



PROCEEDINGS

**THE 1ST INTERNATIONAL CONFERENCE
ON BUSINESS AND ACCOUNTING STUDIES
FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITY OF JEMBER**

JEMBER, INDONESIA
NOVEMBER, 4 – 5 2016

ISBN : 978-602-60569-1-7



PREFACE

The 1st International Conference on Business and Accounting Studies (ICBAS) was held on November 4-5, 2016 in Jember, East Java, and was hosted by the Faculty of Economics and Business, University of Jember. The theme of the Conference was “Socio-Culture Entrepreneurship and Corporate Accountability”. There were six subthemes of the papers presented in this Conference, i.e.: (1) Accounting Information System/Management Information System (AMS); (2) Capital Market (CPM); (3) Entrepreneurship, Small and Medium Enterprise (ENT); (4) Financial Accounting and Auditing (FAA); (5) Sharia (SHA); (6) Taxation and Public Sector (TPS).

The Proceedings contains most of the papers presented during the Conference. There are 60 papers published in these proceeding consist of 5 (five) papers under AMS subtheme; 5 (five) papers under CPM subtheme; 9 (nine) papers under ENT subtheme; 20 papers under FAA subtheme; 8 (eight) papers under SHA subtheme; and 13 papers under TPS subtheme.

I would like to thank all participants for their contributions to the Conference program and for their contributions to these Proceedings. Also, I would like to extend my appreciation to my colleagues at the Faculty of Economics and Business, University of Jember for their support to this Conference. Finally, I would like to express my sincere thanks to all members of the Organizing Committee of the 1st ICBAS for their hard work before the Conference, during the Conference, and after the Conference including preparing these Proceedings.

Chairman of the Organizing Committee

Dr. Yosefa Sayekti, SE, M.Comm, Ak, CA



TABLE OF CONTENTS

ACCOUNTING INFORMATION SYSTEM/MANAGEMENT

INFORMATION SYSTEM	1
AMS-01 Cloud Computing in the Public Sector.....	1
AMS-02 Effectiveness Delone and Mclane Information System Success Model (D & M Is Success Model)	12
AMS-03 Factors Affecting Information Systems Performance On Regional Planning Departement in Bondowoso District	22
AMS-05 Application of Accounting Environment in Hospital Clinic Jember	36
AMS-06 Accounting Education Research: Extended Dramaturgical Interventionism Approach.....	48
CAPITAL MARKET	62
CPM-01 Effect of Size, Profitability and Leverage Disclosure of Corporate Social Responsibility (Empirical Study in Manufacturing Company Listed in Indonesia Stock Exchange Year 2013 To 2015)	62
CPM-03 The Investor's "Individualistic" Behavior in Sukuk Investment ...	72
CPM-05 Indonesia Capital Market Reaction to The Implementation Ramadan Month 2016 In Indonesia Stock Exchange (Studies Case Companies Registered in JII Index 2016)	85
CPM-06 Does “Monday Effect” Really Occur in Indonesia? Evidence From Indexed LQ45 Companies	93
CPM-07 Optimal Portfolio Analysis of Formation of Food and Beverage Industry Listed in Indonesia Stock Exchange Case Study 2011-2014.....	105



ENTERPRENEURSHIP, SMALL AND MEDIUM ENTERPRISE		115
ENT-01	The Effect of Price, Promotion and Quality Product to Purchase Decision On Moment in Batam (Case Study in Pt. Moment Global International)	115
ENT-02	Performance Improvement Model Home Based Manufacturer Tahu and Tempe Groups Based in The District of Jember	144
ENT-03	Analysis of Micro and Small Industry Performance in Indonesia, 2013-2015.....	158
ENT-06	Values of Global Business Paradigm Share Culture of Value: Understanding Locality and Culture Values as Basic Growth and Productivity	181
ENT-07	Building Social Capital Towards Growth Smes: A Case of Tapai SME's.....	188
ENT-08	A Var Approach to Examines the Economics and Sosial Factors to The Entrepreneur in Indonesia	196
ENT-09	Social Capital Roles in Creating Tourism Entrepreneur Through Preserving Culture in The Village of Padang Tegal, District of Ubud, Gianyar, Bali)	205
ENT-10	The Impact of Macroeconomics on SME'S Profitability in Indonesia: Evidence Vector Autoregression	215
ENT-12	Creation Excellence Small and Medium Enterprise to Compete in National and International Markets.....	233
FINANCIAL ACCOUNTING AND AUDITING		246
FAA-01	Review of The Implementation of Understanding the Actors Smes Financial Accounting Standards Entities Without Public Accountability (Fase WPA) in The Process of Preparation of Financial Statements (Case Study On Smes Performers District of Batam City)	246
FAA-02	Potential Fraud on Capitation Funds Management of National Social Health Insurance Scheme.....	274



