The Relevance of Public Sector Accounting Subject in Malaysian Universities: A Conceptual Framework for Accounting Graduate Quality

Patrick Anak Atan*[1] , Saripah Sinas[2]

Universiti Teknologi MARA, Sarawak

***Corresponding Author**

DOI: https://doi.org/10.47772/IJRISS.2026.100900917

Received: 11 October 2026; Accepted: 16 October 2026; Published: 27 October 2026

ABSTRACT

Public Sector Accounting (PSA) education is relevant to accounting curricula in Malaysia universities. Government agencies, statutory bodies, public universities and other universities and other government linked organisations require accounting graduates with knowledge of public financial management, accountability and financial reporting. The continued development and implementation of Malaysian Public Sector Accounting Standards (MPSAS), further highlight the need for graduates with relevant public sector accounting skills and knowledge. However, PSA requirements may not be adequately integrated into university accounting programmes. This may limit graduates' preparedness for public sector accounting needs and a more holistic accounting education. This conceptual paper examines the relevance of PSA education in Malaysian university and proposes a framework linking curriculum relevance, MPSAS knowledge, practical exposure and teaching methods to accounting graduate competence. Drawing on Human Capital Theory, Experiential Learning Theory and Institutional Theory, the paper develops four propositions on the relationships between education factors and graduate competence. The proposed framework aligns with Malaysian PSA requirements with higher education and key factors that may strengthen accounting graduate competence. The framework contributes to accounting education literature and provides a foundation for future empirical research and curriculum development.

Keywords: Public Sector Accounting, Malaysian Public Sector Accounting Standards, Accounting Education, Graduate Competence, Public Financial Management, Experiential Learning.

INTRODUCTION

Accounting education serves as the structural foundation for developing the specialized knowledge, technical proficiencies, and professional competencies required by graduates in modern employment environments. While conventional university accounting curricula heavily privilege private-sector fields like commercial financial reporting and taxation, the distinctive financial management and operational structures of government entities demand the integration of dedicated public sector accounting (PSA) modules. Unlike private-sector entities that focus primarily on profitability, public institutions prioritize absolute accountability, legislative budgetary control, and the transparent stewardship of collective national resources to satisfy the information needs of citizens and legislatures (IFAC, 2014; IPSASB, 2023).

Within the Malaysian higher education ecosystem, the relevance of PSA training has intensified following the strategic shift toward accrual accounting overseen by the Accountant General's Department (JANM, 2023). This modernization is formalized in the *Malaysian Public Sector Accounting Pronouncements Handbook*, which adapts international benchmarks into localized Malaysian Public Sector Accounting Standards (MPSAS). Educational deficiencies or a complete lack of exposure in these areas can severely restrict a graduate's capability to execute state-level transactions, a pedagogical challenge that mirrors international curriculum constraints identified by Adam et al. (2020) and Karatzimas et al. (2022).

Thus, constructing a robust conceptual framework is necessary to evaluate how specialized university instruction influences graduate competency. This framework integrates four predictive educational inputs: curriculum relevance, MPSAS knowledge, experiential teaching methods, and practical exposure. To model these paths rigorously, the framework synthesizes Human Capital Theory (Becker, 1964) to analyze capability enhancement, Experiential Learning Theory (Kolb, 1984) to capture reflective application, and Institutional Theory (North, 1990) to justify regulatory alignment. Together, these elements form a cohesive theoretical foundation for evaluating graduate readiness.

Thus, this conceptual paper addresses the following objectives:

1. To review the relevance of PSA education in Malaysian universities concerning MPSAS and public financial management requirements.

2. To construct a conceptual framework associating curriculum relevance, MPSAS knowledge, teaching methods and practical exposure with accounting graduate quality.

3. To generate theoretically grounded propositions for future empirical research on PSA education and accounting graduate competence in Malaysia.

LITERATURE REVIEW AND THEORETICAL FOUNDATION

Public Sector Accounting Education

PSA education encapsulates the structural principles and methodologies required to systematically track, record, report, and analyze financial resources across government entities. Moving beyond commercial frameworks, PSA education addresses unique statutory institutional responsibilities, public resource stewardship, and rigorous democratic accountability demands (IPSASB, 2023). Comprehensive literature reviews by Karatzimas et al. (2022) and Pauluzzo et al. (2024) validate that tertiary programs must look past basic compliance bookkeeping to develop multi-dimensional graduate competencies.

Consequently, modern university curricula must integrate sophisticated public financial management components, covering accrual-based MPSAS, government budgeting, infrastructure service concession accounting, and multi-entity consolidated reporting. Mastering these specialized areas equips accounting graduates with the technical capability and analytical reasoning required to bridge old academic gaps and solve realistic institutional anomalies (Coy & Pratt, 2001). Under the structural guidance of the Accountant General's Department (JANM, 2023) mandates, higher education institutions must apply principles of constructive alignment to tie these rigorous standards directly to active case simulations and assessment loops (Biggs, 1996; Biggs & Tang, 2011). This holistic pedagogical integration ultimately shapes the technical, practical, and ethical capabilities necessary to manage Malaysia's public finances.

Relevance of PSA Education in Malaysian Universities

The relevance of PSA education for Malaysian universities can be seen through its educational, professional and societal contributions. Educational relevance involves incorporating university programs with recent developments in public-sector financial reporting and accounting standards. Incorporating MPSAS, accrual accounting and public financial management can enrich students' understanding of current accounting practices (AGD, 2023; IFAC, 2018). Such alignment also supports curriculum development consistent with professional and academic expectations (MQA, 2024).

