

## Case Study on Accountability Practices in Malaysian Co-operatives

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### ABSTRACT

Co-operative is an enterprise that is owned and democratically controlled by its members with the same goals and objectives. This paper examines how accountability is practiced by co-operatives in Malaysia. Focus group interview was employed and four concepts of accountability (vertical, diagonal, horizontal and managerial accountability) were applied to analyse the information gathered. The findings revealed that the vertical, diagonal and managerial accountability were applied in Malaysian co-operatives daily operations.

Keyword: Accountability, Co-operatives.

### ABSTRAK

*Koperasi adalah organisasi yang dimiliki dan dikawal secara demokratik oleh ahli-ahlinya dengan matlamat dan objektif yang sama. Kajian ini mengkaji bagaimana akauntabiliti diamalkan oleh koperasi di Malaysia. Temu bual kumpulan secara berfokus digunakan berdasarkan empat konsep akauntabiliti (akauntabiliti secara menegak, menyerong, melintang dan pengurusan) untuk menganalisis maklumat yang dikumpul. Hasil kajian menunjukkan bahawa akauntabiliti secara menegak, menyerong dan pengurusan telah digunakan di koperasi Malaysia semasa menjalankan operasi harian.*

*Katakunci: Akauntabiliti, Koperasi.*

### INTRODUCTION

Co-operative is a business that is owned and democratically controlled by its members that shared similar goals and objectives. Co-operatives have unique characteristics in terms of their objectives, the contribution of capital, ownership, policy determination, control and profit returns. Co-operatives contribute both economic development and securing the livelihoods of their members (International Labour Organization, 2014). Based on the press released by the International Co-operative Association (ICA) on 9 October 2014, co-operative enterprises worldwide has employed 250 million people and generate 2.2 trillion USD in turnover. For example, among well-established and successful co-operatives are Gujarat Co-operative Milk Marketing Federation Ltd. popularly known as Amul is the India's largest food product marketing organization, and Consumer Co-operative Kobe is the largest retail co-operative in Japan.

A good governance is very vital for the continuity and to give local community confidence to ensure sustainability of an organization. Effectiveness and accountability are the key element for a good governance (KPMG, 2001). In year 2003, the National Co-operative Business Association and the Consumer Federation of America have conducted a survey and found out that co-operatives generate more trust and accountability compared to investor-owned corporations. They also stated that the governance structure of co-operatives is significantly more open, democratic, transparent and inclusive. Hence, this showed that the practices of accountability are essential for co-operatives.

Governance is the responsibility of the board (Cadbury, 1992). The governance in a co-operative revolves around its autonomy, members' democratic control or active participation to achieve common objects (ICA, 1995). Thus, the co-operative board members are responsible for their members. This is supported by Scholl (2007) indicate that board members of co-operatives are the vital link between members and management in the accountability chain for a co-operative. However, the control problem of governance is more difficult in a co-operative than in a public company (Trewin, 2003).

Stier (2004) indicates that there have been some challenges to practice accountability in co-operatives. Trewin (2003) mentioned that the common consequence of the control problem is that there is a less effective oversight by the owners than applies in public companies and excessive control by management. Malo and Vezina (2004) stated that the diminishing role of membership in governance and the growing domination of commercial values fostered by professional management will affect the accountability practices of co-operative. In 2013, Maslinawati, Intan Waheedah and Arun mentioned that the lack of capital, weak governance structure, absence of good governance, lack of leadership and managerial talent and lack of integrity among the management and co-operative members may also affect the accountability level of Malaysian co-operatives.

Additionally, based on prior studies in co-operatives research, not much study pertaining to accountability practices in co-operatives have been conducted. Most of the research on accountability came from public sector research, non-governmental organizations and non-profit organizations (Romzek and Dubnick 1987; Gray and Jenkins 1993; Sinclair 1995; Kaler 2002; Bovens 2007). Accountability is very important for co-operatives governance and there is a limited study pertaining to practices of accountability in co-operatives, this research has been conducted to fill in the research gap. Hence, the objective of this paper is to explain and understand the accountability practices in co-operatives.

