

The Influence of Accrual Accounting Usage on Sustainable Development Goals (SDG) through *Maqasid Shariah*

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Abstract

This study aims to explore the influence of accrual information usage on achieving Sustainable Development Goals (SDG) in accordance with maqasid shariah. Conducted qualitatively, it involved interviews with accountants from Malaysian Ministries and Local Authorities (PBT), followed by thematic analysis. The findings reveal that utilising accrual information in these entities significantly influences strategies related to SDG and maqasid shariah principles. The varied benefits indirectly contribute to SDG attainment, aligning with Malaysia MADANI's overarching policy framework, embracing six core principles: sustainability, care and compassion, respect, innovation, prosperity, and trust. This study recommends regular comprehensive reporting rooted in SDGs and maqasid shariah, highlighting its relevance. Moreover, it emphasises how accrual information usage shapes the implementation of SDG strategies in line with maqasid shariah, supporting the national government framework.

Keywords: Accrual, SDG, Maqasid Shariah

Introduction

The Malaysian government has implemented financial reforms under the Economic Transformation Program since 2011, including the transition to accrual accounting at the federal level, aimed at ensuring transparency and accountability. The Public Sector Transformation Policy in the New Economic Model also targets the full implementation of accrual accounting. The 2019 Budget by the Ministry of Finance indicated the government's commitment to entirely adopt accrual accounting to ensure clearer reporting of debts and liabilities for better governance.

Furthermore, in line with the International Public Sector Accounting Standards (IPSAS), accrual-based reporting and accounting for debts and liabilities are mandated. These debt reports comply with the Public Sector Debt Statistics procedures set by the International Monetary Fund (IMF). Consequently, this supports fiscal policy management, monetary policy, and overall governance improvement. The benefits of accrual accounting implementation are widely acknowledged. However, the success of this implementation hinges on its optimal use in decision-making towards best financial management practices and increased efficiency.

Hence, this study is poised to investigate the impact of accrual accounting information usage on SDGs based on *maqasid shariah*. It aims to fortify the transition process to accrual accounting in shaping the framework and implementation for optimizing the benefits obtained. Past studies emphasize that solely implementing accrual accounting is insufficient; the crucial aspect lies in utilizing information derived from accrual accounting to manifest its impact. Ultimately, the effective use of accrual accounting can support endeavors to achieve Sustainable Development Goals (SDGs) through sound financial management and comprehensive, transparent reporting. This study is believed to enhance

stakeholders' trust in the reliability and validity of the accrual accounting system. It specifically focuses on the impact of accrual-based accounting on Sustainable Development Goals (SDGs) based on *maqasid shariah*.

Literature Review

This chapter reviewed relevant literature focusing on three aspects, these are: a) accrual accounting, b) Sustainable Development Goals (SDG) and c) *maqasid shariah*.

Accrual Accounting in the public sector forms the foundation for reporting the government's financial position and performance, aiming for more accurate and transparent reporting. The transition from modified cash accounting to accrual accounting moves towards more efficient and effective fiscal management (JANM, 2014). The use of accrual-based accounting by the government is a crucial element in transforming bureaucratic cash-based administration into a more informative financial management system (Al-Tholaya, 2013). This is to ensure comprehensive, reliable, and meaningful financial information for accountability and decision-making.

Cash Basis and Accrual Basis accounting relate to recognition, determining when a transaction will be recognized. Recognition becomes a significant issue as it can affect an organization's financial position and performance for a specific period. Cash basis accounting refers to recognition based solely on cash receipts or payments. This means that if a transaction involves deferred receipts or payments, the transaction will not be recognized (recorded) until the cash is received. In this basis, reconciliation records are unnecessary and the practice is straightforward. Accrual basis, on the other hand, recognizes transactions at the time they occur, considering benefits as the recognition basis. Benefits here include both cash and non-cash (JANM, 2014).