Professional relevance concerns the knowledge and competencies required for public-sector employment. Graduates may be working on financial reporting, budget preparation, financial analysis and auditing activities in future. PSA education provides a foundation for these responsibilities, eventhough workplace experience and continuing professional development remain important for developing practical competence (Adam et al., 2020; Karatzimas et al., 2022).

Societal relevance reflects accounting's contribution to transparency, accountability and responsible public resource management. PSA information supports decision-making and scrutiny of government expenditure, reinforcing the importance of ethical conduct and accountability in accounting education (Coy & Pratt, 2001; IFAC, 2018).

Therefore, PSA education extends beyond technical knowledge to analytical, practical and ethical capabilities. Experiential learning can further strengthen these competencies by connecting theoretical concepts with authentic professional situations (Kolb, 1984). Consequently, Malaysian universities should integrate relevant standards, practical learning and public accountability into PSA curricula to support graduate competence and public-sector needs.

Human Capital Theory

Human Capital Theory posits that specialized higher education acts as a capability-enhancing investment that systematically builds a student's technical knowledge, operational skills, and economic productivity (Becker, 1964; Schultz, 1961). Within PSA education, university coursework assist as a structured capital investment designed to develop specialized financial expertise. By supplying a comprehensive syllabus aligned with national framework benchmarks, universities directly cultivate the distinct professional competencies demanded by public institutions.

Within the proposed framework, the theory explains how curriculum relevance, MPSAS knowledge (JANM, 2023), practical exposure, and experiential teaching methods interact to expand graduate capabilities. While these educational inputs cannot independently guarantee professional competence or immediate employment due to individual variations and workplace dynamics, they establish the vital technical foundation required to navigate institutional realities. Ultimately, Human Capital Theory provides a strong socioeconomic baseline for analyzing how structured PSA training enhances graduate readiness across Malaysian universities, framing educational quality as an active contributor to professional public-sector capability.

Experiential Learning Theory

Experiential Learning Theory (ELT) conceptualises learning as a cyclical process involving concrete experience, reflective observation, abstract conceptualisation, and active experimentation (Kolb, 1984). This cycle indicates that professional accounting education must move beyond static theoretical instruction to provide meaningful, applied learning environments (Kolb & Kolb, 2005; Morris, 2020). By integrating concrete activities with structured reflection, curricula transform passive knowledge into functional capability.

In public sector accounting (PSA) education, ELT serves as the primary mechanism for linking classroom principles with practical government financial management. Realistic pedagogical innovations—such as analysing actual government financial statements, conducting budgeting simulations, and examining MPSAS case studies allow students to systematically contextualise their learning (Apostolou et al., 2013, 2015). This active clear authentic professional practice, allowing learners to identify reporting issues, evaluate alternative treatments, and refine their problem-solving capabilities (Lave & Wenger, 1991). When aligned correctly with intended curriculum outcomes, ELT ensures that practical tasks foster the deep conceptual understanding required to develop capable public-sector graduate competence (Biggs & Tang, 2011).

Institutional Theory

Institutional Theory (DiMaggio & Powell, 1983) enhances Human Capital Theory by explaining how external regulatory expectations, professional standards, and institutional norms shape curriculum relevance. Organizations strategically conform to these institutional pressures to maintain structural legitimacy within their fields. In Malaysian higher education, these forces manifest through national qualification benchmarks like the MQA Programme Standards (MQA,2024) and evolving MPSAS mandates, which dictate the specific knowledge context universities must adopt to prepare graduates for public-sector financial accountability.

However, structural compliance alone does not guarantee student proficiency; universities must actively translate these formal benchmarks into coherent learning tasks and assessment loops using principles of constructive

alignment (Biggs, 1996; Biggs & Tang, 2011). When institutions successfully integrate these elements, their curricula are optimized to translate external demands into actual student capabilities. Ultimately, Institutional Theory isolates the external pressures driving systemic syllabus alignment, while Human Capital Theory explains how this strategic calibration expands a student's technical capacity, operational skills, and workplace readiness.

Integration of the Theoretical Perspectives

Below are the three theories that provide complementary explanations for the proposed framework.

Theory	Main contribution	Application to PSA education
Human Capital Theory (Becker, 1964)	Education and training develop productive knowledge and competency.	Explains the possible contribution of PSA education to graduate proficiency
Experiential Learning Theory (Kolb, 1984)	Knowledge develops through experience, reflection, understanding and application.	Explains the relevance of practical experience and applied teaching methods.
Institutional Theory (North, 1990)	Formal institutions develop behaviour and organisational practices.	Explains the need to align PSA curricula with MPSAS and public-sector needs.

By including these criteria, it provides a theoretical basis to test the curriculum relevance. It proposes that MPSAS knowledge, practical experience, and teaching methods could possibly contribute to public sector accounting proficiency.

The Relevance of Public Sector Accounting Education in Malaysian Universities

Curriculum relevance serves as a critical determinant of educational efficacy by ensuring university accounting programs align closely with the distinct operational and institutional demands of the public sector. Unlike private frameworks, PSA requires comprehensive mastery of public financial management, statutory budgeting, national expenditure, and public accountability mechanisms. Comprehensive reviews by Karatzimas et al. (2022) and Pauluzzo et al. (2024) validate that tertiary institutions must continually adapt their curriculum configurations to keep pace with these evolving regulatory shifts and public administrative competencies.