## LITERATURE REVIEW

### Definition and The Characteristic Of Co-Operatives

#### Definition

International Co-operatives Alliance (ICA, 1995) defines co-operative as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise. Co-operatives share agreed principles and act together to build a better world through co-operation. In other words, co-operative is like any other business however they are unique and different. A co-operative belongs to the members who share equally in the control of their co-operative to fulfil their economic and social needs. This study defines a co-operative as an enterprise that is owned and democratically controlled by its members with the same goals and objectives.

#### Co-Operatives Value and Principles

ICA (1995) stated that co-operative values are grounded on the concept of self-help, self-responsibility, democracy, equality, equity and solidarity. The concept of self-help and self-responsibility has motivated the people to unite together to set-up a business where they can democratically control the business and equally shares the benefits. ICA (1995) also has stated seven co-operatives principles which are: (1) voluntary and open membership, (2) democratic member control, (3) member economic participation, (4) autonomy and independence, (5) education, training and information, (6) co-operation among co-operatives and (7) concern for community. Hence, this makes co-operative distinct from the others as the establishment of co-operatives already have the guideline of a good governance and greater accountability.

### The Uniqueness Characteristic of Co-Operatives

Co-operatives are businesses driven by values (ICA, 1995) for their members and they also want to trade successfully, however they are not about making big profits for shareholders. Co-operatives have unique characteristics where their objectives are not limited to economic objective but also consists of social goals. Co-operative is also known as members-owned businesses, this is because the contribution of capital of co-operative is from their members. The co-operative members will control and determine the policy of the co-operative. Another unique character is that, the profit returns from co-operatives will be shared equally to their members in order to keep it fair and make it worthwhile.

### The Importance of Co-Operatives Industry

Co-operatives played significant role in the economic development in all around the world. In UK economy, co-operatives played a large part especially in agriculture industry (Hind 1999). In Malaysia, the government is aiming to become a high income nation by the year 2020. Based on National Co-operative Policy (2011-2020), co-operatives are expected to contribute about 10% by 2020 to national output. This showed that Malaysian co-operatives are now not only to improve the wellbeing of its members but also to eradicate the poverty and act as the distribution tools of national wealth (Mahazril 'Aini, Hafizah and Zuraini, 2012).

## CO-OPERATIVES BACKGROUND IN MALAYSIA

Co-operatives were introduced in Malaysia in the early 1920s by the colonial government. Co-operative Societies Enactment was first introduced in 1922 and this Enactment was later abolished and currently replaced by Co-operatives Act 1993 (Act 502) after a few amendments. This Act stated all the rules and guideline for the co-operatives such as the establishment of the co-operatives, members' benefit and others. Every co-operative in Malaysia is bound by The Act. The co-operatives in Malaysia are regulated under the *Suruhanjaya Koperasi Malaysia* (SKM). Co-operatives have evolved from a wide range of business activities covering banking and finance, agriculture, housing, industrial, consumerism, construction, transportation and services.

Based on the General Co-operatives Statistics from year 2010 to 2013 provided by SKM, there has been an increased in number of established co-operatives from 8,146 to 10,914 co-operatives and co-operatives members also has increased by 1.01 million members. However, referring to General Co-operative Statistics by Cluster 2013 from SKM, around 20% of co-operatives presented good performance while the balance of 80% co-operatives showed low performance. Thus, the overall performance of Malaysian co-operatives is not good enough. This is supported by Intan Waheedah, Maslinawati and Azizah (2013) pointed out that there is an unequal growth of co-operatives where those in the urban area are developing at a faster stead whereas the rural cooperatives are struggling to cope within the highly competitive environment.

## CO-OPERATIVE GOVERNANCE AND ACCOUNTABILITY

### Co-Operative Governance

Cadbury (1992) defines governance as the system by which the organizations are directed and controlled. Generally, the organizational structure of co-operative consists of members or annual general meeting (AGM) which is the supreme power in co-operative, board members, bureau committee, audit committee, advisor and co-operative management (Idris and Mohd Safaai, 2012). Due to the unique characteristic of co-operative, the governance in co-operatives are more complex compared to private companies. Supported by Idris and Mohd Safaai (2012) mentioned that co-operative members are associated with dual role which are to realize the role as owner-users and users or customers.

