

The Presentation Formats of Local Authorities' Financial Statements: Malaysia Evidence¹

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Abstract

Malaysia is experiencing rapid development with a vision of becoming a fully developed nation by 2020. In order to achieve this, an efficient financial management system is required in all government agencies including the local authorities. The efficiency depends on the effectiveness of the financial management and the quality and reliability of the financial reports prepared. A study was carried out to compare the formats of financial statements formats adopted from 2004 to 2008. 75 local authorities (out of 96 local authorities in West Malaysia) responded by sending their audited financial statements. The trend analysis revealed that the local authorities were not consistent in the formats adopted.

Keywords: Local authorities, public sector accounting, financial reporting analysis, accounting transformation, Malaysia.