This educational alignment is structurally optimized through the lens of constructive alignment, which mandates that learning outcomes, active pedagogical tasks, and assessment instruments form a cohesive, interrelated loop (Biggs, 1996; Biggs & Tang, 2011). In this context, curriculum delivery must bypass passive information transmission, focusing instead on active student engagement with real-world public accounting problems. Within the Malaysian higher education landscape, this rigorous calibration satisfies the quality assurance benchmarks and graduate learning outcomes prescribed by the Malaysian Qualifications Agency accounting program standards (MQA, 2024).

Theoretically, this relationship is jointly anchored by Human Capital Theory (Becker, 1964) and Institutional Theory (DiMaggio & Powell, 1983). Human Capital Theory posits that specialized, targeted curriculum content serves as an economic asset that directly expands a student's technical and operational capacities. Moreover, Institutional Theory frames curriculum relevance as an adaptive response to external regulatory expectations, motivating universities to align their syllabus parameters with the formal state accounting apparatus. Deducing from these integrated human capital, institutional, and pedagogical models, the first proposition is advanced:

Proposition 1 (P1): Curriculum relevance is positively associated with students' public-sector accounting competence

MPSAS Knowledge

MPSAS knowledge refers to students' structural comprehension of the Malaysian Public Sector Accounting Standards, encompassing their core principles, recognition rules, measurement requirements, and practical application. This specialized cognitive asset is vital because public entities operate under rigorous transparency, legislative accountability, and resource stewardship frameworks. The Accountant General's Department of Malaysia (JANM, 2023) codifies these institutional benchmarks within the Malaysian Public Sector Accounting Pronouncements Handbook, which governs financial reporting areas like assets, liabilities, revenue, and expenditures. Consequently, a comprehensive mastery of MPSAS provides the necessary baseline for graduates to interpret and report public-sector financial indicators accurately.

Grounded in Human Capital Theory (Becker, 1964) and Institutional Theory (North, 1990), this framework proposes that MPSAS knowledge acts as a vital structural input that positively drives students' public sector accounting competence. The domestic evolution of MPSAS mirrors global shifts toward accrual modernization spearheaded by the International Public Sector Accounting Standards Board (IPSASB, 2024). Broad themes surrounding this evolution are mapped out by Scannell and Tawiah (2024) and systematically reviewed by Schmidthuber et al. (2022). Locally, Azhar et al. (2022) critique MPSAS adoption among Malaysian statutory bodies, highlighting that successful professional execution requires deep awareness of the unique national administrative ecosystem.

Theoretically, Human Capital Theory posits that mastery of complex regulations like MPSAS represents a capability-enhancing capital investment that elevates technical efficacy (Becker, 1964). Concurrently, Institutional Theory frames these standards as formal rules that legally structure organizational reporting behavior (North, 1990). Ultimately, a standards-based education remains incomplete if students cannot translate conceptual rules into practical solutions. Professional competence relies heavily on a graduate's ability to execute this regulatory knowledge when facing real government transactions. Deducing from these integrated human capital, institutional, and empirical perspectives, the second proposition is advanced:

Proposition 2 (P2): MPSAS knowledge is positively associated with students' public-sector accounting competence.

Practical Exposure

Practical experience encapsulates students' opportunities to apply theoretical knowledge through trully PSA activities, including internships, government statement analyses, and case simulations. These realistic encounters enable students to connect abstract classroom concepts with complex government budgeting, financial reporting, and statutory accountability mechanisms. Studies by Karatzimas et al. (2022) and Pauluzzo et al. (2024) validate that PSA education must adapt to evolving professional expectations, utilizing applied exposure to close the gap between classroom theory and real-world institutional demands.

Experiential Learning Theory provides the principal basis for this construct, viewing learning as a cyclical process of concrete experience, reflective observation, abstract conceptualization, and active experimentation (Kolb, 1984). By engaging with actual government data or public-sector training, students systematically reflect on operational procedures and refine their capabilities through active problem-solving. This aligns with the principles of constructive alignment, where pedagogical tasks mirror intended learning outcomes to foster meaningful student engagement (Biggs, 1996; Biggs & Tang, 2011). Locally, this active alignment satisfies the rigorous curriculum frameworks established by the Malaysian Qualifications Agency (MQA, 2024).

Deducing from these theoretical and regulatory models, the following proposition is advanced:

Proposition 3 (P3): Practical experience is positively associated with students' competence in public sector accounting.

Experiential Teaching Methods

Experiential teaching methods encapsulate active instructional approaches—such as simulations, case studies, role-playing, and problem-solving—that directly engage students within the real PSA environments. Within public financial education, these active techniques enable learners to bridge abstract academic theory with functional government financial reporting, budgeting and statutory accountability mechanisms. Recent research outcome from Karatzimas et al. (2022) and Pauluzzo et al. (2024) prove that PSA education must adapt to these progressing professional demands, ensuring that accounting graduates can confidently interpret intricate public-sector financial data and resolve highly complex administrative dilemmas.

