

The Perceived Benefits of Accrual Accounting: Evidence from Malaysian Accountant General's Department

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Abstract

Accrual accounting is targeted to be fully implemented in Malaysia by the year 2015, with the aim to improve financial management procedures in the public sector. Therefore, this study is to examine the government servants' perception on the perceived benefits for applying accrual accounting in Malaysia. This study also investigates the significant difference between demographic factors (year of services with the government, course attended that relates to accrual accounting, education level and professional qualification) and their perceptions in relations to AGD. The 300 questionnaires regarding the government servants' perception on four benefits of adopting accrual accounting is distributed to the various divisions in the headquarters of Accountant General's Department (AGD) in Putrajaya. To test the objectives, the frequency analysis and ANOVA were used. The general finding shows that the respondents have positive attitude on accrual accounting. This paper also shows evidence that demographic factors influence the government servants' perceptions, based on the significant results between enhance specific transparency with the years of service with the government and courses attended that are related to accrual accounting. On the other hand, the significant difference for professional qualification at 0.05 level with enhance unspecific transparency, enhance actions and decisions as well as avoided bad actions and decisions. These results are important for the government so that it can play a more proactive role to ensure accrual accounting in Malaysia is successfully implemented.

Keywords: Accrual Accounting, Benefits, AGD, Malaysia.