

Preserving History Through Accounting: Valuation and Disclosure of Archaeological Sites and Artefacts in the Malaysian Public Sector

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ABSTRACT

The lack of efficient policy on valuing heritage assets (HA) impedes reporting these valuable country resources in the public sector's financial statements. Delay in the valuation process of the artefacts collected through the archaeological work hinders historical information to be disseminated to the public. Without proper valuation procedures, public accountants face difficulties in justifying the high preservation cost of HA. The study aims to understand how archaeological sites and artefacts are valued, and to gather views from relevant agency officers on the expected accounting disclosures for these HA. A qualitative approach was used, with face-to-face interviews conducted with officials from the National Heritage Department, Archaeology Global Centre, and Museum Department to better understand how HA are valued in Malaysia. The study's findings offer guidance to the government on how to account for HA under accrual-based accounting. The study proposes disclosure indicators for HA to enhance transparency and accountability in public sector reporting. In line with the Sustainable Development Goals, these indicators aim to share valuable information about the country's heritage for the benefit of the public and future generations.

Keywords: Heritage Assets, Archaeological Heritage Sites, Valuation of Heritage Assets, Sustainability, Accountability and Disclosure Framework

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INTRODUCTION

Heritage asset (HA) remains a subject of ongoing debate, beginning with the challenge of establishing a clear and universally accepted definition. Disagreements often arise over which objects or sites qualify as heritage and how they should be categorised or valued. HAs are typically distinguished by several defining characteristics they possess, including enduring significance for current and future generations. They hold multidimensional value, including cultural, historical, educational, artistic, archaeological, environmental, and social importance, that is not easily quantified in monetary terms. Moreover, these assets are often deep-rooted, unique, and have indeterminate lifespans, further complicating efforts to assign them a conventional financial value (Biondi et al., 2021).

In Malaysia, the protection of archaeological heritage is becoming increasingly urgent as these irreplaceable resources face threats from both natural forces (such as weathering, erosion, and climate change) and human activities. Rapid urbanisation, large-scale infrastructure projects such as highways, dams, and roads, as well as quarrying, agriculture, and uncontrolled development, are placing significant pressure on heritage sites. Without proactive conservation strategies and stronger legislative enforcement, many of these sites risk irreversible damage or total loss, posing a serious threat to the nation's cultural legacy and its ability to share this heritage with future generations.

PROBLEM STATEMENT

The implementation of accrual-based accounting in the public sector has affected the government assets, which are HAs. With the current accounting standards, the issues of recognition, measurement, and presentation of HA are still questionable and seem difficult to be incorporated into the public sector's financial statements (Aversano & Christiaens, 2014; Basnan et al., 2015; Aversano et al., 2015; Hassan et al., 2016; Rosli et al., 2019; Aversano et al., 2019; Rosli et al., 2020; Rosli & Kamaluddin, 2024; Kamaluddin et al., 2024). This asset is unique and can be hundreds of years old, thus making it more difficult to be quantified in currency value. With insufficient standards for valuation purposes, this asset loses its credibility as a financial value.

Prior literature has suggested that, with the limitation of recognition and measurement, the presentation part of HA shall need to be expanded to include the non-financial items. In Malaysia little study is done to look at the core issues in accounting for HAs, especially among the archaeological sites and artefacts that are governed under the National Heritage Department of Malaysia, also known as Jabatan Warisan Negara (JWN). JWN is the regulatory body in Malaysia responsible for heritage items' acknowledgement and registration. Some items may be easy to value as they were bought. But many items have existed for many decades, and some are found through archaeological conservation work. The valuation task of HA has been difficult for both academics and government officials since HA is declared inalienable or has restrictive covenants.

In line with the implementation of accrual accounting, government agencies are required to disclose all information about the government's financial performance and position of the country. The stakeholders, such as the public, local and international investors, are now interested in assessing how governmental entities manage their public resources (Aversano et al., 2019; Osborne, 2010; Mack & Ryan, 2006). The way the government manages its public resources would have an impact on the country's rating, foreign direct investment (FDI), and economic situation. Therefore, the public sector's disclosure of financial performance and position of the country is needed. The disclosure would increase the public sector's transparency and accountability in managing public funds. This information provides clear information about the allocation of the government fund that has been provided for the cost of managing and administering the HA, such as preservation and conservation.

Incorporating the HA into the financial reporting of the government is one of the challenges faced by the public sector agency. Many realised that the reporting of HA brings many benefits to the public sector stakeholders; however, to disclose relevant information and yet meet the standard has been seen as impossible by many governments. The disclosure requirement of HA should go beyond the standards to provide the stakeholders with transparent and more accountable accounting information. The accrual policy of the Malaysian Accounting Department indicates that the nominal cost of RM1 is recorded for the HA with an unknown value that has been viewed as impractical. This has been argued by many researchers because

the valuation of RM1 does not reflect the true value of the assets (Rosli et al., 2019; Hassan et al., 2016; Basnan et al., 2015).

MOTIVATION OF THE STUDY

How the government manages public resources significantly influences the country's credit rating, FDI and overall economic health. As such, transparent disclosure of the public sector's financial performance and the nation's fiscal position is essential. Reporting on HA contributes to greater transparency and accountability in the management of public funds. This disclosure provides clear insights into how public funds are allocated for the administration, preservation, and conservation of HA.