Experiential Learning Theory provides the foundational framework for this pedagogical construct, viewing learning as a continuous cycle of concrete experience, reflective observation, abstract conceptualization, and active experimentation (Kolb, 1984). By simulating actual government transactions or evaluating public financial reports, students systematically reflect on operational decisions and refine their skills through structured feedback. This experiential model heavily integrates with principles of constructive alignment, which mandate that targeted educational activities directly mirror intended learning outcomes to drive meaningful classroom engagement (Biggs, 1996; Biggs & Tang, 2011). Locally, this targeted alignment fulfills the curriculum requirements established by the Malaysian Qualifications Agency (MQA, 2024) accounting programme standards.

Consequently, properly aligned experiential methods bypass superficial memorization, driving the critical thinking and analytical reasoning necessary for professional readiness. Deducing from these theoretical and regulatory frameworks, the fourth proposition is advanced:

Proposition 4 (P4): Experiential learning methods are positively associated with students' public-sector accounting competence.

Graduate Competence in the Malaysian Public Sector Accounting Framework

Graduate competence in PSA serves as the primary dependent construct, defining a student's capacity to comprehend, evaluate, and implement accounting knowledge within Malaysian public organizations. Moving beyond restrictive definitions of technical proficiency, holistic competence incorporates broad professional attributes required for operational efficacy across federal, state, and statutory bodies. This multidimensional conceptualization addresses documented skills gaps within the Malaysian marketplace (Jackling & De Lange, 2009; Kavanagh & Drennan, 2008) by integrating technical, analytical, practical, ethical, and communication dimensions.

The underlying framework is theoretically grounded in Human Capital Theory (Becker, 1964) and Experiential Learning Theory (Kolb, 1984). Within the national institutional context, technical, analytical, and practical competencies necessitate a strict understanding of MPSAS, the Financial Procedure Act 1957, and the iGFMAS system. Furthermore, ethical and communication competencies demand robust public resource stewardship under Treasury Instructions. These integrated capabilities strongly align with global IFAC benchmarks, the local MIA (2022) competency framework, and the latest MQA (2024) accounting curriculum standards.

Dimensions of Graduate Competence in Malaysian PSA

Competency Dimension	Conceptual Definition (Malaysian Context)	Illustrative Learning Outcome	Institutions
Technical	Knowledge of public accounting concepts, MPSAS rules, and federal budgeting systems.	Interpret and apply relevant accounting standards to public-sector transactions.	JANM (2023); MQA (2024); IFAC (2025a)
Analytical	Ability to interpret financial data and evaluate compliance with statutory financial laws.	Analyze government financial statements and identify reporting discrepancies.	*Financial Procedure Act 1957* (2020); Kavanagh & Drennan (2008)
Practical	Ability to apply accounting knowledge to realistic government reporting environments.	Prepare or evaluate public sector solutions via case exercises simulating the iGFMAS system (2018).	Kolb (1984); IFAC (2025d); MQA (2024)

Ethical	Understanding of integrity, accountability, and stewardship under civil service regulations.	Recognize and mitigate ethical issues in managing public resources and federal financial rules.	*Treasury Instructions* (2014); Becker (1964); IFAC (2025c)
Communication	Ability to explain accounting data and convey financial findings to public ministries.	Present and explain public-sector accounting issues to relevant stakeholders.	MIA (2022); Jackling & De Lange (2009); IFAC (2025b)

These five dimensions are proposed as a concept paper of graduate proficiency, not a validated measurement scale. Their application will require further empirical development. These dimensions also highlight the differences between technical knowledge and broad-based competencies. A graduate may demonstrate a good understanding of MPSAS but still require further developing in their communication, ethical judgement or application of accounting knowledge to more real-life complex situations.

The proposed framework therefore considers proficiency as a multidimensional educational outcome not as a measurement of technical knowledge alone.

Conceptual Framework And Proposition Development

Development of the Conceptual Framework

The proposed conceptual framework operationalizes PSA competency as the primary dependent construct, driven by four distinct educational variables: curriculum relevance, MPSAS knowledge, practical experience, and experiential learning methods. Moving beyond narrow technical metrics, this model evaluates how university structures systematically cultivate multidimensional student competencies specifically technical, analytical, practical, ethical, and communication capabilities. By examining these systemic inputs, the framework addresses long-standing studies concerns regarding the critical skills divergence between graduate profiles and the rigid expectations of public-sector employers within the Malaysian marketplace (Jackling & De Lange, 2009; Kavanagh & Drennan, 2008).

The structural configuration of this framework is theoretically anchored by three interdependent perspectives that justify its educational components. First, Human Capital Theory (Becker, 1964) posits that specialized university instruction serves as a capability-enhancing capital investment that elevates a student's economic value. Second, Experiential Learning Theory (Kolb, 1984) establishes the operational link between applied reflection and situational proficiency, enabling functional implementation. Third, Institutional Theory (DiMaggio & Powell, 1983) validates the critical necessity of aligning tertiary curricula with official state requirements, ensuring regulatory compliance with local oversight bodies such as the Malaysian Qualifications Agency (MQA, 2024) and the Accountant General's Department (JANM, 2023).

Figure 1. Proposed conceptual framework

Educational factors and their proposed relationships with graduate competence

Propositions	Education Factors
P1	Curriculum Relevance
P2	MPSAS Knowledge
P3	Practical Experience
P4	Experiential Learning Methods



Dependent Construct
PSA Competency
(Technical, Analytical, Practical, Ethical and Communication)

Note: P1–P4 represent separate proposed direct relationships. The diagram is illustrative and does not establish causal effects.

