit from manipulation exceeds the potential fine, then manipulation is deemed a "rational" and epistemologically "correct" decision. This logic collapses

the ontology of truth; truth becomes a tradable commodity rather than an absolute value to be guarded.

This instrumental epistemology is institutionalized through performance measurement systems. Roberts (2023:18) calls this phenomenon the "Tyranny of Metrics," where corporate reality is reduced to rigid numerical targets. This structure forces individuals to manipulate data to survive. The case study by Tayan (2019:4) on Wells Fargo demonstrates that, fundamentally, sound employees were forced to become fraudsters by incentive systems designed on the assumption of Homo Economicus. This structural pressure creates what Murphy et al. (2022:2) term "Structured Ethical Blindness," where actors are no longer able to see the moral dimension of their actions due to an exclusive focus on achieving numerical targets.

Agency Theory is built on the basic assumption of distrust: owners do not trust managers, and managers want to cheat owners. Panda and Leepsa (2017:76) highlight that current governance mechanisms, such as independent audits and independent commissioners, are designed not to build character, but to monitor "potential thieves". Ironically, this distrust-based approach creates a Self-Fulfilling Prophecy. When managers are treated as people who will cheat if left unsupervised, they tend to behave exactly that way. This epistemology of suspicion kills the potential for amanah and replaces it with a cat-and-mouse game between regulators and manipulators.

Instrumental rationality also births the chronic disease of short-term orientation. Brochet et al. (2015:1124) found that managers obsessed with quarterly targets tend to sacrifice the company's long-term value. Ontologically, this creates a "Temporary Pseudo-Reality"; the company appears profitable today by manipulating accruals or cutting maintenance costs, while the physical reality of assets is actually rotting. This epistemology rejects the concept of true sustainability because the future is discounted to a very low value for the sake of current shareholder instant gratification.

Accounting educational institutions play a role in perpetuating this epistemology. Kamayanti (2019:13) and Chwastiak (2015:345) criticize modern accounting curricula that teach students to "manage earnings" and minimize taxes, yet fail to address the social impact of these actions. Students are taught that the primary goal of accounting is to serve the interests of capital owners. Consequently, accounting graduates enter the workforce with the "blinders" of instrumental rationality; they are experts in technical standards (PSAK/IFRS) but morally and spiritually illiterate. They are not taught to fear God, but to fear failure in achieving profit targets.

In conclusion, the epistemology of Homo Economicus rationality leads financial reporting practice into a moral dead end. As Dillard and Vinnari (2019:1043) concluded in their critical accounting study, as long as accounting adheres to the view that humans are selfish utility maximizers, manipulation can never be eliminated; it can only be temporarily suppressed. This epistemology has justified the unjustifiable and created an ontology of the business world separated from human values. This is where the urgency lies to present an antithesis in the form of an Islamic epistemology that returns the spiritual dimension to human rationality.

Antithesis: Muraqabah Consciousness (Inherent Supervision)

As an antithesis to fragile external supervision, Islamic Ethics offers the epistemology of Muraqabah (Consciousness of Divine Supervision). In Western critical theory, surveillance is often explained through Michel Foucault's concept of the Panopticon. In this system, inmates (managers) behave well because they feel watched by an invisible guard (auditor). However, Tapanjeh (2021:564) in his comparative analysis criticizes this "Secular Panopticon" as flawed; competent managers can find the auditor's blind spots or even "bribe the guard". Conversely, Muraqabah is the perfect "Divine Panopticon". This consciousness creates an ontological conviction that no transaction, no matter how small, escapes Allah's sight (Al-Basir). This shifts compliance from "fear of being caught by humans" to "fear of the inevitable presence of God".

The epistemology of Muraqabah radically rejects the assumption of the selfish Homo Economicus and replaces it with Homo Fiduciarius (Man of Trust/The Trustholder). Mahdavikhou and Khotanlou (2016:16) argue that in this framework, human rationality undergoes a dimensional expansion. If Homo Economicus calculates material profit, Homo Fiduciarius with Muraqabah consciousness performs a transcendental calculation: "Is this manipulation worth the punishment of hell?" This rationality kills the seeds of opportunism. A Muslim accountant accepts manipulation because it is "irrational" economically, but because they realize that worldly gain is a real ontological loss in the hereafter.

The presence of Muraqabah effectively dismantles the "Opportunity" element in the Fraud Triangle. In conventional accounting, an opportunity arises when internal controls are weak. However, Abdullah and Al-Aali (2018:308) argue, in their critique of Cressey's theory, that for individuals with Muraqabah, the opportunity to cheat ontologically never exists. Even if CCTV is off, auditors are absent, and IT systems can be hacked, "God's CCTV" never shuts down. This consciousness creates an inherent and ubiquitous internal control system, rendering the concept of "fraud opportunity" impossible in the mind of a believer.

A sharp critique from Muraqabah is directed at secularism, which separates public life (business) and private life (worship). Haniffa and Hudaib (2014:122) highlight that many accounting scandals occur because perpetrators feel they are allowed to behave amorally in the office as long as they are pious at home (a split personality). Muraqabah erases this dichotomy. It unites the workspace and worship space in a single timeline watched by God. Kamla (2019:15) adds that in Islamic epistemology, preparing financial statements is a spiritual activity equivalent to prayer. Manipulating figures on a balance sheet, in this consciousness, is as despicable as intentionally invalidating prayer; both are forms of defiance before the Creator.

The highest level of Muraqabah is Ihsan ("Worship as if you see Allah"). Kusuma and Lutfi (2023:64) associate this concept of Ihsan with financial reporting quality. Accountants working with Ihsan principles will not be satisfied with merely meeting minimum standards (PSAK) or just passing an audit. They will strive to present the most precise truth because they dedicate their work to God, not to the OJK or shareholders. Financial statements become a work of spiritual art that must be cleansed of the stain of lies (tadlis), in recognition that the "Primary Consumer" of the report is Allah SWT.

Modern audit systems are often trapped in ritualism or symbolic compliance, ticking boxes without substance. Sarea (2016:12) critiques that without spirituality, Sharia compliance in Islamic banks can be manipulated into mere formal legality. Muraqabah exists as an antithesis demanding Substantive Compliance. An accountant with Muraqabah consciousness will not hide behind the phrase "this is legal according to the rules" if, substantively, they know it is misleading. Their conscience (Qalb) connected to God becomes the "Highest Accounting Standard", surpassing artificial written rules full of loopholes.