FAA-03	Accounting Interpretation as “Ngudi Kasampurnan”(Thought Concepts Java Culture: Abdullah Ciptoprawiro/ 1986).....	284
FAA-04	Comparison Conventional Audit with Perspective Shariah Audit	296
FAA-05	The Making of Sosial Assistance Budgeting Performance Based.....	310
FAA-06	Strategic Csr, Production Performance, And Business Efficiency in Sugar Factories.....	320
FAA-07	Changes in World Oil Prices and Fiscal Policy in Indonesia (Dynamic Systems Model Approach).....	335
FAA-08	The Meaning of Assets, Asset Sources, And Reporting Form in Al-Imam Islamic Boarding House	348
FAA-09	Financial Accountability in The Management of Village Fundallocation	359
FAA -10	The Analysis Relationship Between Professionalism and Ethics of the Quality of Audit.....	367
FAA-15	Ratio Analysis to Measure Accounting Performance in Mineral Water Territory Company (PDAM) Of Probolinggo.	375
FAA-16	Factory Overhead Costs (FOH) Accuracy Analysis with Using Activity Based Costing Method to Determined Cost of Goods Manufactured in The CV. Agnieh Printing Lumajang	386
FAA-17	Determinant of The Sustainable Growth Rate	401
FAA-19	Standard Cost Analysis of Raw Materials and Direct Labor Cost as direct Production Cost Control at UD. Sinar Abadi Probolinggo.....	417
FAA-21	Analysis Services Quality, Complaint Handling, Image Satisfaction and Loyalty in PT Bank BNI 46 Branch Jember	427
FAA-22	Empirical Analysis of Audit Delay: A Study of Companies Listed in Indonesia Stock Index Sharia	440
FAA-25	Differential Analysis in Decision Making Accept or Reject Special Orders On UD. Mayong Sari	456



FAA-26	The Effect of Individual Commitment and Pattern of Feedback Presentation On Judgment of Usefulness in The Context Of Cost Allocation	470
FAA-27	The Effect of Good Corporate Governance and Audit Quality On Earning Management	485
FAA-28	Increasing Cassava Farmers' Income by Creating Value Added of Cassava as Tape and Chips.....	494
SHARIA		507
SHA-01	Measuring The Performance of Islamic Banking with Syaria Value Added Approach: Implementation of Sharia Enterprise Theory in Islamic Banking in Indonesia	507
SHA-02	The Finance Reporting Construction of Mosque: Sharia Basis	522
SHA-03	Implementation of Psak 105 In Funding and and Financing of Mudharabah Transaction On Syariah BMT (Case Study On KSPS BMT UGT of Sidogiri Indonesia Branch of Leces)	536
SHA-05	Theory of Islamic Accounting: Accounting Perspective of Social and Responsibility	548
SHA-06	Optimization of Quality in Islamic Banking Finance Mudharabah.....	570
SHA-07	The Value of Islamic Social Reporting Disclosure.....	579
SHA-08	The Treatment Principles Accounting of Zakat, Infaq, and Sedekah Based On PSAK 109	591
SHA-11	The Views of Islamic Financial Institutions On Audit Shari'a	601
TAXATION AND PUBLIC SECTOR.....		614
TPS-01	The Village's Financial Management Accountability (Case Study on Klompangan Village Ajung Jember Regency)	614
TPS-02	Acquaint The Management of Inventories in The Application of Accrual-Based Government Accounting Standards.....	639