Rather than operating in absolute isolation, these four distinct independent inputs are conceptually interrelated and mutually reinforcing. For instance, structured practical experience directly complements and improves abstract MPSAS knowledge retention, whereas interactive experiential teaching methods maximize the overall transmission and delivery of curriculum content. Consequently, while the direct paths represent the foundational layer of this conceptual model, exploring these complex internal interactions and joint effects offers a valuable direction for future empirical research.

Proposition Development

The framework proposes each of the standalone educational element maintains a distinct, positive direct relationship with overall public sector accounting competency. These conceptual paths reflect the paper's central argument that PSA educational outcomes must be evaluated through systemic inputs that directly contribute to student mastery. For empirical verification, these structural paths can be translated into formal hypotheses and evaluated using standardized quantitative survey instruments and covariance-based structural equation modeling. The four central propositions are summarized below:

Proposition	Independent Construct	Dependent Construct	Proposed Relationship
P1	Curriculum Relevance	PSA Competency	Positive Association
P2	MPSAS Knowledge	PSA Competency	Positive Association
P3	Practical Experience	PSA Competency	Positive Association
P4	Experiential Teaching Methods	PSA Competency	Positive Association

Conceptual Boundaries

To maintain strict empirical clarity, this framework establishes definitive boundaries distinguishing the four educational inputs from the primary competency outcome. Curriculum relevance assesses thematic content alignment with public-sector requirements, while MPSAS knowledge isolates specific cognitive comprehension of the standards. Practical experience captures physical opportunities for hands-on application, whereas experiential teaching methods strictly isolate the pedagogical delivery mechanisms deployed by lecturers to facilitate classroom learning.

Charting these boundaries prevents structural construct overlap and misclassification during operational measurement. To ensure robust empirical execution, future research must utilize objective multi-source indicators—such as case-based examinations, official academic results, and institutional metrics—rather than relying solely on subjective, self-reported student perceptions, thereby aligning with rigorous curriculum frameworks (MQA, 2024) and structural standards (JANM, 2023).

DISCUSSION AND IMPLICATIONS

Discussion of the Proposed Framework

The proposed framework provides an overall perspective on the relevance of PSA education in Malaysian universities, asserting that graduate proficiency depends on a comprehensive mix of curriculum relevance, MPSAS knowledge, practical exposure, and experiential teaching methods. By moving beyond single-variable evaluations, this consolidated approach accounts for both structural inputs and pedagogical execution.

The first proposition emphasizes that a curriculum incorporate with public sector requirements giving students to highly applicable knowledge, matching the tenets of Human Capital Theory, which views education as a foundational, capability-enhancing asset (Becker, 1964). The second proposition establishes that a strong grasp of MPSAS rules provides the essential technical foundation needed to navigate modern public financial

statements, though it notes that raw standard memorization must be assessed separately from actual context-based application.

The third proposition relies heavily on Experiential Learning Theory (Kolb, 1984), showing how analyzing real government reports and hands-on budgeting case studies helps students connect theoretical classroom principles with active, real-world capabilities. Finally, the fourth proposition focuses on pedagogical delivery, suggesting that active instructional approaches, like case assignments and simulations, directly drive the overall speed and depth of student learning.

By integrating these four propositions, the framework offers a structured baseline for future empirical evaluation. It acts as an analytical tool for higher education stakeholders to systematically balance theoretical requirements with applied learning tasks. Ultimately, it serves as a critical conceptual reminder for researchers to separate simple course availability from actual, multi-dimensional student capability development within the Malaysian public financial management environment.

Theoretical Implications

This paper advances the theoretical discourse on PSA education by synthesizing three interdependent frameworks into a consolidated model.

First, Human Capital Theory establishes specialized programs and MPSAS knowledge as capability-enhancing investments that elevate graduate proficiency. Second, Experiential Learning Theory validates the structural integration of real-world problems and reflective activities into the educational process. Third, Institutional Theory embeds this training within Malaysia's formal regulatory accounting environment.

Combining these perspectives allows the framework to naturally integrate educational content, learning processes, and institutional mandates, providing a rigorous structural foundation for future empirical research

Implications for Malaysian Universities

The proposed framework provides a benchmark for Malaysian universities to systematically review their accounting programs and integrating them with the current public-sector demands. This process requires institutions to expand syllabus coverage across critical regulatory domains, including accrual-based, MPSAS requirements, government budgeting, and public accountability mechanisms. Furthermore, universities must refine their learning outcomes to mirror expected graduate proficiencies, replacing passive assessment methods with case studies, actual financial statement analysis, and context-driven standards applications.

This framework also emphasizes the necessity of building strategic alliance between higher education institutions and government agencies, such as ministries, statutory bodies, and state departments. These structural partnerships could be open the vital practical exposure, entry-level internships, and realistic public financial datasets for students. Ultimately, curriculum designers must execute these adjustments while balancing localized teaching resources, students' baseline accounting knowledge, and distinct institutional program objectives rather than enforcing an identical, rigid curriculum structure across all Malaysian universities.

Implications for Accounting Lecturers

Accounting lecturers serve as the crucial bridge linking abstract theoretical frameworks with contemporary public-sector accounting practices. To achieve this, educators must integrate actual Malaysian government financial statements, specialized MPSAS case studies, and structural budgeting simulations directly into daily classroom instruction.