Based on the statistic provided by SKM, the number of co-operatives showed good performance is lower. Poor governance might have contributed to the lower performance of the co-operatives. Intan Waheedah et al. (2013) mentioned that co-operatives are subject to even poor governance when member's apathy and management inefficiencies arise. A study conducted by Ernst and Young (2012) also has identified some barriers that enlighten co-operative governance such as emerging conflicts between the principles of profit and social objectives, weak oversight and control

mechanisms and others. Furthermore, in 2007, the structure of co-operative governance in Co-operative Societies Act 1993 has been amended. Before the amendment, the Internal Audit Committee (IAC) has been elected by the members in the AGM. However, after 2007, the IAC has been appointed by the co-operative board members. Hence, the independent of the IAC is questionable and this lead to poor governance in co-operatives.

### Accountability

Accountability is one of the best concepts that no one can argue (Bovens, 2007). Good governance will have effective and accountable management and board. One of the basic tenets of governance by Cadbury (1992) is that governance is the responsibility of the board. Accountability is very important especially in co-operatives. This is because, co-operative is member-owned businesses, thus the board must ensure co-operative run smoothly to achieve their target. If the level of accountability is higher, the co-operative will have good governance.

Based on prior literature, there are various definitions of accountability. Grey and Jenkins (1993) defines accountability as an obligation to act and explain or justify; where the person or organizations entrusted with the responsibility is obliged to explain and justify their conduct to the person or organization who assigned the responsibility. While, Kaler (2002) suggests that to be 'accountable' is to be 'answerable'. Bovens (2007) defines accountability as a relationship between an agent and a principal, in which the agent has an obligation to explain and to justify his conduct, the principal can pose questions and pass judgment, and the agent may face consequence. In short, accountability is about explanation and justification which indicates answerability (Romzek and Dubnick 1987; Kaler 2002; Bovens 2007).

Based on prior literature, there are many types of accountability that has been identified. In 1987, Romzek and Dubnick have identified four types of accountability which are (i) bureaucratic, (ii) legal, (iii) professional and (iv) political. Then, Sinclair (1995) in her study on the chameleon quality of accountability has revealed five forms of accountability which are (i) political, (ii) public, (iii) managerial, (iv) professional and (v) personal. Bovens (2007) also has identified various types of accountability which are based on the (i) the nature of the forum: political, legal, administrative, professional and social; (ii) the nature of the actor: corporate, hierarchical, collective and individual; (iii) the nature of the conduct: financial, procedural and product; (iv) the nature of the obligation: vertical, diagonal and horizontal.

### ACCOUNTABILITY CONCEPTUAL FRAMEWORK PROPOSED

Co-operatives are accountable to explain, justify and able to answer for any action taken to achieve both obligations to their members. Hence, for the purpose of this research and considering the nature of co-operatives, the type of accountability as suggested by Bovens (2007) is used as a primary framework and supported by other literatures to propose a new classification of accountability for co-operatives.

The proposed classification of accountability for co-operatives are first based on **the nature of the obligation** (Bovens 2007) will consists of 3 dimensions which are (i) **Vertical accountability**: political accountability (Bovens 2007; Romzek and Dubnick 1987; Sinclair 1995), hierarchical accountability (Bovens 2007), bureaucratic accountability (Romzek and Dubnick 1987), (ii) **Diagonal accountability**: Legal accountability (Bovens 2007; Romzek and Dubnick 1987), Administrative accountability (Bovens 2007), (iii) **Horizontal accountability**: Social/Public accountability (Bovens 2007; Sinclair 1995). Second, accountability proposed for co-operatives is based on **the nature of the conduct** (Bovens 2007) which is **Managerial accountability** (Sinclair 1995) that consists of financial accountability (Bovens 2007; Grey and Jenkins 1993), procedural accountability and product accountability (Bovens 2007).

The proposed definition for vertical accountability is that it is established along the chain of principal-agent relationship which requires (i) supervisor-subordinate relationship where the supervisors closely supervise and control the subordinates, (ii) public servants and their organizations as agents, who have been delegated authority by the cabinet ministers, are accountable to the ministers who must render political account to parliament and parliament is accountable to the ultimate principal, (iii) formal authority or contractual agreement requiring the actor to give an account to the forum.