In Japan, accrual accounting has been implemented since 2003 to provide a comprehensive view of financial positions, particularly in revenue, expenditure, and government performance assessment (Fukiya, 2016). According to Tran & Noguchi (2020), most Local Authorities in Japan have adopted accrual accounting since 2009, although not mandatory. Some began as early as 2001, affecting local authorities efficiency. Asset management deficiencies and the disparity between cash basis accounting in budgeting alongside accrual basis accounting have been identified as causes of inefficiency. Conversely, Lampe et al. (2015) proved that accrual accounting practices positively impact efficiency, especially in cost matters among Local Authorities in Germany. Therefore, even with the use of accrual accounting, strategic asset management needs to be optimized, and the use of accrual-based budgets should be maximized to ensure efficiency in the public sector.

In developed countries like the United Kingdom, Australia, Sweden, Switzerland, and New Zealand, among those known, the implementation of accrual accounting since the early 90s has proven to increase public sector efficiency. For instance, in New Zealand, the adoption of accrual accounting after an economic downturn and debt crisis proved their success in overcoming financial crises (Yuliati et al., 2019). Past studies also show that accrual accounting is used in budget development, asset and liability management, performance assessment, and accountability disclosure. While findings vary, the advantages of accrual accounting are undeniable (Basnan et al., 2013; Tran & Noguchi, 2020). Technical issues, including inaccurate asset valuation, lack of qualified staff, limited knowledge of accrual accounting, and IT problems, have been identified as hindrances to successful accrual accounting implementation (Alghizzawi & Masruki, 2020; Ismail et al., 2018; Ritonga, 2016; Saleh et al., 2012).

Previous studies found that information derived from accrual accounting was highly used in decision-making regarding budgets among Local Authorities compared to asset and liability management and performance assessment (Jainal & Basnan, 2018). Hence, the study provides empirical evidence that experience has a positive relationship with accrual accounting usage in decision-making, while skills show the opposite. Therefore, these factors should be addressed by authorities and top management in the public sector to maximize the benefits of accrual accounting as in other developed countries. Other factors influencing accrual accounting implementation availability have been identified in past studies, including human resources, information technology, and organizational culture (Yuliati et al., 2019; Indriani et al., 2018; Ahmad, 2016; Atan & Yahya, 2015).

According to Maliah et al. (2016), research on accounting issues and practices in government institutions in Malaysia is still insufficient. Initial studies by Abdul Rahman and Goddard (1998) identified the need for more detailed accounting practice guidelines and the absence of such detailed guidelines. However, these studies focused on specific accounting contexts for State Islamic Religious Councils (MAIN), which are unique entities administered by state governments in the Islamic context. Masruki et al. (2020) affirmed that religion-based organizations affect reporting content, similar to findings by Jayasinghe & Soobaroyen (2009) for Hindu and Buddhist-based organizations. The uniqueness of each organization indicates the need for more detailed guidelines for consistency in reporting. This uniformity offers internal management benefits, including year-to-year comparisons, performance management, and more effective decision-making. Lack of uniformity makes information somewhat challenging to understand and use (Connolly & Hyndman, 2006). However, Masruki et al. (2018) found that mandatory reporting issues are related to reporting inconsistency due to enforcement and guideline deficiencies.

Based on the experiences of countries that have implemented accrual accounting in the public sector for over 20 years, inconsistencies still exist. These inconsistencies include aspects related to accounting and reporting heritage assets, defense assets, and public infrastructure assets. Resolving issues related to the recognition of these assets depends on their defined characteristics and the considerations of the involved countries. Issues concerning accounting and reporting heritage assets, defense assets, and public infrastructure assets might also arise when Malaysia transitions to accrual accounting (Basnan et al., 2012). Despite that, past studies emphasize the importance of accrual accounting usage in the public sector, which should surpass the mere implementation of accrual accounting alone. It has been proven in developed countries like New Zealand, the United Kingdom, Japan, and Germany (Tran & Noguchi, 2020; Yuliati et al., 2019; Lampe et al., 2015). The impact of information derived from accrual accounting subsequently supports efforts to achieve SDGs based on *maqasid shariah* (Masruki and Hanefah, 2021).