TPS-03	The Implementation of Fixed Assets Administration and Accounting Based On Accrual in The Government of Bondowoso Regency.....	651
TPS-04	Detectors Voluntary Compliance in Tax Amnesty Program	662
TPS-05	Analysis of Performance Measurement District Government Bondowoso in The Period 2010-2014 Using The Principles of Value for Money	671
TPS-07	The Trend of National Government During the Reign of Jember M.Z.A. Jalal in 2010 – 2014	687
TPS-08	Factors Affecting On the Budget Absorbtion at Health Department of Bondowoso Regency.....	699
TPS-09	Tax Planning Through A Method Of Depreciation And Adjustment Fiscal To Minimize The Tax Expense (Case Studies On PT Dwijaya Gasindo Makmur)	706
TPS-10	The Rule of E-Catalogue in Procurement of Government's Goods/Services.....	719
TPS-11	Effect of Application of Accounting Standards Administration and Good Governance of the Quality of Financial Statements (Case Study On Local Governments Banyuwangi)	730
TPS-12	Optimization of Idle State Asset: A Framework.....	747
TPS-13	Microfinance Institution and Household Institution in Jember Regency for Finance Inclusive.....	758
TPS-14	The Mapping of Audit Opinions, the Finding of the Audit by BPK, Local Government Financial Capability, and Incentive Funds of District in Indonesia	771



SHA-07

THE VALUE OF ISLAMIC SOCIAL REPORTING DISCLOSURE

Novi Wulandari Widiyanti
University of Jember
Email: novie_first@yahoo.co.id

ABSTRACT

Indonesia is one of the largest muslim country in the world. Therefore, Islam has significant value that influencing the manner in wich muslim conduct their public and private live. In fact, the rapid development in Islamic Capital Market and sharia banks in Indonesia, show that sharia Islam has formulated a comprehensive ethic governing how business should be run and how banking and finance is to be arranged. Those also force accounting to have additional dimension to financial reporting to stakeholders. The sharia bankings need to disclose a religious aspect to their financial statement. The additional information should cover the fulfilment of companies obligation with sharia frameworks, such as zakat, sadaqa, shariah compliance status, wages and compensation, etc. This situation makes companies, particularly sharia bankings, are expecting to have Islamic social reporting disclosure. The muslim stakeholders need to be assure that the companies were operating under Islamic laws or sharia framework. This paper aims to measure the extent of ISR as practiced by sharia banking in their annual report on 2015. The result showed that there were two themes that highly disclosed by sharia banking, which were employees and society. Based on the data of the disclosure index, it could be concluded that the extent of ISR in the annual reports of 5 top sharia banking around 2015 in Indonesia is considered to be adequate.

Keywords: Islamic social reporting disclosures, sharia framework, sharia banking

1. Introduction

Financial reporting was one of effective communication language for corporations to their stakeholders, such as the employee, individual and institutional investors, and also the government. Such communication deemed important as it reflects the companies' accountability towards their stakeholders. Stakeholders, commonly shareholders and other potential investors are mostly rely on financial report to assist them to make economic decisions. Information

is useful for decision-making when social and environmental information are provided according to the demand of the more influential users (Zain, 1999).

Financial report made based on the principle of full-disclosure, no information of substance of interest to an average rational investor should omitted or concealed as this may affect judgement (Haniffa, 2002). Financial reporting standard stated that as means of full-disclosure, additional information should be included in financial report. One kind of disclosure that are needed by stakeholders is social reporting. The primary purpose of social reporting is to determine the impact of corporate actions on the quality of life of the society (Daykin, 2006)

Companies have been pressured by stakeholders to expand their social reporting and disclosed in the annual reports. Each stakeholdes have various needs of information. Companies need to take into account those needs in order to improving stakehoders' decisions. Thus would affect how companies formulated their disclosure policy. Although it is hard to accomodate all the needs of the stakeholders, it is company's responsibility to provide information and disclose it to all users.

Additionally, there was massive growth on corporate disclosure perspective. The disclosure has extended to encompass other types of information concerning employees, community and the environment. Companies must go beyond the economic responsibility and respond to the changing on expectations of the society. Companies disclosure policies need to accommodate the values, norms, beliefs and attitudes of each stakeholders which are always changing all the time, as demanded by society.