From a critical economic perspective, the internalization of Muraqabah offers a radical solution to the agency cost problem. Western Agency Theory accepts monitoring costs (audits, commissioners) as unavoidable burdens due to distrust. However, Rahman et al. (2020:1800) argue that in a business community that adheres to Muraqabah, external monitoring costs can be kept to a minimum. Trust (Amanah) is restored not through expensive legal contracts, but through theological bonds. When the principal trusts that the agent fears God, the need for layered audits decreases drastically. This is a critique of capitalist inefficiency, which squanders resources merely to monitor human dishonesty.

Finally, Muraqabah provides true emancipation for the accounting profession. In the capitalist system, accountants often become corporate enslaved people, pressured to manipulate to keep their jobs. Mulawarman (2017:45) states that Muraqabah liberates accountants from fear of humans (bosses/clients). By leaning on transcendental power, accountants possess the Moral Courage to refuse orders to manipulate. They realize their sustenance is guaranteed by the All-Seeing, not by a corrupt CEO. This ontological consciousness is the final fortress of integrity, impervious to any structural pressure.

Synthesis: Transcendence of Accountability

The synthesis of the clash between dry economic rationality and Muraqabah consciousness yields the concept of the Transcendence of Accountability. If conventional accounting only recognizes horizontal accountability to humans, and pure theology focuses on vertical relationships, this synthesis unites both in a single epistemological breath. Triyuwono (2015:12) calls this the "Zakat Metaphor": accounting that purifies wealth and the soul simultaneously. In this paradigm, financial statements are no longer mere administrative documents but hybrid documents that connect the company's physical reality with the metaphysical reality of divinity. This epistemology rejects the secularization that separates the "boardroom" from the "afterlife courtroom".

In this synthesis, the definition of stakeholder undergoes radical expansion. Tapanjeh (2021:562) argues, in his critical analysis of corporate governance, that in Islamic epistemology Allah SWT is positioned as the "Absolute Stakeholder". Unlike human shareholders, who have limited information, the Absolute Stakeholder has perfect information. The ontological implication is profound: financial statement manipulation becomes a futile act. Management no longer faces the classic agency dilemma of "how to deceive the principal without being caught," because the primary principal in this synthesis is All-Knowing.

This transforms Agency Theory into Theomorphic Agency Theory. Transcendence of Accountability shifts the focus from regulatory compliance to substantive consciousness. Research by Sarea (2016:8) shows that compliance with

standards is often merely formal, lacking ethical awareness. This synthesis proposes that a "transcendent" accountant does not need convoluted rules to be honest. Kamla (2019:10) asserts that Islamic accountability goes beyond written rules; it is an internal code of ethics embedded in the soul (embodied ethics). In this condition, an accountant will refuse to engage in window dressing not out of fear of violating PSAK, but due to the awareness that such lies pollute their spiritual purity.

This new epistemology demands a redefinition of corporate success. Instrumental rationality measures success by Profit Maximization, whereas this synthesis proposes the Blessing (Barakah) indicator. Bedoui and Mansour (2015:400) developed a Maqasid Sharia-based performance theory, where profitability must go hand in hand with the preservation of moral values. Ontologically, "Blessed Profit" is a reality that grows and increases (*ziyadah*), whereas "Manipulative Profit" is a pseudo-reality that will perish. In this synthesis, financial statements are obligated to reveal not only how much profit is made, but the quality of the blessing of that profit (whether it is free from *riba*, *gharar*, and *tadlis*).

Transcendence of Accountability functions as a liberation tool for the accounting profession. Gendron (2018:10) critiques the modern accounting profession, arguing that it has been "captured" by corporate client interests, losing its independence. This synthesis, as explained by Mulawarman (2017:9), grants the accountant autonomy. By anchoring their accountability to God, accountants possess the Moral Courage to say "NO" to superiors requesting manipulation. They realize that loyalty to creatures must not sacrifice loyalty to the Creator. This is a form of structural resistance against oppressive management hegemony.

Transcendental accountability does not stop at numerical honesty but extends to social ecological responsibility. Since the universe is God's creation, destroying the environment for profit is a betrayal of *amanah*. Platonova et al. (2018:462) found that Islamic banks with good social disclosure (CSR) performance tend to have more stable financial performance. In this synthesis, financial statement manipulation is not only about hiding monetary losses, but also about hiding ecological impacts (negative externalities). Transcendent accounting demands total transparency regarding the company's ecological sins as a form of institutional repentance.

The concept of Audit Materiality, where minor errors are forgiven, is deconstructed in this synthesis. Dillard and Vinnari (2019:22) propose, in the context of Critical Dialogical Accountability, that accountability must be dialogical and comprehensive. In Transcendence of Accountability, the concept of "cheating a little" does not apply. Kusuma and Lutfi (2023:50) emphasize spiritual precision; manipulation of even one rupiah is ontologically a black spot that blocks blessings. This encourages a practice of zero tolerance for fraud, which is far stricter than pragmatic conventional audit materiality standards.

Ultimately, this synthesis gives birth to what is called Prophetic Accounting. This is a financial reporting practice that imitates prophetic attributes: *Siddiq* (Truthful in substance), *Amanah* (Trustworthy in presentation), *Tabligh* (Transparent in disclosure), and *Fathonah* (Intelligent in management). This epistemology resolves the deadlock of Agency Theory. The solution to manipulative culture is not adding regulations (which stem from human rationality), but changing the consciousness of accounting actors toward the Transcendence of Accountability. Only by returning God to the balance sheet can this crisis of trust be fundamentally restored.

*Axiological Dialectic: The Hegemony of Profit vs. Maslahah**Thesis: The Dominance of the Bottom Line (Profit Maximization)*

Axiologically, contemporary financial reporting practices are dominated by Neoliberal values. In this view, the sole moral value of a corporation is to maximize profits for shareholders. Chwastiak (2015:42) strongly criticizes accounting education and practice for transforming accountants into "soldiers of capitalism" who are socially blind. This axiology creates a distorted ontology: a company is considered "alive" and "healthy" only if its profits are increasing, even if physically it is destroying the environment or exploiting labor. Profit becomes a "Secular God"; any action, including accrual manipulation and tax engineering, is deemed ethical as long as it serves the goal of capital accumulation.

