

Challenges in Constructing a Commercial Public Sector Entity Definition Framework in Malaysia

Erlane K Ghani^{1,*}, Fazlida Mohd Razali², Azleen Ilias³, Kamaruzzaman Muhammad⁴

^{1,2,4} Faculty of Accountancy, Universiti Teknologi MARA, Puncak Alam, Selangor, Malaysia

³ College of Business Management and Accountancy (COBA), Sultan Haji Ahmad Shah Campus, Universiti Tenaga Nasional, Muadzam Shah, Pahang, Malaysia

*Corresponding Author: erlanekg@uitm.edu.my

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Abstract

Purpose: This study aims to examine the challenges in constructing a commercial public sector entity definition framework in Malaysia.

Design/ Methodology/ Approach: This study employed a qualitative methodology, specifically utilising interviews as the primary data collection method. The participants in this study were individuals affiliated with public sector organisations in Malaysia. A total of 23 individuals were involved in this study.

Findings: This study identified ten primary challenges surrounding the construction of a commercial public sector entity definition framework in Malaysia. The ten issues comprise the legal identity of an entity, controlling party, internationally recognised accounting standards for private companies, the future of Malaysian Public Sector Accounting Standards (MPSAS), threshold setting in categorising entities, guidelines on the application of accounting standards, profit distribution of entities, Malaysian Accounting Standard Board (MASB) mandate, government funding, and establishment. These ten issues were evaluated to determine the definition of a commercial public sector entity (CPSE).

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Research Limitations/ Implications: The implications of the study's results highlight that it is necessary to assess these issues prior to developing the framework for defining commercial public sector firms. This assessment is crucial to guarantee that the framework aligns appropriately with the scope of public sector entities in Malaysia.

Practical Implications: The implications of the study's results suggest the potential for developing a framework for defining commercial public sector entities within Malaysia.

Originality/ Value: This study is the first attempt towards constructing a commercial public sector entity definition framework in Malaysia.

Keywords: Commercial public sector entity, definition, framework, public corporation, Malaysia.