

# The Role of Accrual Accounting and Information Systems on Asset Management Practice in the Malaysian Public Sector: A Conceptual Paper

Ahmad Tajudin<sup>1</sup>, I.K. Norziaton<sup>2</sup>, Aida Hazlin Ismail<sup>2</sup>

<sup>1</sup>*Accountant General's Department of Malaysia*

<sup>2</sup>*Universiti Teknologi MARA*

<sup>1</sup>*Corresponding Author Email: ahmadtj.phd@gmail.com*

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## Abstract

**Purpose:** The purpose of this study to identify and examine the role of accrual accounting and information systems in asset management practice in the Malaysian public sector. This study is important to enable the government take appropriate measures to enhance asset management practice in view of its increasingly crucial role in optimising government performance.

**Design/Methodology/Approach:** This study identifies and examines in detail the role of accrual accounting and information systems in asset management practices in the Malaysian public sector by reviewing the issues commonly raised in the Auditor-General Reports, particularly on asset management. The conceptual aspect consists of an extensive search and analysis of secondary sources of information through references and a review of academic articles, Auditor-General's Reports, news in print and other media, and publications pertaining to asset management.

**Findings:** Previous studies show that accrual accounting and information systems have affected asset management practice in the public sector. Accrual accounting measures the performance of an organisation by recognising economic events that provide more accurate financial information, particularly on the organisation's assets and liabilities. Information systems provide substantial growth opportunities for asset

management, allowing systematic and timely data collection, processing, distribution, and information sharing, which can assist in managing assets throughout their life cycle.

**Originality/Value:** This concept paper provides valuable addition to the current knowledge base, particularly on the role of accrual accounting and information systems on asset management practice.

**Keywords:** Asset management practice, public sector, accrual accounting, information systems