

Awareness of Accrual-based Budgeting in the Malaysian Public Sector

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Abstract

Purpose: The current study hypothesises that the antecedent factors (knowledge, skills and abilities, change attitude, and training) would influence budget preparers' awareness of accrual-based budgeting in the Malaysian public sector.

Design/Methodology/Approach: This study employed a questionnaire survey to investigate three variables, namely knowledge, skills and abilities, change attitude, and training in predicting the accrual-based budgeting awareness among budget preparers in the Malaysian government sector. Before data collection, the questionnaire survey was validated by conducting expert reviews before examining 42 pilot data through exploratory factor analysis (EFA). Subsequently, multiple regression analysis was performed on 174 collected responses.

Findings: The findings revealed that the three variables significantly influence budget preparers' awareness of accrual-based budgeting in the Malaysian public sector. Specifically, fundamental knowledge is essential to assist in implementing accrual-based budgeting, while skills and capabilities, including communication, analytical, interpersonal, and technical skills, are integral to participating in the planning, preparation, negotiation, and

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monitoring of accrual-based budgeting activities. Simultaneously, budget preparers' commitment to change, self-efficacy, and valence would be critical in transforming from cash-based to accrual-based budgeting. Furthermore, robust training is pivotal to increasing accrual-based budgeting awareness.

Practical Implications: The present study contributed theoretical evidence to the existing literature by addressing the knowledge gap due to limited studies on the relevant topic. This study also provided instrumental insights into accrual-based budgeting awareness determinants which supported the Malaysian government in executing the economic transformation agenda.

Originality/Value: The study is among the first to examine antecedent factors influencing accrual-based budgeting awareness to bridge the knowledge gap in the current literature.

Keywords: Awareness, knowledge, skills and abilities (KSA), change attitude, training, accrual-based budgeting.