Since there are various needs on corporate disclosure, thus has resulted in a non-standardized CSR form of measurement. For example, the CSR form of measurement build by Environics International, construct from 4 dimensional measurement. The first is the consumer behaviour towards an irresponsible company. Secondly is the company's role expectation. Thridly is the notion factors of the company and the fourth is the ability to testify a responsible company. Another way to measure the CSR was build by China CSR mapping. There were

five measurement dimensions which are the environment, community, employees, customers' interest and policy of the company (Wolzack, 2010)

Furthemore, with the resurgence of Islam, muslim decision-makers may expect companies to disclose more information that would help them fulfil their spiritual needs (Othman, 2010). In Islamic perspective, the context of CSR form of measurement was different with the typical CSR measurement build. Asyraf Wajdi (2008) has developed two dimension on Islamic CSR disclosure, namely Shariah (Islamic Law) and Piety. Shariah is used as tool to guidance companies to understand the concept of CSR. The characteristics of CSR such as human dignity, free will, equality and rights, truth and responsibility called Piety. The similar research is conducted by Chamhuri and Hossain (2009). It is showed the importance of responsible behaviour on society, environment and economy. The study also highlighted the relevance of Islam and the concept of CSR.

However from those study above, the conceptual model of Islamic CSR was not a major concern. It is apparently considered as a research gap to the knowledge of the CSR especially in Sharia Banking practice. Lacking of study that look specifically into the Islamic CSR, caused a big gap on developing Islamic CSR literature. In accordance with the universal nature of Islam, Islamic CSR measurement also faced inconsistency of the use of dimension and element. Those problem becoming the gap to the research on Islamic CSR.

This study attempt to measure the extent of Islamic CSR as practiced by 5 sharia-banking in their annual reports in Indonesia during 2015. Indonesia is the country with the fast growing numbers of moslem in the society. Therefore sharia-bankings have an important role as financial institutions and financial intermediaries. Sharia bankings are built to fulfill the needs of muslim related to finance. They were expected to be more accountable in terms of reporting their activities in conformance with Shariah

2. Literature Review

2.1 Accountability

Accountability on Islamic perspective was an extension of the basic Islamic concept of Tauhid which meant of “unity with God”. It means that every person was accountable to God, society and the environment. Thus would bring consequences that every corporations must strive for an optimal balance on making close and good relationships among society and God. Therefore the difference between Islamic CSR and typical CSR definition is in the concept of accountability to the God. Commonly CSR goals only related to the interest of people or organizations. This built relationship involves only the human relation (*habl min al-nas*) without achieving spiritual needs, namely the human relation with the God (*habl min Allah*).

The Islamic perspective of disclosures comprises of two essential principles. The two principles are underlie the concept of accountability in Islam. It consist of full disclosure and the concept social accountability (Baydoun and Willet, 2000). The concept of full disclosure and social accountability have the similar purposes to serve the public interest. Public particularly Islam society has the right to know about how corporations conduct their operations, how its affect society and whether the objectives are appropriate with the requirements of Shariah. Hence the importance of Islamic CSR disclosure were, to show the compliance of corporations with sharia and the affect of corporations to their society, and also to help muslims perform their duties to God.

2.2 Nature of Social Reporting

Gray, Owen and Maunders (1987) has been defined corporate social reporting as follow:

“...the process of communicating the social and environmental effects of organisation’s economic actions to particular interest groups within society and to society at large. As such, it involves extending the accountability of organisations (particularly companies)

beyond the traditional role of providing a financial account to the owners of capital, in particular, shareholders.”

From the definition above, social reporting reflect the new and broader expectation of society with regard to the role of companies. It also part of communicating information about social reality for both inside and outside of companies.”

However, as a form of communication process, social reporting consist of the five elements of communications which are: source (who), channel (how), encoding process (why), message (what) and recipient (to whom). From those five elements, there are two elements caused problems in communicating social reporting. The two elements are ‘encoding process’ wich referring to the objectives of disclosing social reporting and the ‘message’ which referring to the extent and format of disclosure.