Sustainable Development Goals (SDG); The United Nations (UN) at the UN General Assembly in September 2015 in New York, United States, introduced the SDGs to be achieved by 2030. According to Bebbington and Unerman (2018), the SDGs garnered attention and support from a majority of UN member countries, including governments, NGOs, public sector organizations, and the private sector, including businesses and professional bodies.

Consequently, research on SDGs has emerged in various fields, including finance, business, and management (Annan-Diab & Molinari, 2017; Schaltegger et al., 2017; Storey et al., 2017). Some of this research identifies and develops development efforts toward the SDG framework in shaping organizational policies and activities. Similarly, in

accounting literature, the potential and effectiveness of SDGs have become increasingly popular (Bebbington & Unerman, 2018).

In this study, the research group asserts that public sector accounting personnel should play a crucial role in assisting the implementation of accrual accounting policies within organizations in line with efforts to contribute to SDG achievement. Accrual accounting information is more transparent and comprehensive and can aid policymakers in assessing whether specific SDG objectives have been attained. For instance, SDG 1, the eradication of poverty within a country, could be achieved if financial management is well-handled through accrual accounting financial reporting, contributing to the aim of poverty eradication.

Nik Wan (2005) explains that accrual accounting can offer the best accounting benefits in managing organizational resources. Additionally, past studies have found that accrual accounting can enhance public sector accountability through transparent reporting of actual expenditure costs and government outcomes. This contrasts with cash-based accounting, demanding a shift to accrual accounting through its usage impact, which can support efforts towards SDG achievement.

The SDG for 2030 outline 17 goals, and some relevant SDGs in the context of accrual accounting are believed to be; i) SDG 1 and SDG 2: Absolute poverty and zero hunger – accrual accounting can report financial positions more accurately, with a balanced fiscal discipline believed to support prudent budgets and contribute to socio-economic impacts; ii) SDG 11: Sustainable cities and communities – with Local Authorities having used accrual accounting for over 20 years, they should be more capable of managing finances prudently to improve community life quality and local development; and iii) SDG 16: Peace, justice, and strong institutions accrual accounting can provide a more comprehensive and accurate view of the financial positions of public sector institutions.

Therefore, local newspaper reviews emphasize integrity, corporate governance, politics, public sector administration, and law enforcement as key principles in achieving SDG 2030. The implementation of accrual accounting is seen as part of the effort towards SDG 2030, aligned with accrual accounting objectives (JANM, 2014). Principally, this study will examine the practice of implementing accrual accounting by assessing its impact on SDGs based on elements outlined in *maqasid syariah*.

Maqasid Shariah; The term "*maqasid*" originates from the Arabic word meaning principles, aims, objectives, intentions, or goals (Kasri & Ahmed, 2015). Combined with the term "*al-shari'ah*," Abdul Aziz and Mohamad (2013) defined it as "...the purpose and objective for Islamic legal legislation or simply the objectives of Islamic law...". Imam Al-Ghazali divided *maqasid al-shari'ah* into five crucial elements, comprising religion, life, intellect, lineage, and wealth (Ascarya & Sukmana, 2014; Bedoui, 2012). *Shariah maqasid* indicators are developed to achieve individual and public interests (Abubakar, 2016). This forms the basis for designing regulations within the Islamic economic system that comprehend values, measures, and standards (Abdullah, 2012).