Next, diagonal accountability is the accountability in the shadow of hierarchy such as audit offices, inspectors, and supervisory authorities, controller who have an indirect relationship with the organization and have a few powers to enforce their compliance. Also involves accountability to

external oversight with established mandates to exercise regular financial and administrative scrutiny, such as legislation and constitutional structures. While, horizontal accountability is defined as a direct accountability to the public at large which are not limited to the electorates and to the interested parties. Also does not involve any formal obligations or contractual agreements to render an account where the rendering of account to the accountee is on a voluntary basis.

Subsequently, the managerial accountability is defined as the accounts for total work performed in achieving specific goals, production of outputs, delivery of services and others. Generally, it is about the accomplishment of objectives and/or achievement of results and impacts by monitoring the inputs and outputs or outcomes. It involves accountability by standards that concern the account for an appropriate use of funds or financial resources in accordance with rules and regulations and also the accountability for the details of processes and the product or content. Thus, the proposed classification of accountability for co-operative is used as a conceptual framework to explain and understand the accountability practices in co-operatives.

## RESEARCH METHOD

The finding from this study is to explain and enhance the understanding of the accountability practices in co-operatives. In order to understand the accountability practices in co-operatives, the focus group interview has been conducted. The focus group interview concerned with two main themes which are the nature of co-operatives that relate to their functions and accountability practices in co-operatives. In addition, a semi-structured interview question is conducted in this study. An interview protocol was prepared accordance to the issues in this study. Five co-operatives were selected based on the performance of co-operatives provided by SKM as a sample for focus group interview.

As for the data analysis purposes, first, the focus group interview that has been recorded is transcribed to text. In order to analyse the information, we have developed a few codes using the key themes which relate to the research objectives based on proposed classification of accountability for co-operatives (Romzek and Dubnick 1987; Grey and Jenkins 1993; Sinclair 1995; Bovens 2007). The codes are invariant forms such as words, phrases, sentences, or whole paragraphs, connected or unconnected to a specific setting. Then, we analysed the transcription data by using the codes that have been developed.

In order to evaluate the quality of the data gathered, the reliability agreement has been carried out for this study. The objective of reliability test is to minimize the errors and biases in a study (Yin, 2014). This study adopts Fleiss' kappa (1971) to assess data reliability. Fleiss kappa is a statistical measure for assessing the reliability of the agreement for any numbers of raters giving categorical ratings to a fixed number of classifying items. In other words, the number of raters can be more than two in Fleiss's Kappa. Fleiss's kappa is defined to be:

$$K = \frac{P - P_e}{1 - P_e}$$

Three knowledgeable individuals expert in accountability and qualitative research have participated to assess the codes and transcription agreement. They are asked to tick (✓) if they agreed with the thirty-three (33) "code-text agreement". Then, Kappa index was measured based on the formula above. As for this research, the Kappa agreement index is at the substantial level, which is at 0.768. Based on Landis and Koch (1977), the value range from 0.61-0.80 indicates the substantial level of agreement. Therefore, the reliability of the data gathered in this study is acceptable and reliable.

## DISCUSSION ON RESEARCH FINDINGS

### Co-Operative's Background

This research includes five case studies. The summaries of co-operative's background are as shown in this Figure 1. The findings from the case studies are discussed according to the Accountability Conceptual Framework Proposed and the reliability agreement test conducted by three knowledgeable individuals.

### Vertical Accountability

Vertical accountability consists of political, hierarchical and bureaucratic accountability (Romzek and Dubnick 1987; Sinclair 1995; Bovens 2007). Based on the focus group interview, the officer from co-operative A has stated the structured of the co-operatives where the members are the ultimate owners in the co-operatives: *“The highest level in the hierarchy of co-operative is the members in the AGM, then the board members and then the management of co-operatives.”* Hence, there has been an established chain of accountability through this hierarchical where the board members are accountable to the members and the management are accountable to the board members. There are also supervisor and subordinate relationship where the higher superior will supervise their subordinate closely. The officer from co-operative A further explained that: *“to ensure that there is no misappropriation or misconduct in co-operative, other subordinate will report to the higher level of management and later the management will report to the secretary in the board members where the secretary will monitor all the subordinates.”* They also added that: *“the secretary in the board members is responsible to provide report to the board members.”*