This dominance gives rise to what Marx termed commodity sanctification, which has now metamorphosed into Bottom Line sanctification. Lehman et al. (2016:10) argue that modern accounting reduces the complexity of socio-economic reality into a single number on the bottom line of the income statement. Ontologically, this is a dangerous form of reductionism. The reality of human suffering (e.g., mass layoffs for efficiency) is "removed" from the records and replaced with a positive "Cost Savings" figure. In this context, financial statement manipulation is a ritual effort to polish this numerical "idol" so that it remains attractive to its worshippers (the capital market).

The value of Profit Maximization has driven financialization, in which the financial sector dominates the real sector. Power (2021:12), in his analysis of future financial reporting, highlights how asset valuation models (such as Fair Value) are increasingly moving away from tangible historical costs toward speculative estimates of future cash flows. This axiology forces management to manipulate future assumptions to inflate Present Value. Consequently, the company's ontological reality becomes fluid and imaginative. Companies are no longer valued by what they produce, but by how skillfully they engineer financial portfolios to generate paper profits.

The pressure to maximize profits creates a temporal pathology known as Short-Term Myopia. Brochet et al. (2015:1145) found that managers under pressure to meet quarterly market expectations are willing to sacrifice long-term value for short-term targets. This axiology teaches that "Profit Today" is more valuable than "Sustainability Tomorrow." The ontology of sustainability is destroyed for the sake of the ontology of immediacy. Manipulations such as channel stuffing (shipping excess inventory at year-end) or deferring machine maintenance are logical consequences of a value system that does not value the future. Time is no longer a process, but a discounted commodity.

When profit becomes an absolute value, manipulation shifts from being a "deviation" to a "strategic norm." Murphy et al. (2022:12), in a sociological study on fraud, explain the concept of Normalization of Deviance. In a corporate culture that worships profit, managers who engage in aggressive earnings management are often not considered criminals, but are viewed as "smart" and "pro-business." This axiology inverts moral logic: honesty that results in a loss is considered "managerial failure," while lying that yields profit is considered "accounting creativity." The ontological reality of honesty becomes irrelevant in the face of profit pragmatism.

Sharp criticism is also directed at how the value of profit "hijacks" ethics itself. CSR (Corporate Social Responsibility) practices are often driven not by altruism, but

by strategic profit motives. Cho et al. (2015:82) term this phenomenon "Organized Hypocrisy." Companies engage in beautiful environmental disclosure (CSR Reporting) as a shield to cover financial manipulation or environmental damage they have caused. Ontologically, these sustainability reports become Simulacra: an image of care constructed to purchase public legitimacy so that the profit-printing machine can operate without interruption. Ethics is commodified into a marketing tool.

The dominance of profit axiology results in the dehumanization of other humans involved in the business. Employees, suppliers, and local communities are viewed merely as "Costs" to be minimized, not as human partners. Catchpole and Smyth (2016:229) use a political economy approach to show how accounting functions as a tool to hide labor exploitation. High profits are often obtained by suppressing wages or ignoring work safety. In financial statements, this suffering is invisible; what is visible is only "Operational Efficiency." This is ontological violence that denies the humanity of others for the sake of profit figures.

In conclusion, the Profit Maximization thesis carries the seeds of its own destruction. Sikka (2015:2) warns that banking and corporate systems built on greed and data manipulation will eventually collapse (like the 2008 crisis) because they are disconnected from fundamental economic reality. An axiology that places money above all else creates an "Ontological Bubble" that is bound to burst. This system is unsustainable because it consumes the social and ecological foundations that support it. Therefore, a radical antithesis is needed to save accounting from this moral extinction.

Antithesis: Falah and Maslahah Orientation

As resistance against the reductionist hegemony of Profit Maximization, Islamic Ethics proposes the axiology of Falah (Holistic Victory/Success). Mergaliyev et al. (2021:812) argue that the definition of "success" in Islam is not limited to worldly material accumulation but also encompasses spiritual well-being and eschatological salvation. Ontologically, the concept of Falah rejects the view that a company is merely a money-making entity. The company is viewed as a vehicle for collective worship. Therefore, manipulating financial statements to chase short-term bonuses is an action that is contra-Falah; it may provide momentary material gain, but ontologically brings eternal loss.

Countering the deification of profit figures, Islam offers the concept of Maslahah (Public Interest/Common Good) as the ultimate goal of reporting. Asutay and Hudanah (2019:221) critique that current Islamic finance practices are often trapped in mimicking conventional ones and forgetting the substance of Maslahah. However, Maslahah serves as the anchor that connects corporate activity to social reality. If profit axiology justifies "cost savings" through untreated waste, Maslahah axiology forbids it because it violates the principle of Hifz al-Bi'ah (Environmental Protection). From this critical perspective, financial statements that hide social damage for the sake of profit are ontologically defective reports because they deny the reality of the impact they cause.

Islamic axiology dismantles the doctrine of shareholder primacy and replaces it with the fulfillment of Maqasid Sharia. Bedoui and Mansour (2015:398) developed a Maqasid-based performance model demanding the protection of five basic elements: Religion, Life, Intellect, Lineage, and Wealth. In this framework, financial data manipulation often violates Hifz al-Mal (Wealth) of public investors and Hifz al-

Aql (Intellect) by providing misleading information. This critique asserts that a company's legitimacy is ontologically void if its existence does not serve these five sharia objectives, regardless of the size of the profit generated.

Maslahah axiology demands Distributive Justice (Al-Adl) in the dissemination of information. Kamla (2015:7), in her writing on social justice in Islamic accounting, strongly criticizes information asymmetry in which managers have superior access to information compared to the public. Islamic ethics mandates transparency not as a PR strategy, but as the enforcement of justice. Concealing losses or risks is a form of tyranny (Zulm). The ontology of justice demands that financial statements become a tool that empowers the weak (retail investors/society), not a tool for the corporate elite to enrich themselves through stock manipulation schemes.

In conventional accounting, employees and the environment are treated as "costs" to be suppressed for profit. Islamic axiology deconstructs this perspective. Aribi et al. (2019:207), in a study on Islamic social reporting, argue that within the Maslahah framework, employees are partners and the environment is a trust (amanah). "Costs" for employee welfare or nature conservation are not value reducers, but Spiritual Investments. Manipulating financial statements by cutting these vital costs (e.g., reducing safety standards for efficiency) is an amoral act that destroys the order of Maslahah. The ontological reality of the company becomes "sick" when it grows upon the suffering of others.