The *shariah* objectives (*maqasid syariah*) aim to seek goodness and prevent all forms of harm (*jalb al-manfa'ah wa daf' al-madarrah*) to society's life irrespective of religion and nationality (Fisol and Hassan, 2019). Every aspect of human life has objectives and goals to ensure the universal welfare (*maslahah*) of humanity is preserved from all forms of corruption and oppression in line with the comprehensive Islamic *shari'ah*. This encompasses the preservation of religion (*al-din*), the preservation of life (*al-nafs*), the preservation of intellect (*al-'aql*), the preservation of lineage (*al-nasb*), and the preservation of wealth (*al-mal*) within the scope of the main categories in *maqasid syariah*, namely necessities (*daruriyyah*), needs (*hajiyyah*), and enhancements (*tahsiniyyah*) (Al-Ghazali, 1998). According to Fisol and Hassan

(2019), the 2019 budget presented by the Malaysian Government aligns with *shariah* objectives (*maqasid syariah*) towards seeking goodness and preventing harm to ensure justice and the welfare of the people, regardless of nationality and religion. Past studies also state that effective accounting management through alignment strategies in Islamic finance has a positive impact on enhancing *maqasid syariah* (Laela et al., 2018).

The concept of *maqasid syariah* is widely used in the field of Islamic financial systems, particularly in examining the performance of Islamic banking (Ascarya & Sukmana, 2014; Hamid et al., 2016; Mohamad, Ali, & Sharif, 2016). This concept has also been studied to examine the non-financial industry (Hanefah et al., 2021). It has been carefully utilized to observe healthcare procedures and healthcare facilities (Ismail et al., 2016). Furthermore, it has been used to measure non-profit organization performance (Kamaruddin et al., 2021) and to design human development models (Oladapo & Rahman, 2016). Several research studies in the public sector have also used this concept to measure public sector employee performance (Mohamad et al., 2016) and the ethical performance vision in Islam (Bedoui & Mansour, 2014).

In discussing the diversity of disciplines, politics, and national policies, generally, *maqasid syariah* has been widely elucidated and become a common term among the public (Yunos, 2019). This is because the term *shariah* itself has five objectives that are principles of *maqasid syariah*, which are to preserve and protect i) religion, ii) life, iii) intellect, iv) lineage, and v) wealth, while any form of protection is closely related to the *maslahah* (interests) (Fisol & Hassan, 2019). Past studies conclude that safeguarding public interests based on Shariah is highly demanded for the greater good of all (Zakariyah et al., 2017). In the context of this study, examining the transition to accrual accounting, involving policy changes - the Malaysian Public Sector Accounting Standard (MPSAS), focuses on how the use of accrual accounting in Malaysia impacts the SDG based on *maqasid syariah*.

This study is believed to further strengthen the National Accountant Department's efforts in fully implementing accrual accounting by 2021. Thus, the success of accrual accounting practice is not solely based on implementation but more crucially on the use of accrual accounting information (Jainal and Basnan, 2018). Such information yields transparent reporting that can be utilized in financial management decision-making, subsequently supporting the achievement of SDG strategies in the public sector.

Research Method

This study was conducted using a qualitative approach employing the Focus Group Discussion (FGD) method involving accountants from two ministries and one local authority (PBT) in Malaysia. For data collection, two methods were employed in this study: literature review and FGD. In the first method, a review of past studies was conducted by comparing accrual accounting practices related to the discussed aspects. This was followed by a focus group discussion with five respondents conducted online via the Google Meet platform considering COVID-19 pandemic. Two interview sessions were held, the first on June 21, 2021, involving accountants at the ministry level, and the second session with accountants and assessors from the PBT. Each FGD session lasted approximately one to two hours, aiming to gather further information and obtain a clearer picture of the accounting information's usage.

Every conversation was recorded by the researcher, with consent from the involved officials, and later transcribed for data analysis and future reference. The researcher also kept contemporaneous notes during the focus group discussion sessions. Additionally, the researcher compared these notes with the transcripts to ensure that the information obtained from oral discussions and recorded notes was consistent with the transcripts. If

the information gathered from the focus group discussions was insufficient or required further clarification, the researcher reached out to the involved accountants and assessors via phone or email to obtain the necessary information.