The objectives of the corporate responsibility are vary depends on how companies interpreted the concept of CSR. Identification and interpretation on activites that are generally recognised as beneficial to the well being of society is often based on human ethical or moral reasoning (Adnan, 2015). In ethics perspective, it is hard to decide the ‘the rights’ and responsibilities’ of users of financial statement and companies respectively. There also no mandatory regulation that particularly decide on the extent and type of disclosure. From the perspective of the users of information, more disclosure means better information to make optimal decission. However, it also has consequencess. Generally, companies unwilling to adding additional cost through expanded disclosures unless there are law mandatory for that.

Hence, the problems of social disclosure can be identified as two important factors. Firstly, to find the appropriate balance between cost and benefit of disclosure, without neglecting the accountability and responsibility to the stakeholdes. Another problems appearce due to reaching a consensus on type of information to be disclosed , and form of measurement and presentation of social reporting.

2.3 The Sharia Framework

There were development on several frameworks in addressing the issue on corporate social reporting. One of the conventional frameworks has the basic elements developed by Gray et al., 1996. He stated that:

“a formal account: prepared and communicated by an organisation; about social and environmental aspects of organisation’s activities; and communicated to the internal and external participants of the organisation”

In the conventional framework, one of the drawbacks is that companies commonly do not give reasoning on disclosing or not disclosing some items of information on their financial report. Furthermore, there are limited discussions on social impact of social reporting”.

The conventional framework might not be perfect, since it based on human faith. The frameworks objective basically address material and moral aspects (Haniffa, 2002). The spiritual aspect is less relevance to accounting disclosure practice.

In contrast, the sharia framework would be the most comprehensive. It takes into account the material, moral and spiritual elements and balance between those elements and obligation to serve God. It also part of manifestation of value commitment and value fulfilment as embodied in the Quran and Hadith.

The basic foundation of the Sharia is Tawahid (unity of God). God is the ultimate owner of everything on the universe (Quran, 57:5) and that *ummah* is ultimately accountable to God (Quran, 2:28). This directs moslem to accepting Sharia Islamiyyah wich is derived from Quran, Hadith and Fiqh. Sharia consisting of God’s commands and prohibitions, govern man’s external actions, human reasoning and intuition of what is right and wrong (Khadduri, 1984). Mainly sharia concerned on promoting social justice and realising benefits for the people in this world and hereafter.

2.4 Islamic Social Reporting

Islamic social reporting is an extention of social reporting which encompasses not only a broader expectation of the society with regard to

companies' role in the economy but also on spiritual perspective (Haniffa, 2002). The major concern of Islamic social reporting is on social justice, instead of the environment, minority interests and employees. Another issues which also considered as most importance are related to the well-being of the society pertaining to interest and unfair trading practices (Sulaiman, 2005). For example, their lawful dealing, income distributions to the beneficiaries called zakat, sadaqa(charities or gift), etc. It is consistent to the stakeholders' theory whereby management need to maintain company's success by providing information to all stakeholders. Therefore, management need to identify, evaluate and disseminate information on social and environmental information for fullfill the stakeholders' need.

Recently, there was an increasing number of Islamic bankings and Islamic capital market. They were expected to present a religious dimension to their financial statement disclosures for Islamic stakeholders. Haniffa and Hudaib (2001) clearly stated that the conceptual framework for Islamic accounting should be based on sharia and it was supported by the purposes of Islamic accounting. Commonly the purposes of Islamic accounting are to assist in achieving socio-economic justice and obey the obligations to God (Allah), society and individual concerned. Islamic accounting also suggested that corporations need to disclose certain information on how corporate's work to fullfill all the requirements on sharia (Ghani, 2016). For example: Islamic corporations was expected to disclose on the obligation to pay zakat as part of their social responsibility through society. This meant that financial reporting disclosure in Islamic corporation was more detailed than the conventional disclosure requirements.