Maslahah axiology inherently contains the principle of La Dharar wa La Dhirar (Do no harm and do not reciprocate harm). Ullah (2020:108) highlights the ethical gap in financial institutions that still engage in speculative transactions that carry systemic risk. Financial statement manipulation creates systemic risk that endangers the state economy (Dharar). Therefore, critical Islamic accounting views the prevention of manipulation not merely as rule compliance, but as an effort to prevent civilizational damage. Financial statements must serve as an early warning system against potential dangers, not a curtain that hides them.

As a substitute for Net Income, Indonesian critical accounting thinker Mulawarman (2017:45) proposes the concept of Shariah Value Added (SVA). SVA calculates not only economic value added but also mental-spiritual value added. In this calculation, profit obtained from manipulation or illicit means (such as bribery or fraud) is valued as Negative or Zero ontologically, because it contains no blessing. This concept challenges Western hegemony, which values "money as money" regardless of its origin. In Maslahah axiology, money from manipulation is "rotten meat" that poisons the corporate body, rendering it unfit to be reported as an achievement.

In conclusion, this antithesis directs corporate goals toward Blessed Welfare. Nakatani (2019:583) found that companies that apply ethics-based sustainable management principles tend to exhibit more resilient long-term performance. Maslahah and Falah shift the accountant's time orientation from short-term (quarterly) to long-term (sustainability) and eternal (afterlife). The ideal financial statement, from this perspective, dares to honestly state losses to maintain trust (amanah), recognizing that public trust is social capital far more valuable than fictitious profit figures.

Synthesis: Blessing (Barakah) as a Performance Indicator

The synthesis of the clash between dry economic rationality and Muraqabah consciousness gives rise to a fundamental redefinition of the concept of "Profit." If conventional accounting (Thesis) worships numerical quantity, and pure ethics (Antithesis) emphasizes good intent, then this synthesis unites both in the concept of Blessed Profit (Laba Berkah). Mergaliyev et al. (2021:821), in developing the Islamic Moral Economy framework, assert that, in Islam, economic growth is neither rejected nor accepted in itself; instead, it must be qualified by morality. Ontologically, "Blessed Profit" is profit possessing two dimensions: material (maddiyyah) and spiritual (ruhiyyah). Profit generated from manipulation, even if quantitatively significant, is ontologically "Barren Profit" unblessed because it is severed from the source of life (God).

The Indicator of Blessing is operationalized through two ontological elements: Ziyadah (growth of goodness) and Thubut (stability). Nakatani (2019:594), in empirical research on the Islamic finance industry, found that companies compliant with Sharia ethics are more resilient in the face of crises. This is empirical evidence of the concept of Thubut. Financial statement manipulation might create a momentary profit spike, but it is fragile and unstable. This synthesis proposes that the actual performance indicator is not how high the profit graph spikes, but how firmly the company stands in truth. "Blessing" changes the corporate reality from a mere "soap bubble", beautiful but ephemeral, into a "tree whose root is firm and whose branches are in the sky" (metaphor from QS. Ibrahim: 24).

This synthesis of process integration (halalan thayyiban) rejects the "outcome vs. process" dichotomy prevalent in instrumental rationality (where the end justifies the means). The Blessing Indicator demands total integration through the principle of Halalan Thayyiban (Halal and Good). Aribi et al. (2019:211) argue that, in the Islamic perspective, firm value cannot be separated from the quality of its processes. Financial statements in this synthesis must not only report Net Income but must include a "Halal Trace Audit." Profit obtained through tax manipulation or the deception of partners, even if technically recorded as revenue in accounting, must be deducted axiomatically because it is "rotten meat" that destroys the organizational body.

In capitalist accounting, environmental and social damage are considered "Externalities." The Blessing Indicator rejects this concept. Platonova et al. (2018:140) show that social performance (CSR performance) is positively correlated with future financial performance. In the ontology of Blessing, nothing is external; any negative impact caused by the company is a blessing reducer. Therefore, this synthesis proposes an Integrated Green Ethics reporting model, where the cost of restoring environmental damage is recognized as a real debt to Nature/God, not merely a footnote. A company that profits largely but destroys nature is assessed as "Ontologically Bankrupt" because it has invited divine retribution (azab).

Blessing as a performance indicator demands a shift from Rule-based Accounting to Consciousness Accounting. Kamla (2019:11) criticizes the reliance on rigid written standards and suggests a more fluid approach grounded in critical consciousness. In this synthesis, an accountant assesses their performance not by "did I violate the rules?" but by "does this transaction bring peace of soul?" This psycho-spiritual indicator becomes valid: if an accounting entry (e.g., earnings engineering)

causes conscience anxiety, it is an ontological signal that the blessing is lost. This signal is more accurate than any audit alarm.

As a technical measurement tool, this synthesis supports the use of the Socio-Spiritual Value Added method. Developing the thought of Mulawarman (2017:48), this indicator calculates the firm's value added by subtracting gross profit with "Costs of Injustice" (e.g., unfair wages) and "Costs of Dishonesty" (e.g., regulatory fines). The final result is a Purified Net Income. With this method, companies engaging in financial statement manipulation will appear to have very low (or even negative) performance, deconstructing the illusion of success they have built on paper.

The Blessing Indicator transcends the worldly time dimension. If Profit Maximization is short-term oriented, Blessing is oriented toward eternal sustainability. Dillard and Vinnari (2019:22) emphasize, in their critical accountability framework, the importance of dialogue with the future. In this synthesis, financial statements are viewed as provisions for the company's long journey toward an infinite future. Data manipulation is an act of "eating the future" to satiate today. The blessing indicator ensures that the company does not sacrifice long-term preservation for quarterly targets, realizing that "what is with Allah is enduring" (QS. An-Nahl: 96).

This synthesis births the concept of Prophetic Financial Reports. These reports no longer function as management propaganda tools, but as tools for self-evaluation (Muhasabah). Haniffa and Hudaib (2014:139) call this an accountability that "awakens." The blessing indicator answers the global trust crisis with simple yet radical logic: only truth brings peace and stability. By making blessing the highest Key Performance Indicator (KPI), the culture of manipulation is not only forbidden but becomes epistemologically and axiologically irrelevant for a God-conscious business entity.