Table 1. Background of Interviewees

Participants	Gender	Entities	Department	Designation
K1-A	Male	Ministry (K1)	Accounts	Accountant
K1-B	Female	Ministry (K1)	Accounts	Accountant
PBT1-C	Male	Local Authority (PBT1)	Treasury	Chief Accountant
PBT2-D	Female	Local Authority (PBT2)	Finance	Accountant
PBT1-E	Male	Local Authority (PBT1)	Valuation & Property Management	Chief Valuer

Result and Discussion

The success of implementing accrual accounting depends on how much the accounting information generated from accrual accounting is used. The findings of this study demonstrate that the impact of accrual accounting practices can be beneficial when used in decision making within the public sector, in particular examining the influence of accrual information on SDG through *maqasid syariah*. The results indicate that among the SDGs, several are believed to be relevant in the context of accrual accounting.

For instance: i) SDG1 and SDG2: Extreme poverty and zero hunger - Accrual accounting allows for more precise financial reporting with balanced fiscal discipline, believed to support economical budgets contributing to socio-economic impacts. ii) SDG11: Sustainable cities and communities - Local Authorities (LA) have utilized accrual accounting for over 20 years, enabling more economical financial management to enhance community living standards and local development. iii) SDG16: Peace, justice, and strong institutions - Accrual accounting can provide a comprehensive and accurate financial status overview of the public sector institutions.

The study findings highlight that LAs were ahead in practicing accrual accounting compared to ministries. LAs mentioned they began preparing reports for each SDG, and a connection between both aspects of accrual accounting implementation and the use of accrual information could be indirectly observed. Conversely, from the perspective of ministry participants, accrual accounting seemed less prioritized, and the direct link between SDGs and accrual accounting wasn't explicitly acknowledged.

In contrast, participants from the Klang Valley LAs involved in the FGD encouraged the preparation of Voluntary Local Review (VLR) reports for performance evaluation. This was evidenced by local news reports indicating that these LAs had reported SDG targets and indicators up to 2030 (Utusan, 2021). Hence, it can be concluded that all the participating LAs agreed that the accrual accounting they practice indeed impacts SDGs, albeit indirectly. The following are expressions from Participant K1-B regarding the correlation between accrual accounting and SDG:

"This is also my first time hearing about the connection between SDGs and accrual accounting. In my view, perhaps indirectly, there's a connection. For instance, SDG 1: Indirectly, accrual accounting establishes transparent transactions. This, in turn, can

prevent wastage of resources or funds that could be used for more critical societal development for the less privileged."

Additionally, Participant K1-A agreed and commented:

"It's true, indirectly, accrual accounting is linked to SDGs. For example, our ministry is directly involved in managing national security assets. This can be linked to SDG 11: Sustainable cities and communities. Through the use of accrual accounting information/system, our department can enhance the nation's security level. The police's assets and others can be upgraded using an efficient system. The performance of these assets can also be monitored periodically.

For instance, police cars, these are assets, and as we can see now, many police cars have been upgraded to more reliable brands, capable of competing with criminals. In the past, chasing criminals was quite challenging due to less competitive vehicles. Weaponry has also been upgraded in line with the current global situation, contributing to SDG 16: Peace, justice, and strong institutions. Accrual accounting should be able to provide a more comprehensive and accurate financial status overview of public sector institutions."

The FGD participants also felt that several other SDGs were being practiced in their organizational management. Some of the LAs mentioned other SDG beyond environmental agendas; they also focused on community welfare and comprehensive economic growth. Examples related to SDG 1: No poverty - The obligation of LAs to ensure no poverty in local communities. For instance, through regulated stall rentals at significantly lower rates compared to the general market rates.

Moreover, SDG 2: Zero hunger - LAs have extensive powers to ensure the organization and planning of an area to guarantee humane access to essential goods at reasonable prices. For instance, establishing night markets becomes an obligation in densely populated areas. Rapid development in an area leads to increased living costs. Thus, the existence of night markets rented at affordable prices by LAs will revitalize an area and ensure no occurrence of hunger within the community. Additionally, SDG 3: Good health and well-being - Ensuring the well-being of the local community through the services offered. SDG 11: Sustainable cities and communities - LAs provide cleanliness services and ensure a pleasant environment to ensure community comfort.