Furthermore, student assessment should look past standard rote-memorization examinations. Developing alternative rubrics that require students to actively analyze complex transactions, justify accounting standards, and present their findings in professional formats directly strengthens their analytical capabilities and workplace readiness.

Implications for Public-Sector Organisations

Public-sector organisations may contribute to the development of PSA education through structured engagement with universities. Potential activities include internships, practitioner lectures, mentoring, accounting case development and collaborative educational projects.

Such collaboration could help universities identify the accounting tasks and technical knowledge relevant to public-sector employment. It could also provide students with opportunities to observe how accounting principles operate within public-sector institutions.

However, professional competence cannot be attributed to university education alone. Workplace training, professional development, supervision and experience remain important considerations in preparing graduates for public-sector accounting responsibilities.

Implications for Future Research

The proposed framework provides clear pathways for empirical validation among Malaysian university accounting students, offering opportunities for both quantitative and qualitative methodological designs. Future research should systematically analyze the direct relationships between the four educational factors and public-sector accounting competence, while testing for variations driven by students' prior knowledge, specific institutional programs, or past institutional exposure. Methodologically, quantitative investigations could utilize Partial Least Squares Structural Equation Modelling (PLS-SEM) to test these structural paths, provided the underlying sample sizes, measurement models, and data distribution characteristics justify its deployment.

Alternatively, qualitative research involving accounting lecturers, students, and public-sector practitioners could uncover deep insights into current curriculum relevance and the pedagogical challenges of delivering specialized government accounting content. Furthermore, future investigations should explicitly treat graduate employability and public-sector career intentions as separate, distinct outcome constructs rather than equating them with raw accounting competence. Delineating these boundaries is essential because long-term employment decisions are heavily influenced by external labor-market conditions, professional qualifications, and individual career preferences rather than academic instruction alone.

LIMITATIONS AND FUTURE RESEARCH

Limitations of the Conceptual Framework

As a conceptual paper, this study does not present primary empirical findings, meaning the proposed relationships between educational inputs and graduate proficiency remain unproven. Structurally, the framework isolates four core educational variables, deliberately excluding other influential predictors such as student motivation, prior academic achievement, self-efficacy, assessment types, and institutional resources to maintain a clear conceptual scope.

Furthermore, the five capability dimensions within the competence construct require rigorous measurement scale refinement and validation. Finally, because the model focuses strictly on Malaysian tertiary accounting education, its cross-border generalizability depends heavily on localized regulatory variances, institutional frameworks, and national standard benchmarks

Directions for Future Research

Future research could address these limitations through several approaches.

Research direction	Suggested approach	Expected contribution
Construct validation	Develop and validate measures on the four educational factors and graduate proficiency.	Confirming the measurement criteria of the framework.

Empirical testing	Conduct a survey on accounting students in Malaysian university.	Testing the proposed relationships.
Comparative research	Compare PSA education across the selected universities in Malaysia.	Identify the differences in their curriculum and learning opportunities.
Qualitative research	Interview lecturers, students and public sector practitioners.	Studying experiences and challenges in PSA education.
Extended framework	Integrating self-efficacy, graduate readiness or career intention.	Examine additional educational outcomes.
Longitudinal research	Follow students before and after practical learning activities.	Explore changes in competence over time.

For quantitative research, PLS-SEM could be used to evaluate the measurement model and examine the proposed relationships. However, the method to be used should be justified by the research questions, theoretical model, and data availability.

Longitudinal or experimental designs may also offer opportunities to examine changes in students' proficiency following particular educational interventions. Such designs could help distinguish students' perceptions of learning from the improvement shown in their accounting capabilities.

CONCLUSION

PSA education holds immense relevance for Malaysian universities due to the nation's unique public financial management and regulatory accountability environment. Grounded in Human Capital, Experiential Learning, and Institutional theories, this paper conceptualises a framework linking curriculum relevance, MPSAS knowledge, practical exposure, and experiential teaching methods directly to graduate proficiency. Four distinct propositions clarify how these educational dimensions systematically foster multi-dimensional student capabilities.

The primary contribution lies in integrating localized public-sector imperatives within higher education curriculum benchmarks. Rather than treating PSA as an isolated elective, the framework positions it as a driver of holistic professional competence. These insights offer valuable implications for curriculum designers, academics, and state institutions to strengthen structural collaboration. Ultimately, future quantitative empirical research remains vital to validate these constructs, test the proposed paths, and eliminate existing public-sector skills gaps.

REFERENCES

1. Accountant General's Department of Malaysia. (2023a). Malaysian public sector accounting pronouncements handbook 2023 (Vol. 1). Ministry of Finance Malaysia. [https://www.anm.gov.my/images/JANM/Webmaster/Accounting_Handbook_MPSAS_Volume_1.pdf](https://www.anm.gov.my/images/JANM/Webmaster/Accounting_Handbook_MPSAS_Volume_1.pdf?utm_source=chatgpt.com)
2. Accountant General's Department of Malaysia. (2023b). Malaysian public sector accounting pronouncements handbook 2023 (Vol. 2). Ministry of Finance Malaysia. [https://www.anm.gov.my/en/accounting/government-accounting-standards/accrual-basis/malaysian-public-sector-accounting-standards-mpsas](https://www.anm.gov.my/en/accounting/government-accounting-standards/accrual-basis/malaysian-public-sector-accounting-standards-mpsas?utm_source=chatgpt.com)
3. Adam, B., Heiling, J., & Karatzimas, S. (2020). Public sector accounting education and research: A European perspective. International Journal of Public Sector Management, 33(2–3), 363–378.