Subsequently, the Chief Executive Officer (CEO) from co-operatives B pointed out that: *“the co-operative is responsible to their members.”* He agreed that the board members is responsible to their members. In the interview session, he mentioned that: *“the management must report to board members because management does not responsible to co-operative members. Co-operative board members are the one responsible for members.”* Thus, there is a strong argument that the co-operative board members is the one who is accountable to their members. Furthermore, according to the CEO from co-operatives B, every decision making must get approval from the board members. He pointed out that *“the management only carried out the policy made by the board members, for example for any new business we want to enter, we will present with due diligence to get the approval from the board, and we will only proceed with the plan if the board agree with the suggestion”.*

In addition, the Chief Officer of co-operative D also agreed that: *“Accountability involves both parties which are the management and board member.”* The CEO of Co-operative C said they need to present once a month or quarter report to the board members. In other words, this makes co-operative management accountable for their work to the board. While, Co-operative E said that they are accountable to distribute dividend to their members. So, this makes co-operative accountable to their members. Supported by Stier (2004) indicates that the board members assume the total accountability for the co-operatives. The board members must be able to “answers to” or “be accountable” to the members. Therefore, there is a vertical accountability relationship in all five co-operatives, and it is agreed with the definition from the prior academic literature (Romzek and Dubnick 1987; Sinclair 1995; Bovens 2007).

### Diagonal Accountability

According to the proposed classification of accountability, diagonal accountability comprises of legal and administrative accountability (Romzek and Dubnick 1987; Bovens 2007). Generally, co-operative is bounded by Malaysian Co-operative Act and other rules and regulations. According to the officers from co-operative A, they are bound by a few co-operative laws. They mentioned that: *“Co-operative members are bounded by the co-operatives law which is the Undang-undang Kecil Koperasi or By-Law Koperasi.”* Similarly, according to the CEO from Co-operative B, every co-operative will have their own Undang-undang Kecil. He mentioned that: *“For each co-operative, their Undang-undang Kecil Koperasi will state who is eligible to become co-operatives member.”* He further explained that: *“Undang-undang kecil can change with the current situation, provided the board members must suggest the changes during AGM. Once they get approval from the AGM, co-operative will write to SKM and SKM will review the changes within three months.”* In addition, the officer from Co-operative C also agreed that co-operative is bound by certain Act and rules and regulations. He said that: *“we have Undang-undang kecil, Co-operative Act and other rules and regulations.”* Hence, there is a diagonal accountability relationship as the co-operatives legal scrutiny is based on detailed legal standards, prescribe by civil and others.

Subsequently, diagonal accountability involves audit offices or supervisory authorities that have an indirect relationship with the organization and have some powers to enforce their compliance. Since, co-operative is a members-owned business, the CEO from co-operative C has explained that: *“SKM played an important role to secure and ensure that money belong to co-operative members are properly managed.”* Furthermore, based on Co-operative Act 1993, each co-operative must have IAC to ensure effectiveness and efficiency of the internal control of co-operative. According to the officers from Co-operative A, they agreed that IAC has played an important role for co-operative and co-

operative must disclose all the information to their members in the AGM. Thus, they stated that: *“Co-operative account must be audited before the AGM which was one of the main role played by the internal and external auditor of co-operative. This is because co-operative members trust the internal and external audit report.”*

In addition, he mentioned that IAC must report to co-operative, SKM and AGM. They explained that: *“Based Co-operatives Act, Internal audit officers will report to co-operative at least fourth times a year and SKM twice a year and once a year in the Co-operative AGM.”* The officers from Co-operative A also pointed out that: *“Co-operative account must be audited before the AGM, SKM will review the auditor report within fifteen days before the AGM.* Co-operative also has other external stakeholders. According to the officers from co-operative A, the important agencies are co-operative external stakeholders. They mentioned that: *“the external stakeholders for co-operatives are the important agencies such as Lembaga Hasil Dalam Negeri”*. Based on the discussion above, all co-operative in Malaysia is bound by the Co-operative Act 1993, Co-operative By-Law and they must have an IAC in their governance structure. For that reason, the diagonal accountability relationship exist in all five cases. This parallel with the definition suggested by Romzek and Dubnick (1987) and Bovens (2007).

#### Horizontal Accountability

Referring to definition of proposed classification of accountability for co-operatives, horizontal accountability is including social and public accountability. Horizontal accountability is the direct accountability to the public at large and does not involve any formal obligations (Sinclair 1995; Bovens 2007). Based on the information from the focus group interview, there is no statement saying that co-operatives have direct accountability to the public at large. Nevertheless, past studies also showed no evidence that horizontal accountability is related to co-operatives.