The views expressed by the FGD participants align with past studies, stating that local governments are ideal organizations to identify individuals living in poverty within LA areas. The responsibility of LAs for basic local services, such as water and sanitation, involves related development agencies in achieving SDG 1. According to Dr. Azmizam Abdul Rashid, Deputy Chief Executive Officer, Urbanice Malaysia under the Ministry of Housing and Local Government (KPKT), LAs can also play a role by developing local economic strategies to create jobs and increase income.

Moreover, he stated that SDG 2 from the LAs perspective could support local production agriculture and economic growth by strengthening transportation infrastructure and markets to encourage the local food chain. LAs must ensure their residents can afford to buy and cook safe, affordable, and nutritious food. SDG 11 emphasizes improving people's quality of life,

development equality, and environmental preservation. This aligns with the commitment to the global sustainable development agenda (Rashid, 2018). LAs were also seen to stand out in implementing SDGs because of their closer role with the local community compared to ministries.

In conclusion, this study highlights a more transparent reporting aspect by practicing accrual accounting within the public sector, ultimately supporting efforts towards achieving SDGs. Specifically, the implementation and impact of accrual accounting in enabling more transparent and comprehensive financial management and reporting can materialize the efforts towards achieving SDG 2030 in line with the targeted objectives of accrual accounting set by the Malaysian government (JANM, 2014).

Meanwhile, the *shariah maqasid* has been extensively elaborated upon because the term "*shariah*" itself comprises five objectives that form the principles of *shariah maqasid*, namely to preserve and protect i) religion (*al-din*), ii) life (*al-nafs*), iii) intellect (*al-aql*), iv) lineage (*al-nasb*), and v) wealth (*al-mal*). Any form of protection is closely related to *maslahah* (benefit). Past studies concluded that safeguarding public interest by adhering to *shariah* is highly demanded for the benefit of the entire world (Zakariyah et al., 2017).

Examining the transition to accrual accounting, involving policy changes - the Malaysian Public Sector Accounting Standard (MPSAS) - targeting various benefits. Based on the FGD findings, initially, the participants couldn't grasp the relationship between SDGs, *shariah maqasid*, and accrual accounting. However, considering the five elements of *shariah maqasid* itself, it actually correlates with accounting functions. Participant K1-A stated that:

"From my perspective, it's a bit challenging for me to understand the link between shariah maqasid and accrual accounting. Since my educational background isn't in religious studies. But I agree that looking at the items or elements of shariah itself conveys very positive meanings to society. Perhaps, I can relate shariah elements like religion to accrual accounting: For example, the enforcement by agencies/sections under this ministry helps preserve Islam. Materials like printing, publishing, and filmmaking all require permission from us to safeguard religion. Other examples also relate shariah elements like lineage to accrual accounting, such as the National Registration Department (JPN). All transactions and information related to income/expenditure involve the use of accrual accounting. To some extent, it can be seen that the use of accrual accounting is crucial and related to SDGs, which indeed aligns with the shariah maqasid elements."

Participant K1-B also concurred, stating:

"True. I agree that shariah maqasid has connections with both SDGs and Accrual Accounting. Perhaps, there are many more examples that we can see in the future."

Aligned with the concept of *shariah maqasid* derived from Islamic ontology and epistemology with the *Quran*, *Sunnah*, *Ijma'*, and *Qiyas* as fundamental sources of decisions (Said et al., 2018). *Shariah maqasid* encompasses human activities as a form of worship, where these activities are carried out through a set of operations. According to Imam Ghazali, the objective of *shariah maqasid* is to protect the well-being of the public by preserving their faith (*deen*), lives (*nafs*), intellect (*aql*), lineage (*nasb*), and wealth (*mal*) (Kamaruddin et al., 2021; Fisol & Hassan, 2019). The underlying theme is to realize benefits for society (*maslahah*) or public interest. These five factors fall under *dharuriyyah* or Necessity. Through the *shariah*

maqasid approach that includes the basics of preservation and protection (Dusuki & Bouheraoua, 2011).