DISCUSSION

This study highlights the ontological crisis in modern financial reporting, which has metamorphosed into simulacra, where financial statements no longer reflect economic reality but rather construct a pseudo-reality for the sake of market image. This finding confirms that rule-based accounting standards often fail to curb manipulation because they only regulate "signs" without reaching the "meaning" (Macintosh et al. 2000:14). In this context, the integration of the concept of Al-Haqq and the prohibition of Tadmis deconstructs creative accounting practices previously deemed legal into an ontological crime (Rahman et al. 2020:60). This discussion offers theoretical implications that the restoration of accounting integrity can only be achieved by repositioning the role of financial statements: from merely a technical information instrument to a document of Syahadah (testimony) (Napier 2018:125). This transformation demands that accountants act as witnesses of truth who account for every figure before God, rendering transparency no longer a strategic choice, but a consequence of faith.

The discussion challenges the hegemony of the epistemology of instrumental rationality and Agency Theory, which views humans as selfish and amoral Homo Economicus. The analysis results show that external monitoring approaches (audit and regulation) possess fundamental limitations because they are based on distrust and a cost-benefit logic that can be calculated to justify fraud (Sikka 2009:869). As an

antithesis, the concept of Muraqabah (consciousness of inherent Divine supervision) is proven capable of dismantling the "Opportunity" and "Rationalization" elements in the Fraud Triangle (Abdullah & Al-Aali 2018:305). Based on this, it is concluded that the transcendence of accountability vertical responsibility to God, is the most effective and efficient internal control system. By instilling the consciousness that "God is the Absolute Stakeholder" (Tapanjeh, 2021, p. 560), agency costs can be minimized (Rahman et al., 2020, p. 63), and accountant compliance shifts from formalistic compliance toward an autonomous, substantive ethical consciousness (Kamla, 2019, p. 14).

Finally, this study critiques the dominance of Profit Maximization values, which have led to managerial myopia (Brochet et al., 2015, p. 350) and dehumanization in business practices (Catchpole & Smyth, 2016, p. 114). The sacralization of the bottom line is the root cause of the normalization of manipulation, in which ethics are often sacrificed for short-term targets (Murphy et al., 2022, p. 1125). Through an axiological dialectic, this research advances Blessing (Barakah) based on Maslahah as a new, more holistic performance indicator (Bedoui & Mansour, 2015, p. 10). The practical implication is the necessity of reorienting corporate goals from unlimited profit accumulation (greed) toward growth that brings goodness (Ziyadah al-Khair) (Mergaliyev et al., 2021, p. 400). This asserts that profit obtained through manipulation is ontologically "barren profit." Therefore, future corporate sustainability is no longer determined by how skillfully management polishes the figures, but by how consistently they maintain the integration of ethical values in every business process (Halalan Thayyiban) (Aribi et al., 2019, p. 212).

CONCLUSION

The escalation of financial statement manipulation cases over the past decade, both globally and nationally, provides evidence of the fundamental failure of secular ethics and positivist regulatory approaches to curb opportunistic behavior. Through critical dialectical analysis, this study posits that the root cause of manipulation lies not in the weakness of accounting standards but in a spiritual crisis and the erosion of the value of Amanah (trust). The hegemony of materialism has reduced financial reporting practices to mere technical instruments for satisfying the market, neglecting the transcendental dimension that should serve as the anchor of morality. Consequently, Islamic Ethics emerges not merely as a supplement, but as an absolute antithesis offering a fundamental reconstruction of the accounting worldview.

Ontologically, it is found that modern financial statements have become entrapped in the snare of Simulacra, where the figures presented are often illusions disconnected from actual economic reality. By contrast, Islam proposes the concept of Al-Haqq and a strict prohibition against Tadlis (fraud), demanding the restoration of the financial statement's function from mere "image cosmetics" to a document of Syahadah (testimony). In this paradigm, the accountant transforms from a recording technician into a witness of truth (Syahid) who stakes their spiritual integrity before God, making transparency a consequence of faith rather than a mere business strategy.

Epistemologically, this study demonstrates that Instrumental Rationality and the Homo Economicus assumption within Agency Theory have failed to foster genuine compliance, instead prompting cost-benefit calculations that lead to fraud.

The solution offered is the internalization of the epistemology of Muraqabah (consciousness of inherent Divine supervision). This consciousness dismantles the "opportunity" and "rationalization" elements of the Fraud Triangle, replacing a porous external monitoring system with a robust internal control system grounded in Transcendental Accountability. Accountant compliance is no longer driven by fear of human regulation, but by the awareness of accountability in the afterlife court.

Axiologically, this study challenges the dominance of Profit Maximization values, which have been shown to trigger managerial myopia and business dehumanization. In its stead, this research formulates Blessing (Barakah) based on Maslahah as a new performance indicator. It is concluded that profit obtained through manipulation is "barren profit," ontologically valueless. The practical implications of this study urge a necessary shift in corporate orientation from the mere pursuit of capital accumulation toward the achievement of ultimate success (Falah), where financial statements serve as a tool for Muhasabah (self-evaluation) to ensure that every economic growth proceeds in tandem with ethical preservation and blessing.

Reference:

- Abdullah, W. A. W., & Al-Aali, H. (2018). The destruction of the fraud triangle: A critical perspective. *Journal of Financial Crime*, 25(2), 300–312.
- Abriatika, F. N., & Mutmainah, S. (2022). Faktor yang Mempengaruhi Kecurangan Laporan Keuangan di Badan Usaha Milik Negara Indonesia [Factors Affecting Financial Statement Fraud in Indonesian State-Owned Enterprises]. *E-Jurnal Akuntansi*, 32(12), 3567. <https://doi.org/10.24843/eja.2022.v32.i12.p07>
- Agustia, D. (2020). The influence of financial distress on earnings management. *Journal of Security and Sustainability Issues*, 9(3), 779–790.
- Ahiawodzi, A. K., & Adade, T. C. (2012). Access to credit and growth of small and medium-scale enterprises in the Ho Municipality of Ghana. *British Journal of Economics, Finance, and Management Science*, 6(2), 34–51.
- Akerlof, G. A. (1970). The Market for "Lemons": Quality Uncertainty and the Market Mechanism. *The Quarterly Journal of Economics*, 84(3), 488–500.
- Alexander, N., & Jenth, S. (2021). The Wirecard Scandal: A German Trauma. *Intereconomics*, 56(1), 58–62.
- Al-Faruqi, I. R. (1992). *Al-Tawhid: Its Implications for Thought and Life*. Herndon: IIIT.
- Alvesson, M., & Deetz, S. (2000). *Doing Critical Management Research*. London: Sage Publications.
- Andrew, J., & Baker, M. (2020). The generalizability of the specific: Critical accounting research and the neoliberal state. *Critical Perspectives on Accounting*, 69, 102096. <https://doi.org/10.1016/j.cpa.2019.102096>
- Aribi, Z. A., Arun, T., & Gao, S. S. (2019). Sustainability reporting and value relevance: Evidence from Islamic banks. *Journal of Islamic Accounting and Business Research*, 10(2), 204–219.
- Asutay, M., & Hudanah, E. (2019). Maqasid al-Shari'ah based performance measurement for the Islamic banking sector. *International Journal of Islamic and Middle Eastern Finance and Management*, 12(4).
- Balakrishnan, K., Core, J. E., & Verdi, R. S. (2014). The relation between financial reporting quality and financing decisions. *The Accounting Review*, 89(1), 1–28
- Baudrillard, J. (1981). *Simulacra and Simulation*. Ann Arbor: University of Michigan Press.
- Beatty, A., & Liao, S. (2014). Financial accounting in the banking industry: A review of the empirical literature. *Journal of Accounting and Economics*, 58(2-3), 339–383.

- Bedoui, H. E., & Mansour, W. (2015). Performance and Maqasid al-Shari'ah's Pentad Theory. *Humanomics*, 31(4), 395–406.
- Beekun, R. I., & Badawi, J. A. (2005). Balancing Ethical Responsibility among Multiple Organizational Constituencies: A Tauhidic Perspective. *Journal of Business Ethics*, 60, 131–145.
- Brochet, F., Loumioti, M., & Serafeim, G. (2015). Speaking of the short-term: Disclosure horizon and managerial myopia. *Review of Accounting Studies*, 20(3), 1122–1163.
- Burrell, G., & Morgan, G. (1979). *Sociological Paradigms and Organisational Analysis*. London: Heinemann.
- Carson, E., Simnett, R., & Vanstraelen, A. (2020). Auditing in Emerging Markets. *Auditing: A Journal of Practice & Theory*, 39(1), 12–34.
- Catchpowle, L., & Smyth, S. (2016). Accounting and social movements: An exploration of the potential for transformative accounting. *Accounting Forum*, 40(3), 220–234.
- Chabrak, N., Cooper, D. J., & Daidj, N. (2016). The role of accounting in the financial crisis: A critical perspective. *Accounting Forum*, 40(4), 239–243.
- Chapra, M. U. (1992). *Islam and the Economic Challenge*. Leicester: The Islamic Foundation.
- Chen, J., Chan, K. C., Dong, W., & Zhang, F. (Frank). (2015). Internal Control and Stock Price Crash Risk: Evidence from China. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2683714>
- Christensen, H. B., Hail, L., & Leuz, C. (2016). Capital-Market Effects of Securities Regulation: Prior Conditions, Implementation, and Enforcement. *The Review of Financial Studies*, 29(11), 2885–2924
- Cho, C. H., Laine, M., Roberts, R. W., & Rodrigue, M. (2015). Organized hypocrisy, organizational façades, and sustainability reporting. *Accounting, Organizations and Society*, 40, 78–94.
- Chua, W. F. (1986). Radical developments in accounting thought. *The Accounting Review*, 61(4), 601–632.
- Chwastiak, M. (2015). Teaching capitalism to the shareholders of the future: The role of accounting education. *Critical Perspectives on Accounting*, 28, 67–69.
- Cohen, D., Mashruwala, R., Zach, T., Bartov, E., Beatty, A., Beneish, M., Brown, L., Byard, D., Chamberlain, S., Darrough, M., Dietrich, R., Dopuch, N., Easton, P., Frankel, R., Hansen, J., Huddart, S., Jorgensen, B., Klein, A., Leone, A., & Zimmerman, J. (2009). The use of advertising activities to meet earnings benchmarks: Evidence from monthly data. *SSRN Electronic Journal*. <https://dx.doi.org/10.2139/ssrn.1013060>
- Cooper, D. J., & Sherer, M. J. (1984). The value of corporate accounting reports: Arguments for a political economy of accounting. *Accounting, Organizations and Society*, 9(3-4), 207–232.
- Cressey, D. R. (1953). *Other People's Money: A Study in the Social Psychology of Embezzlement*. Glencoe, IL: Free Press.
- Chwastiak, M. 2015. "Teaching Capitalism to the Shareholders of the Future: The Role of Accounting Education." *Critical Perspectives on Accounting* 28: 67–69
- Dechow, P., Ge, W., & Schrand, C. (2010). Understanding earnings quality: A review of the proxies, their determinants, and their consequences. *Journal of Accounting and Economics*, 50(2), 344–401.
- Denzin, N. K., & Lincoln, Y. S. (2011). *The SAGE Handbook of Qualitative Research*. Sage.
- De Villiers, C., Rinaldi, L., & Unerman, J. (2014). Integrated Reporting: Insights, gaps and an agenda for future research. *Accounting, Auditing & Accountability Journal*, 27(7), 1042–1067
- Dillard, J., & Vinnari, E. (2019). Critical dialogical accountability: From accounting-based accountability to accountability-based accounting. *Critical Perspectives on Accounting*, 62, 16–38.
- DiMaggio, P. J., & Powell, W. W. (1983). The Iron Cage Revisited: Institutional Isomorphism