#### Managerial Accountability

According to proposed classification of accountability for co-operatives, managerial accountability comprise of financial, procedural and product accountability (Sinclair 1995; Grey & Jenkins 1993; Bovens 2007). According to officers from Co-operative A, co-operative will disclosed all information to their members. They mentioned that: *“there are much information being disclosed to the co-operatives members such members’ information, current and future activities of co-operative.”* Hence, to ensure the reliability and transparent information being disclosed to their members, the board meeting will be held regularly to discuss the performance of the co-operatives. They indicate that: *“board members meeting will be held three times a year and performance of co-operative project will be presented during the meeting.”* Co-operatives present relevant report to their members. Co-operative A further explained that: *“Co-operative annual report will consist of board members report includes the performance report of co-operative.* Then, the CEO of Co-operative C also said that there are a few compulsory reports that need to present to the board. He stated that: *“in our By-Law, the compulsory reports that need to be presented once a month or at least quarterly to the board are accounting reports and finance report.”* He also mentioned that: *“as management, we only follow the procedures”*.

The ultimate objective of co-operative is to ensure the welfare of their members is taken care. In order to achieve the goals, the management of co-operative must control the co-operative properly. The CEO of Co-operative B explained that; *“they will carry out their work with due diligence to achieve their goals.”* Then, Co-operative D said that the management and board members are accountable to their members. Hence, they also need to provide their members with transparent and clear information. Furthermore, co-operative needs to disclose the current performance of co-operative especially the profit earned by co-operatives. This is supported by the statement made by the officer from Co-operative E that: *“they are accountable to distribute dividend equally to the members”*. Co-operative A also mentioned that: *“the profit earned by the co-operative will also be disclosed to the members”*. Thus, the managerial accountability has also existed in all five sample co-operatives as the objectives of co-operatives are to achieve economic and social goals for their members.

## CONCLUSIONS

Based on the analysis from the data gathered of five co-operatives, all five co-operative has practice accountability in their daily operation. We can summarise that most of the co-operatives agreed with

the vertical, diagonal and managerial accountability relationship. However, there is no evidence that shows horizontal accountability being practiced in co-operative. Referring to the research findings discussed above, the detailed summaries are as Table 1. This research has some limitation where it cannot be generalised to the population as the sample is limited. As for future research, since there is a limited study pertaining to accountability in co-operatives, this paper suggest that more in depth qualitative research should be done in this field.

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<b>Co-operative A</b>	<b>Co-operative B</b>
Their mission is to bring together all cooperatives and as a representative for Malaysian co-operative at the national and international levels.	Their mission is to optimize investment returns and increase the value of their investment.
<b>Co-operative C</b>	<b>Co-operative D</b>
The main objective of co-operative is to promote co-operative thrift and carry out the functions loans, consumer, services and housing	Their mission is to increase the value and return on investment to members and continuously improving the quality of products and services.
<b>Co-operative E</b>	
The main objective of co-operative is to enhance the socio-economic of their members through participation and business activities.	

FIGURE 1: Co-operative’s Background

TABLE 1: Summary of Research Findings

Co-operative	Vertical Accountability	Diagonal Accountability	Horizontal Accountability	Managerial Accountability
Co-operative A	The board is accountable to the members and management accountable to the board.	Bounded by Co-operative Act, By-Law, regulated by SKM and has IAC.	Not applicable	Co-operative disclosed all information to their members.
Co-operative B	The board is responsible for their members and the management accountable to the board.	Bounded by Co-operative Act, By-Law, regulated by SKM and has IAC.	Not applicable	Management carried out their work with due diligence.
Co-operative C	Management accountable to the board to present current performance.	Bounded by Co-operative Act, By-Law, regulated by SKM and has IAC.	Not applicable	Co-operative disclosed compulsory report.
Co-operative D	Accountability involves both parties which are the management and board members.	Bounded by Co-operative Act, By-Law, regulated by SKM and has IAC.	Not applicable	Management disclosed all information to the board members.
Co-operative E	Co-operative accountable to the members.	Bounded by Co-operative Act, By-Law, regulated by SKM and has IAC.	Not applicable	Co-operative accountable to present current performance.