[https://doi.org/10.1108/IJPSM-12-2018-0270](https://doi.org/10.1108/IJPSM-12-2018-0270?utm_source=chatgpt.com)

4. Albrecht, W. S., & Sack, R. J. (2000). Accounting education: Charting the course through a perilous future. American Accounting Association.
5. American Institute of Certified Public Accountants. (2018). AICPA pre-certification core competency framework.
6. Apostolou, B., Dorminey, J. W., Hassell, J. M., & Rebele, J. E. (2015). Accounting education literature review (2013–2014). Journal of Accounting Education, 33(2), 69–127. [https://doi.org/10.1016/j.jaccedu.2015.04.001](https://doi.org/10.1016/j.jaccedu.2015.04.001?utm_source=chatgpt.com)
7. Apostolou, B., Dorminey, J. W., Hassell, J. M., & Watson, S. F. (2013). Accounting education literature review (2010–2012). Journal of Accounting Education, 31(2), 107–161. [https://doi.org/10.1016/j.jaccedu.2013.03.001](https://doi.org/10.1016/j.jaccedu.2013.03.001?utm_source=chatgpt.com)
8. Azhar, Z., Kishan, K., & Alfan, E. (2022). The Malaysian Public Sector Accounting Standards (MPSAS) adoption among Malaysian statutory bodies: A literature review with a future research direction. IPN Journal of Research and Practice in Public Sector Accounting and Management, 12(1). [https://doi.org/10.58458/ipnj.v12.01.09.0082](https://doi.org/10.58458/ipnj.v12.01.09.0082?utm_source=chatgpt.com)
9. Becker, G. S. (1964). Human capital: A theoretical and empirical analysis, with special reference to education. Columbia University Press.
10. Biggs, J. (1996). Enhancing teaching through constructive alignment. Higher Education, 32, 347–364. [https://doi.org/10.1007/BF00138871](https://doi.org/10.1007/BF00138871?utm_source=chatgpt.com)
11. Biggs, J., & Tang, C. (2011). Teaching for quality learning at university: What the student does (4th ed.). Open University Press.
12. Boud, D., & Falchikov, N. (Eds.). (2007). Rethinking assessment in higher education: Learning for the longer term. Routledge. [https://doi.org/10.4324/9780203964309](https://doi.org/10.4324/9780203964309?utm_source=chatgpt.com)
13. Brusca, I., & Condor, V. (2002). Towards the harmonisation of local accounting systems in the international context. Financial Accountability & Management, 18(2), 129–162.
14. Coy, D., & Pratt, M. (2001). An insight into accountability and politics in universities: A case study. Accounting, Auditing & Accountability Journal, 14(5), 540–561. [https://doi.org/10.1108/EUM0000000006268](https://doi.org/10.1108/EUM0000000006268?utm_source=chatgpt.com)
15. Dewey, J. (1938). Experience and education. The Macmillan Company.
16. DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. American Sociological Review, 48(2), 147–160. [https://doi.org/10.2307/2095101](https://doi.org/10.2307/2095101?utm_source=chatgpt.com)
17. Financial Procedure Act 1957 (Act 61). (2020). International Law Book Services.
18. Freeman, S., Eddy, S. L., McDonough, M., Smith, M. K., Okoroafor, N., Jordt, H., & Wenderoth, M. P. (2014). Active learning increases student performance in science, engineering, and mathematics. Proceedings of the National Academy of Sciences, 111(23), 8410–8415. [https://doi.org/10.1073/pnas.1319030111](https://doi.org/10.1073/pnas.1319030111?utm_source=chatgpt.com)
19. Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2022). A primer on partial least squares structural equation modeling (PLS-SEM) (3rd ed.). SAGE Publications.
20. International Federation of Accountants. (2014). Handbook of international education pronouncements. International Accounting Education Standards Board.
21. International Federation of Accountants. (2018). Handbook of international public sector accounting pronouncements. International Public Sector Accounting Standards Board.
22. International Federation of Accountants. (2019). Handbook of international education standards.
23. International Federation of Accountants. (2025a). International Education Standard 2: Initial professional development—Technical competence (Revised).

[https://ifacweb.blob.core.windows.net/publicfiles/2025-03/IFAC-International-Education-Standard-2-Revised.pdf](https://ifacweb.blob.core.windows.net/publicfiles/2025-03/IFAC-International-Education-Standard-2-Revised.pdf?utm_source=chatgpt.com)