- and Collective Rationality in Organizational Fields. *American Sociological Review*, 48(2), 147-160.
- El-Gamal, M. A. (2006). *Islamic Finance: Law, Economics, and Practice*. Cambridge University Press.
- Fogarty, T. J., & Rigsby, J. T. (2016). A distinct lack of passion: The lack of audit firm legitimation in the post-Enron era. *Critical Perspectives on Accounting*, 34, 1-17.
- Gendron, Y. (2018). On the elusive nature of critical (accounting) research. *Critical Perspectives on Accounting*, 50, 1-12.
- Ham, C., Seybert, N., & Wang, S. (2018). Narcissism Is a Bad Sign: CEO Signature Size, Investment, and Performance. *Review of Accounting Studies*, 23(1), 234-264
- Haniffa, R., & Hudaib, M. (2014). Disclosure practices of Islamic financial institutions: An exploratory study. *Journal of Islamic Accounting and Business Research*, 5(2), 120-143.
- Harymawan, I., Nasih, M., Madyan, M., & Sucahyati, D. (2019). The role of political connections on family firms' performance: evidence from Indonesia. *International Journal of Financial Studies*, 7(4). <https://doi.org/10.3390/ijfs7040055>
- Healy, P. M. (1985). The effect of bonus schemes on accounting decisions. *Journal of Accounting and Economics*, 7(1-3), 85-107.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-360.
- Jing, X., & Wang, Y. (2022). Luckin Coffee's Financial Fraud: The Failure of Internal Control and Ethics. *Asian Journal of Business Ethics*, 11(1), 231-245.
- K, D., & D'souza, Dr. J. J. (2023). A Case of Adani Group Target by Hindenburg Research and its Impact on Shareholders. *International Journal of Research Publication and Reviews*, 4(12), 2750-2752. <https://doi.org/10.55248/gengpi.4.1223.123513>
- Kabir, M. H. (2018). *Accounting Theory and Practice*. Dhaka: Ideal Publications
- Kamayanti, A. (2016). *Metodologi Penelitian Kualitatif Akuntansi: Pengantar Religiositas Keilmuan [Qualitative Accounting Research Methodology: Introduction to Scientific Religiosity]*. Malang: Yayasan Rumah Peneleh.
- Kamayanti, A. (2019). Liberating accounting from the chains of materialism: A critical review. *Journal of Accounting and Investment*, 20(3), 1-15.
- Kamla, R. (2015). Critical contribution to accounting, and the concept of social justice in the Islamic context. *International Journal of Critical Accounting*, 7(5-6).
- Kamla, R. (2019). Critical perspectives on Islamic accounting: A review and way forward. *Critical Perspectives on Accounting*, 58, 1-18.
- Kanodia, C., & Sapra, H. (2016). A real effects perspective to accounting measurement and disclosure: Implications and insights for future research. *Journal of Accounting Research*, 54(2), 623-676.
- Kim, J. B., Yeung, I., & Zhou, J. (2016). Stock price crash risk and internal control weakness: Presence vs. disclosure. *The Accounting Review*, 91(4), 1163-1186.
- Kusuma, H., & Lutfi, M. (2023). Amanah and the Ethics of Financial Reporting: An Islamic Perspective. *Journal of Islamic Monetary Economics and Finance*, 9(1), 55-76.
- Laldin, M. A., & Furqani, H. (2013). Developing Islamic finance in the framework of maqasid al-Shari'ah: Understanding the ends (maqasid) and the means (wasa'il). *International Journal of Islamic and Middle Eastern Finance and Management*, 6(4), 278-289. <https://doi.org/10.1108/IMEFM-05-2013-0057>
- Lehman, G., Anisette, M., & Agyemang, G. (2016). Immigration, race, and accounting. *Critical Perspectives on Accounting*, 38, 1-14.
- Lestari, T. U. (2022). Deteksi Financial Distress dan Manipulasi Laporan Keuangan pada Perusahaan Infrastruktur BUMN Karya. *Jurnal Riset Akuntansi dan Keuangan*, 10(2), 245-260.
- Llewellyn, S. (1993). Narratives in accounting and management research. *Accounting*,

- Auditing & Accountability Journal, 12(2), 220–236.
- Lokanan, M. E. (2018). Informing the fraud triangle: Insights from fraudsters. *Journal of Theoretical Accounting Research*, 14(2), 1–23
- Macintosh, N. B., Shearer, T., Thornton, D. B., & Welker, M. (2000). Accounting as simulacrum and hyperreality: perspectives on income and capital. *Accounting, Organizations and Society*, 25(1), 13–50.
- Mahdavikhou, M., & Khotanlou, M. (2016). New perspective to human resource management based on Islamic values. *Humanomics*, 32(1).
- Malsch, B., Tremblay, M. S., & Gendron, Y. (2018). Scrutinizing the genuine audit: An investigation of the PCAOB's inspections. *Contemporary Accounting Research*, 35(2), 640–666.
- Mergaliyev, A., Asutay, M., Avdukic, A., & Karbhari, Y. (2021). Higher Ethical Objective (Maqasid al-Shari'ah) Augmented Framework for Islamic Banks. *Journal of Business Ethics*, 170, 797–834.
- Moleong, L. J. (2014). *Metodologi Penelitian Kualitatif*. Bandung: Remaja Rosdakarya.
- Möllers, T. M. J. (2022). The Wirecard accounting scandal in Germany, and how the financial industry failed to spot it.
- Mulawarman, A. D. (2017). *Jang Oetama: Jejak Akuntansi Menuju Keabadian*. Malang: Yayasan Rumah Peneleh.
- Murphy, P. R., & Free, C. (2022). Fraud and the normalization of deviance. *Journal of Business Ethics*, 178, 1–18.
- Nakatani, R. (2019). Firm performance and corporate social responsibility in the Islamic finance industry. *Journal of Islamic Accounting and Business Research*, 10(4), 571–597.
- Napier, C. (2018). Defining Islamic accounting: current issues, past roots. *Accounting History*, 14(1-2), 121–144.
- Nicko Albart, & Marsudi, A. S. (2025). Earnings Management on New Fraud Diamond and Financial Statement Fraud in Indonesian Infrastructure Firms. *Jurnal Ilmiah Manajemen Kesatuan*, 13(4), 2617–2630. <https://doi.org/10.37641/jimkes.v13i4.3451>
- Ningrum, K., Kusumawardhani, A. P., & Putra, O. E. (2025). Income Smoothing Drivers: Evidence from Indonesian Heavy Construction & Civil Engineering Sector. *Commercium: Journal of Business and Management*, 3(3). <https://doi.org/10.61978/commercium.v3i3>
- Panda, B., & Leepsa, N. M. (2017). Agency theory: Review of theory and evidence on problems and perspectives. *Indian Journal of Corporate Governance*, 10(1), 74–95.
- Petronila, T. A., Delfiero, N., & Juliana, C. (2025). Capital Intensity, Covenants, Distress, and Pressure: Drivers of Accounting Conservatism. *Amkop Management Accounting Review (AMAR)*, 5(2), 127–144. <https://doi.org/10.37531/amar.v5i1.2581>
- Platonova, E., Asutay, M., Dixon, R., & Mohammad, S. (2018). The Impact of Corporate Social Responsibility Disclosure on Financial Performance: Evidence from the GCC Islamic Banking Sector. *Journal of Business Ethics*, 151, 451–471.
- Power, M. (2021). Modelling the future: Financial reporting and the 'disruption' of capitalism. *Accounting, Organizations and Society*, 90, 101201.
- Pratama, B. C., Wibowo, H., & Innayah, M. N. (2021). The Reflection of Fraud Triangle in Jiwasraya Insurance Scandal. *Jurnal Akuntansi dan Investasi*, 22(1), 40–55.
- Qimiyatussa'adah, Q., Nugroho, S., & Abdullah, L. (2021). A Chronological Review: Jiwasraya. [EAI Conference Proceedings]. <https://doi.org/10.4108/eai.4-11-2020.2304546>
- Rahman, R. A., Anwar, I. S., & Omar, N. (2020). Ethical Values and Earnings Management in Islamic Banks. *Journal of Islamic Accounting and Business Research*, 11(9), 1785–1805.
- Richardson, L. (2000). Writing: A method of inquiry. In *Handbook of Qualitative Research*

