

The Implementation Of Accrual Accounting In The Malaysian Public Sector: Issues And Strategies From The Implementer Point Of View

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<https://doi.org/10.58458/ipnj.v04.01.03.0034>

Abstract

Like any other reform, implementation of accrual accounting in the public sector will be challenging. To prepare for eventual adoption of accrual accounting, there must be change in management where the structured approach for organization change is supposed to take place. This paper examines the issues and strategies faced by the entity entrusted to be responsible to implement the accrual accounting in the public sector. To advocate the research issue, a qualitative method is utilized whereby data was collected through semi-structured interviews and document reviews. The findings showed that the main challenge faced by the implementer is to equip the employees with sufficient knowledge and skills in handling new sets of accounting systems and information. Besides that, issue in choosing the right accounting evaluation and recognition standards has slowed down the speed of the transition. The preliminary findings also revealed that software customization, systems familiarization and lack of equipment have hindered the migration process. To resolve these issues, the implementer has utilized several strategies. Training program, systems synchronization, standards harmonization, and engagement with other stakeholders are among the strategies taken in corresponding with the issues raised.

Keywords: Public Sector Accounting, Accrual Accounting, Malaysia