By applying *shariah maqasid* elements, the use of accrual accounting information can be more effectively implemented so that it can be felt fairly and equitably by all layers of society. Participant PBT1-C also added that the application of *shariah maqasid* elements should be practiced in providing accrual accounting, encompassing the principles of trustworthiness, fairness, and transparency in reporting and decision-making. Meanwhile, K1-A emphasized that compliance with policies is paramount in this reporting, aligning with Islamic principles towards transparent reporting. In line with SDG 16: Peace, justice, and strong institutions, the proper use of accrual accounting should result in reporting that can provide a comprehensive overview of the financial position of public sector institutions more accurately and reliably.

Furthermore, sound financial management resulting from the use of accrual information also supports various strategies within the SDG, which inherently align with *shariah maqasid* elements to ensure justice and the welfare of the people in advancing the *shariah maqasid* (Laela et al., 2018; Fisol & Hassan, 2019). The study's findings also imply the alignment between the utilization of accrual accounting in Malaysia's public sector and the six principles outlined in Malaysia MADANI's policy framework.

- a. Sustainability: the implementation of accrual accounting supports sustainable financial management practices, ensuring long-term resource allocation aligned with Sustainable Development Goals (SDG) and *maqasid shariah* objectives.
- b. Care and compassion: by leveraging accrual information, public sector entities can make informed decisions that prioritize societal welfare and address community needs, reflecting care and compassion in resource allocation and service delivery.
- c. Respect: accrual accounting facilitates transparent and accurate financial reporting, instilling trust and respect among stakeholders, as it ensures accountability and ethical use of public funds.
- d. Innovation: the study highlights how accrual accounting practices foster innovation in financial management strategies within government agencies, encouraging adaptive and progressive approaches towards achieving SDGs.
- e. Prosperity: the effective use of accrual information enables better financial planning and resource allocation, ultimately contributing to economic prosperity by optimizing public expenditure for developmental initiatives.
- f. Trust: through transparent and comprehensive reporting facilitated by accrual accounting, trust is nurtured among citizens and stakeholders, instilling confidence in the government's financial management and decision-making processes.

The study's insights reinforce the significance of accrual accounting in upholding the principles advocated by Malaysia MADANI, showcasing its role in promoting ethical, transparent, and effective financial management practices within the public sector, thereby advancing national development goals.

Conclusion

Overall, this study confirms that the use of accrual accounting information within ministries and local authorities supports the examination of strategies found in SDGs and elements of *maqasid shariah*. Participants strongly agree on the significant role of accrual information, not limited to the implementation of accrual accounting alone. Hence, this study

contributes to existing literature on accrual accounting research. Additionally, it fills a gap in past research by examining the influence of accrual accounting information usage on SDG strategies within the public sector. The findings of this study could serve as a guideline for authorities, especially in ensuring the optimal use of accrual information in decision-making crucial for the success of accrual accounting implementation. By understanding its impact among public sector employees, the government can further enhance related training and identify any constraints to strengthen accrual accounting implementation as a norm. Finally, through the use of accrual information within the public sector, indirectly supports the achievement of SDG, thereby enhancing *maqasid syariah*.

Therefore, both the ministry and local authorities support an integrated SDG reporting framework based on *maqasid syariah* in line with Malaysia MADANI's overarching policy framework, embracing six core principles: sustainability, care and compassion, respect, innovation, prosperity, and trust. This study is an avenue for future study by comparing different sectors or regions within the public sector to assess the varying impacts of accrual accounting on SDG achievement and *maqasid syariah*. It could provide valuable insights into further understanding the impact of accrual accounting on SDG and *maqasid syariah* within the public sector, contributing to the enhancement of policy frameworks and practices of Malaysia MADANI slogan.

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