

## Changing Accounting System: Challenges for the Public Sector Auditors

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### Abstract

Changing global environment has urged for public sector reforms towards efficiency and competitiveness. Among others is the shifting of accounting system from cash-based to accrual-based accounting in the government which was seen as crucial in the public sector reforms. In that light, this paper reviews the developments that has taken place in the Malaysian public sector accounting and discuss the changing of accounting system for the public sector auditors from the National Auditing Department (NAD). Implications of accrual accounting system on NAD and government's organizations as well as suggestions to implement accrual accounting system are also discussed. This paper addresses the need for government, NAD and audit profession to have concerted efforts in the implementation of appropriate accrual accounting system for the public sectors. These efforts could speed up achievement of best Malaysian governmental accounting system which assists in best evaluation and decision making, attributes of public sector reforms