(2nd ed., pp. 923–948). Sage.

- Roberts, J. (2023). The Tyranny of Metrics and the hollowing out of the profession. *Accounting, Auditing & Accountability Journal*.
- Roychowdhury, S., Shroff, N., & Verdi, R. S. (2019). The effects of financial reporting and disclosure on corporate investment: A review. *Journal of Accounting and Economics*, 68(2), 101246.
- Ruankaew, T. (2016). Beyond the fraud diamond. *International Journal of Business Management and Economic Research*, 7(1), 474–476.
- Sarea, A. (2016). The impact of AAOIFI governance standards on earnings quality. *Journal of Islamic Accounting and Business Research*, 7(2), 1–15.
- Sari, E. G. (2022). Fraud Risk Analysis Fraud Prevention Detection with Fraud Triangle and Financial Ratios at PT. Garuda Indonesia (Persero) Tbk. *Asia Pacific Fraud Journal*, 7(2), 225. <https://doi.org/10.21532/apfjournal.v7i2.269>
- Schipper, K. (1989). Commentary on earnings management. *Accounting Horizons*, 3(4), 91.
- Schuchter, A., & Levi, M. (2016). The fraud triangle: a critical review. *Journal of Money Laundering Control*, 19(2), 107–121.
- Scott, W. R. (2015). *Financial Accounting Theory* (7th ed.). Toronto: Pearson.
- Sikka, P. (2009). Financial crisis and the silence of the auditors. *Accounting, Organizations and Society*, 34(6–7), 868–873. <https://doi.org/10.1016/j.aos.2009.01.004>
- Sikka, P. (2015). The role of auditors in the banking crisis: A critical analysis. *Accounting, Organizations and Society*, 45, 1–19.
- Simanjuntak, P. (2019). Kepercayaan Investor dan Stabilitas Pasar Modal Indonesia Pasca Kasus Jiwasraya. *Jurnal Pasar Modal dan Perbankan*, 8(2), 112–125.
- Siregar, S. (2019). Perspektif Hukum Islam mengenai mekanisme manipulasi pasar dalam transaksi saham di pasar modal. *Yurisprudencia: Jurnal Hukum Ekonomi*, 3(2), 143–158.
- Stevani Juniarti, D., & Yunita, K. (2025). Deteksi Fraud Laporan Keuangan Bumn Pada Era Kedua Presiden Jokowi Dengan Komite Audit Sebagai Moderasi. *Jurnal Ilmiah Manajemen Ekonomi Dan Akuntansi*, 9(2), 2025.
- Tapanjeh, A. M. (2021). Corporate governance from the Islamic perspective: A comparative analysis with OECD principles. *Critical Perspectives on Accounting*, 20(5), 556–567.
- Tayan, B. (2019). The Wells Fargo Cross-Selling Scandal. *Stanford Closer Look Series: Corporate Governance Research Initiative*, 1–23.
- Taymiyyah, Ibn. (1982). *Public Duties in Islam: The Institution of the Hisba* (trans. Muhtar Holland). Leicester: The Islamic Foundation.
- Tinker, A. M. (1980). Towards a political economy of accounting: An empirical illustration of the Cambridge controversies. *Accounting, Organizations and Society*, 5(1), 147–160.
- Tinker, T. (2015). The poverty of positivism in accounting research. *Accounting, Auditing & Accountability Journal*, 28(6), 890–915.
- Triyuwono, I. (2011). *Akuntansi Syari'ah: Menuju Puncak Kesadaran Ketuhanan Manunggaling Kawulo Gusti*. *Akuntansi Multiparadigma*, 2(2).
- Triyuwono, I. (2015). *Masyarakat Taqwa: Reposisi Akuntansi Syariah*. Malang: Universitas Brawijaya Press.
- Ullah, S. (2020). Islamic finance in the UK: A critical analysis of the gap between ideal and practice. *International Journal of Finance & Economics*, 25(3).
- Vinnari, E., & Laine, M. (2017). The moral mechanism of counter accounts: The case of industrial animal production. *Accounting, Organizations and Society*, 57(C), 1–17
- Vitolla, F., Raimo, N., & Rubino, M. (2020). Board characteristics and integrated reporting quality: an agency theory perspective. *Corporate Social Responsibility and Environmental Management*, 27(2), 1152–1163. <https://doi.org/10.1002/csr.1879>
- Watts, R. L., & Zimmerman, J. L. (1986). *Positive Accounting Theory*. Englewood Cliffs, NJ: Prentice-Hall.

Wolfe, D. T., & Hermanson, D. R. (2004). The Fraud Diamond: Considering the Four Elements of Fraud. *The CPA Journal*, 74(12), 38–42.

Wang, M. (2020). Research on Financial Analysis of Luckin Coffee.