

# The Malaysian Public Sector Accounting Standards (MPSAS) Adoption among Malaysian Statutory Bodies: A Literature Review with a Future Research Direction

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## Abstract

**Purpose:** This study reviews literature on accrual accounting implementation in the public sector with a specific focus on studies that are related to Malaysian Public Sector Accounting Standards (MPSAS).

**Methodology:** 73 journal articles between 1998 and May 2022 were reviewed, in addition to relevant conference papers, government documents, such as circulars, and legal records, including Acts of Parliament or statutes.

**Findings:** Resultantly, two interrelated gaps in the existing MPSAS adoption literature were revealed. The first gap was due to research scarcity on statutory bodies while the second emanated from legal factors influencing MPSAS adoption among statutory bodies. Accordingly, a future research direction was proposed to investigate the factors influencing the MPSAS adoption level among Malaysian statutory bodies. Simultaneously, several pertinent areas, including degrees of complexity, technical factors, political elements, cultural aspects, and legal facets were highlighted to Malaysian statutory bodies when adopting the MPSAS to enable smooth MPSAS implementation.

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**Originality/Value:** This review is one of the first to examine literature related to MPSAS as prior reviews were on accrual accounting in the public sector in general or International Public Sector Accounting Standards (IPSAS).

**Keywords:** Accrual accounting, MPSAS, statutory bodies, Malaysia.