Islamic social reporting has been developed based on Sharia. Sharia adressed three interrelated dimensions which are: 1. Establishing socio-economic justice as primary objective 2. Sharing benefits to the community 3. Achieving wealth. Those three interrelated dimensions would lead to the essential characteristic of the report. Islamic social reports need to address the importance of the concept of ummah and the obligation and prohibitions on matters related to commercial activities (Baydoun and Willet, 2000).

2.5 Development of Islamic Social Reporting Disclosure Index

Prior studies were undertaken to develop a list of ISR disclosures index. The study conducted by Haniffa (2002) result on the scope of ISR disclosure is confined to five main themes: finance & investment, product, employees, society and environment. The table below explained the summary contents of Islamic Social Report according to Haniffa, 2002.

Tabel 1
The Summary Contents of Islamic Social Report

Theme	Ethics	Content
Finance & Investment	Tawhid; Halal v Haram; Wajib	Riba activities: Identify activities and % profit contribution Gharar activities: Identify activities and % of profit contribution Zakat: amount and beneficiaries
Product	Tawhid; Halal v Haram	Nature of product/service: Identify activities and % of profit contribution
Employees	Tawhid; Adl; Amanah	Wages Nature of work: religious provisions: Holidays and leave, working hours Education and training; Equal opportunities
Society	Tawhid; Ummah; Amanah; Adl	Saddaqa: Amount and Beneficiaries Waqf: Type and Value Qard Hassan: amount and beneficiaries
Environment	Tawhid; Khilafah; Mizan; Akhirah; I'tidal v Israf	Use of resources: Description and amount Conservation of Environment : Description and amount spent

Source: Haniffa, 2002

Othman (2010) adding some other themes on disclosures of the Islamic social reporting. He was reviewing the disclosure requirements of the Companies Act 1965, Financial Reporting Act 1997, Malaysian

Accounting Standard Board, Financial Reporting Standard 2006 and Malaysian Code of Corporate Governance Revised 2007, and made some changes in the disclosure index. The disclosure created by Othman are: finance and investment, product and services, employee, society, environment and corporate governance. The ISR disclosures made by Othman has a total of 43 items of disclosures index were developed under the 6 themes above. The full items available in the appendix.

3. Research Method

The objective of this study is to measure the extent of Islamic social reporting disclosed in the annual reports of shariah banking companies in Indonesia. The research method was content analysis because this method mainly used to examine written material contained in the annual reports (Othman, 2010). The sample data selected from 5 top sharia banking in Indonesia based on their total asset. A review of annual reports was done on 2015.

Data Analysis made through content analysis. It was used to describe the presence of absence of the 43 ISR items, built by Othman (2010) which were coded according to the themes of the disclosures. The nominal score was used to record the absence (represented by “0”) or the presence (represented by “1”) of an item which was called the un-weighted approach. This was displayed in appendix.

3.1 Data Analysis

Descriptive statistic through content analysis was used to describe the presence of absence of the 43 ISR items which were coded according to the themes of the disclosures. The table displayed in appendix A. The maximum score for each items was 43 items multiplied by 5.

3.2 Key Finding

There were two ISR themes that were frequently disclosed by the sharia banking in Indonesia, employees theme and society themes. There were 8 items under employees theme that frequently disclosed, which were: nature of work: working hours/holidays/other benefit; education and training/human capital

development; equal opportunities, employee involvement, health and safety, working environment, higher echelons in the company perform the congregational prayers with lower and the middle level managers; muslim employees are allowed to perform their obligatory prayers during specific times and fasting during ramadhan on their working day. Almost all sharia banks disclose those 8 items in their annual report. This means that employees were have an important role on the operation of the company and therefore have to be disclosed.

This study also found that under society theme, there were 7 items that commonly disclosed in the annual report. There were: saddaqa/donation, qard hassan, graduate employment, underprivileged community, children care, charities/gifts/social activities and sponsoring public health/recreational project/sport/ cultural events. Society also was the highest theme of disclosure on annual report of 5 sharia banking in Indonesia on 2015.

The riba activities were reported as 'interest income' or 'interest expense' in the annual report. All the sharia banks disclosed that they were not involve in riba activities. Those were suitable with the status of sharia banking, which had to be comply the sharia frameworks.

