

## Issues and Challenges in Accounting for Infrastructure Assets in the Malaysian Government and the Way Forward

Che Ruhana Isa\*, Haslida Abu Hasan, Zakiah Saleh

*Department of Accounting, Faculty of Business and Economics,  
Universiti Malaya, Kuala Lumpur, Malaysia*

\*Corresponding Author: [cruhana@um.edu.my](mailto:cruhana@um.edu.my)

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### Abstract

**Purpose:** The current study seeks to examine the issues and challenges encountered by the Malaysian government accounting staff in recognising and measuring infrastructure assets. Additionally, recommendations for further actions by the Accountant General's Department of Malaysia (AGD) and suggestions for future research were delineated.

**Design/ Methodology/ Approach:** This study employed a qualitative approach through archival search and semi-structured interviews. Interviews were conducted with 52 government staff representing 10 ministries, three state governments, and three local governments. The respondents were selected through purposive sampling and snowballing techniques.

**Findings:** Accounting for infrastructure assets in Malaysia adheres to Malaysian Public Sector Accounting Standards (MPSAS) 17 and several other government guidelines. Several ministries experienced difficulties in identifying the infrastructure assets due to lack of clarity in the definition and flexibility of the current accounting standards and guidelines. Moreover, the unique features of infrastructure assets, namely a long useful life and being part of an asset system or network, led to challenges in recognition and measurement.

**Practical Implications:** The findings provided several practical recommendations for the AGD's understanding of the issues and challenges encountered by the accounting staff, which would assist in formulating policies and guidelines for infrastructure asset accounting.

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**Originality/ Value:** The present study significantly contributed to the existing body of literature on accounting for infrastructure assets which remains scarce in Malaysia.

**Keywords:** Infrastructure assets, recognition, measurement, IPSAS 17, MPSAS 17.