24. International Federation of Accountants. (2025b). International Education Standard 3: Initial professional development—Professional skills (Revised). [https://www.ifac.org/education/standards-pronouncements](https://www.ifac.org/education/standards-pronouncements?utm_source=chatgpt.com)
25. International Federation of Accountants. (2025c). International Education Standard 4: Initial professional development—Professional values, ethics, and attitudes (Revised). [https://www.ifac.org/education/standards-pronouncements](https://www.ifac.org/education/standards-pronouncements?utm_source=chatgpt.com)
26. International Federation of Accountants. (2025d). International Education Standard 5: Initial professional development—Practical experience. [https://www.ifac.org/education/standards-pronouncements](https://www.ifac.org/education/standards-pronouncements?utm_source=chatgpt.com)
27. International Public Sector Accounting Standards Board. (2014). The conceptual framework for general purpose financial reporting by public sector entities. International Federation of Accountants.
28. International Public Sector Accounting Standards Board. (2023). Handbook of international public sector accounting pronouncements. International Federation of Accountants.
29. International Public Sector Accounting Standards Board. (2024). 2024 handbook of international public sector accounting pronouncements. International Federation of Accountants. [https://www.ipsasb.org/publications/2024-handbook-international-public-sector-accounting-pronouncements](https://www.ipsasb.org/publications/2024-handbook-international-public-sector-accounting-pronouncements?utm_source=chatgpt.com)
30. Jackson, D. (2015). Employability skill development in work-integrated learning: Barriers and best practice. Studies in Higher Education, 40(2), 350–367. [https://doi.org/10.1080/03075079.2013.842221](https://doi.org/10.1080/03075079.2013.842221?utm_source=chatgpt.com)
31. Jackling, B., & De Lange, P. (2009). Do accounting graduates' skills meet the expectations of employers? A matter of convergence or divergence. Accounting Education: An International Journal, 18(4–5), 369–385. [https://doi.org/10.1080/09639280902719341](https://doi.org/10.1080/09639280902719341?utm_source=chatgpt.com)
32. Jabatan Akauntan Negara Malaysia. (2023). Manual perakaunan akruan Kerajaan Persekutuan: Polisi perakaunan sektor awam Malaysia (MPSAS). Kementerian Kewangan Malaysia.
33. Karatzimas, S., Heiling, J., & Aggestam-Pontoppidan, C. (2022). Public sector accounting education: A structured literature review. Public Money & Management, 42(7), 543–550. [https://doi.org/10.1080/09540962.2022.2066356](https://doi.org/10.1080/09540962.2022.2066356?utm_source=chatgpt.com)
34. Kavanagh, M. H., & Drennan, L. (2008). What skills and attributes does an accounting graduate need? Evidence from student perceptions and employer expectations. Accounting & Finance, 48(2), 279–300. [https://doi.org/10.1111/j.1467-629X.2007.00245.x](https://doi.org/10.1111/j.1467-629X.2007.00245.x?utm_source=chatgpt.com)
35. Kolb, A. Y., & Kolb, D. A. (2005). Learning styles and learning spaces: Enhancing experiential learning in higher education. Academy of Management Learning & Education, 4(2), 193–212. [https://doi.org/10.5465/AMLE.2005.17268566](https://doi.org/10.5465/AMLE.2005.17268566?utm_source=chatgpt.com)
36. Kolb, D. A. (1984). Experiential learning: Experience as the source of learning and development. Prentice-Hall.
37. Lave, J., & Wenger, E. (1991). Situated learning: Legitimate peripheral participation. Cambridge University Press. [https://doi.org/10.1017/CBO9780511815355](https://doi.org/10.1017/CBO9780511815355?utm_source=chatgpt.com)
38. Malaysian Institute of Accountants. (2022). Competency framework for public sector accountants in Malaysia.
39. Malaysian Qualifications Agency. (2024). Programme standards: Accounting (2nd ed.).

40. Mincer, J. (1974). Schooling, experience, and earnings. Columbia University Press.
41. Morris, T. H. (2020). Experiential learning—A systematic review and revision of Kolb's model. Interactive Learning Environments, 28(8), 1064–1077. [https://doi.org/10.1080/10494820.2019.1570279](https://doi.org/10.1080/10494820.2019.1570279?utm_source=chatgpt.com)
42. North, D. C. (1990). Institutions, institutional change and economic performance. Cambridge University Press.
43. Pauluzzo, R., Fedele, P., Pericolo, E., & Dokalskaya, I. (2024). The future of public sector accounting education: A structured literature review. Journal of Public Affairs Education, 30(2), 274–314. [https://doi.org/10.1080/15236803.2024.2312760](https://doi.org/10.1080/15236803.2024.2312760?utm_source=chatgpt.com)
44. Prince, M. (2004). Does active learning work? A review of the research. Journal of Engineering Education, 93(3), 223–231. [https://doi.org/10.1002/j.2168-9830.2004.tb00809.x](https://doi.org/10.1002/j.2168-9830.2004.tb00809.x?utm_source=chatgpt.com)
45. Scannell, S., & Tawiah, V. (2024). A thematic literature review on International Public Sector Accounting Standards (IPSAS). Public Organization Review, 24, 1053–1075. [https://doi.org/10.1007/s11115-024-00773-1](https://doi.org/10.1007/s11115-024-00773-1?utm_source=chatgpt.com)
46. Schmidthuber, L., Hilgers, D., & Hofmann, S. (2022). International Public Sector Accounting Standards (IPSASs): A systematic literature review and future research agenda. Financial Accountability & Management, 38(1), 119–142. [https://doi.org/10.1111/faam.12265](https://doi.org/10.1111/faam.12265?utm_source=chatgpt.com)
47. Schultz, T. W. (1961). Investment in human capital. The American Economic Review, 51(1), 1–17.
48. Scott, W. R. (2014). Institutions and organizations: Ideas, interests, and identities (4th ed.). SAGE Publications.
49. Treasury Instructions (Arahan Perbendaharaan). (2014). Percetakan Nasional Malaysia Berhad.