Another key findings were that several items that were not disclosed, namely policy on late repayments and insolvent clients/bad debt written-off, current value balance sheet, employment of other-special-interest-group, endangered wildlife, ownership structure: number of muslim shareholders and its shareholdings, BOD structure muslim vs non muslim members.

There were two themes which highly disclosed in the annual reports of 5 top Sharia Banking in Indonesia on 2015. The results show that employees and society were two themes which commonly disclosed in the annual reports. In average, the ISR disclosure of 5 top sharia banking on 2015 annual reports was 68%. This showed that sharia banks were well aware of their corporate responsibility and the involvement of companies with society was a key part of ISR. This result comply with the study of Othman, 2010.

4. Conclusion

The objective of this study was to examine the extent of Islamic social reporting in the annual reports by 5 top sharia banking in Indonesia. There were two themes, employ yeas and society which highly disclosed in annual reports on 2015. Based on the data, it showed that the disclosure index was adequate. In average there were 68% items were disclosed on annual reports. Thus indicating that there were transparency in the disclosure with respect to Islamic values despite the fact that the concept of social accountability under Islam is related to the principle of full disclosure. This were also show that sharia banks in Indonesia were aware of primary objective of muslim society. Based on sharia framework, companies had obligation to establish the social justice, equitability and maintenance of welfare. All these should lead to better transparency and accountability to society, especially for muslim society.

5. Future Research

This research had focussed only on annual reports of 5 top sharia bankings on 2015 to measure the extent of Islamic social reporting disclosure practices. Future research could be extended to include other forms of disclosures for example press release, interim reports etc. The interpretation of some items in the coding process was subjective. Therefore, future research could be improved by using objective rating and evaluation.

REFERENCES

- Adnan, A., 2015, "The Missing Dimensions of Corporate Social Responsibility (CSR) Measurement in Malaysian Islamic Banks, British Journal of Economics, Finance and Management Sciences, Vol. 10, No. 1
- Asyraf Wajdi D. And Humayon Dar., 2005, "Stakeholder's Perceptions of Corporate Social Responsibility of Islamic Banks in Malaysia. Paper presented at the International Conference of Islamic Economics and Finance, Jakarta, 21-24th November 2005
- Baydoun, N. and Willet, R., 2000, "Islamic Corporate Reports, Abacus, Vol. 36 No. 1, p: 71-90.



- Chamhuri Siwar and Md. Tareq Hossain, 2009, “An Analysis of Islamic CSR concept and The Opinions of Malaysian Managers, Management of Environmental Quality: An International Journal, 20 (3), pp. 290-298
- Daykin, T., 2006, “The role of Internal Auditing in Sustainable Development and Corporate Social Reporting” IIA Research Foundation Report.
- Ghani, 2016, “The Development of Islamic Social and Environmental Reporting”, Journal of Education and Social Science, Vol. 4 (June).
- Gray, R., Owen, D., Maunders, K., 1987, “Corporate Social Reporting: Accounting and Accountability”, Prentice-Hall International, USA
- Gray, S.J., Owen, D., and Adams, C., 1996, Accounting and Accountability: Changes and Challenges in Corporate Social and Environmental Reporting, Prentice-Hall, UK
- Haniffa, R., 2002, “Social Reporting Disclosures-An Islamic Perspective”, Indonesian Management & Accounting Research, Vol 1. No.2, pp. 128-146.
- Haniffa, R. and Hudaib, 2001, “A Conceptual Framework for Islamic Accounting: The Sharia Paradigm”, paper presented at Accounting, Commerce and Finance: The Islamic Perspective Conference IV, New Zealand
- Khadduri, M.H., 1984, The Islamic Conception of Justice, John Hopkins University Press, USA
- Othman, R and Azlan Md. Thani, 2010, “Islamic Social Reporting of Listed Companies in Malaysia, International Business & Economics Research Journal in Malaysia, Vol. 9 No. 4, pp. 135-144.
- Sulaiman M., 2005, “Islamic Corporate Reporting: Between the Desirable and the Desired”, Research Centre IIUM Publication.
- Wolzack, N., 2010, The CSR Index, Yes-Use Erwin Saas Judith Beugals.