

## Change Towards Accrual Accounting: Perception of Top Management in the Malaysian Federal Government <sup>1</sup>

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### Abstract

Accrual accounting is believed to have power in enhancing financial accountability and providing better asset-liability management. Most developed countries that have successfully adopted accrual accounting exhibit that the change process has to be properly managed to ensure successful implementation of the new accounting system. One of the most critical factors for successful transitions towards accrual accounting is the commitment to change among the public sector accountants. This paper presents findings from a study on the perception of top management in ministries of Malaysian Government on its effort towards transforming governmental accounting system to full accrual in 2015. Interview surveys were conducted with the targeted respondents. Among the findings is evidence of strong support from the top management and organisational leadership. However, level of readiness and commitment across ministries varies. Key recommendations from the study includes active promotion of change programme to policy makers and senior officials, detail action plan for ministries, risk management as well as gap analysis on human capital and IT needs.

**Keywords:** public sector transformation, cash to accrual accounting, change management, organisational commitments