118189 - Working in auditing offices when there is riba in the companies' accounts

the question

What is the ruling on working in auditing offices, knowing that the job of the auditor is to check the company's accounts and budgets which may contain records of bank accounts or interest (riba), but he is not the one who wrote these accounts or dealt with them at all; rather he is only reviewing or checking them? All of that is for the purpose of issuing a report on the extent to which this organisation is adhering to international guidelines with regard to the outcome of its activities and to issue financial records.

Detailed answer

Praise be to Allah.

It is not permissible to review or audit riba-based accounts, because that involves recording riba and remaining silent about it and approving it. Muslim narrated in his Saheeh (1598) that Jaabir (may Allaah be pleased with him) said: The Messenger of Allaah (peace and blessings of Allaah be upon him) cursed the one who consumes riba and the one who pays it, the one who writes it down and the two who witness it, and he said: they are all the same.

The scholars of the Standing Committee for Issuing Fatwas were asked: I have a legal accounting business, in which we review the financial statements of institutions and companies, from the accounting records kept by the company. The purpose is to show the results of the review at the end of the financial year in the form of budgets and reports on the financial situation of the company, so that it may be submitted via the company to one of the government departments or banks or to the Department of zakaah and income. Similarly, throughout the year we keep an eye on the company's finances so as to guard against tampering and fraud. I have some questions which I hope that you will answer:

1-When reviewing the company’s books, I may see some of the accounts that the company have with the banks, and these accounts may show loans, i.e., the company owes money as a result of getting a loan from the bank or as a result of being overdrawn, which means that the bank starts charging interest on that, i.e., riba. The nature of our work is to show these figures alongside other items in the budget, and this is based on the books and records of the company, and bank statements, and we cannot omit it from the other accounts; we have to show it so that the budget reflects the real situation of the company. Is there any sin on us for that, and are we regarded as witnesses to riba?

They replied: It is not permissible for you to be an accountant dealing with what you mentioned in the question, as that involves cooperating in sin and transgression. End quote.

Shaykh ‘Abd al-‘Azeez ibn ‘Abd-Allaah ibn Baaz, Shaykh ‘Abd al-Razzaaq ‘Afeefi, Shaykh ‘Abd-Allaah ibn Ghadyaan.

Fataawa al-Lajnah al-Daa’imah, 15/20

They were also asked: What is meant by the one who writes down riba in the hadeeth of Jaabir which was narrated by Muslim, where it says that the Messenger of Allaah (peace and blessings of Allaah be upon him) cursed the one who consumes riba and the one who pays it, the one who writes it down and the two who witness it, and he said: they are all the same? Is the one who writes down riba the one who recorded it at the time only, or can it be someone else who has nothing to do with the riba-dealing institution, except that as an accountant he adds and subtracts figures in other books, apart from the riba documents, as he is obliged to do that? Is that accountant regarded as writing down riba, or does this phrase apply only to the one who writes it down at the time and no one else, and does the curse not extend to anyone else?

They replied: The hadeeth of the curse on the one who writes down riba is general in meaning and includes the writer of the original document, the one who copies it if it wears out, the one who writes the figure in accounting books and the accountant who works out the rate of interest and adds it to the original amount or sends it to the one who deposited it, and so on. And Allaah is the

source of strength; may Allaah send blessings and peace upon our Prophet Muhammad and his family and Companions. End quote.

Fataawa al-Lajnah al-Daa’imah (15/5).

You should note that the ways of earning halaal provision are many, so seek and strive, and beware of consuming haraam wealth, for every body that is nourished from haraam sources, the Fire is more befitting for it.

We ask Allaah to help and guide us and you.

And Allaah knows best.