The study had two research questions (RQ) and research objectives (RO). The first RQ was how the Tangible HA, specifically archaeological sites and artefact collections, are valued in Malaysia. The relevant RO is to gather information on the current practices in Malaysia in valuing the Tangible HA, specifically archaeological sites and artefact collections. The second RQ was what is the ideal disclosure information on Tangible HA, specifically archaeological sites and artefacts, to be included in the financial statement of the relevant agency. The relevant RO is to propose an ideal disclosure of information for the Tangible HA, specifically archaeological sites and artefact collections, to be included in the financial statement of the relevant agency.

LITERATURE REVIEW

Introduction to the Heritage Assets

HA commonly likes historical monuments, artefacts, buildings, sites, collections, or intangible items. This item has its special characteristics, uniqueness, and rarity. HA could also represent nations' identities and civilisations, and it's derived from their historical, aesthetic, scientific, and social values. Barton (2005) indicates that HA shall need to be preserved to ensure it can continuously provide social benefits to the country. Besides, the United Nations, through Sustainable Development Goal 11, seeks to enhance efforts to protect and preserve the world's cultural and natural heritage.

This heritage holds immense value and significance for future generations and serves as a vital resource for public knowledge and awareness (United Nation, 2020).

From a global perspective, the United Nations Educational, Scientific and Cultural Organisation (UNESCO) plays a key role in the protection of world heritage. UNESCO classifies heritage into two main categories: (i) Cultural Heritage and (ii) Natural Heritage. Cultural heritage encompasses movable assets such as paintings, sculptures, coins, and manuscripts; immovable assets such as monuments and archaeological sites; underwater cultural heritage, including shipwrecks and submerged ruins or cities; and intangible heritage such as oral traditions, performing arts, and rituals (UNESCO, 2023a). Natural heritage, on the other hand, refers to natural sites that hold cultural significance, including cultural landscapes and formations of physical, biological, or geological importance (UNESCO World Heritage Centre, 2025).

In conclusion, HAs are distinct, rare, and possess unique characteristics that set them apart from other types of business assets. They carry significant historical value and play a vital role in shaping a nation's cultural identity. Therefore, ensuring the sustainability of HA is essential, both for the benefit of future generations and for broader societal purposes (Bambagiotti-Albert, 2016).

Each country in the world has its special legislation for protecting and conserving the HA, including Malaysia. The JWN is the government agency that is responsible for all Malaysian HA. The National Heritage Act 2005 (Act 645) is seen to be the catalyst for the conservation and preservation of natural heritage, tangible and intangible cultural heritage, underwater cultural heritage, treasure trove, and related matters in Malaysia (Jabatan Warisan Negara, 2005).

According to the Interpretation of Accounting Policies (2024) by the Accountant General's Department of Malaysia, HA are defined as assets with cultural, environmental, or historical importance (Accountant General's Department, 2024). In the Malaysian context, these assets must first be officially gazetted under the National Heritage Act 2005 before they can be recorded in the accrual ledger. The Commissioner has the authority to

declare any culturally significant object as a heritage object through the Gazette and is responsible for ensuring it is included in the official Register (Accountant General's Department, 2024).

Also, for the heritage to be listed as National Heritage, the heritage item needs to possess specific characteristics including (1) historical importance; (2) good design or aesthetic characteristics; (3) scientific or technical innovations or achievements; (4) the social or cultural associations; (5) potential to educate, illustrate or provide further scientific investigation concerning Malaysian cultural heritage; (6) importance in exhibiting a richness, diversity or unusual integration of features; (7) rarity or uniqueness of the natural heritage, tangible or intangible cultural heritage or underwater cultural heritage; (8) representative nature of a site or object as part of a class or type of a site or object; and (9) any other matter which is relevant to the determination of cultural heritage significance (Jabatan Warisan Negara, 2005).

Accounting Perspective of Heritage Assets

In accounting for HA, the major obstacles are when it comes to the recognition and measurement of the HA (Rosli and Kamaluddin, 2024; Aversano et al., 2019; Adam & Jones, 2011). As this asset may have indefinite life and value, this asset might not be suitable to be disclosed only on the quantitative aspect of it, such as value in currency. Therefore, the disclosure requirement provided in the public sector accounting standard would be insufficient to address these issues.

To date, the accounting standards that deal with the HAs are MPSAS17 Property, Plant and Equipment, and MPSAS31 Intangible Assets (Accountant General's Department of Malaysia, 2013a, b). These accounting standards provide the disclosure requirement of HA that applies to this type of asset. In addition, the disclosure includes (a) the measurement basis used; (b) the depreciation method used, if any; (c) the gross carrying amount; (d) the accumulated depreciation at the end of the period, if any; and (e) a reconciliation of the carrying amount at the beginning and end of the period showing certain components thereof. If an entity does recognise HA, it must apply the disclosure requirements of this standard and may, but is not required to, apply the measurement requirements of this standard.

This standard does not require an entity to recognise HA that would otherwise meet the definition of, and recognition criteria for, property, plant, equipment, or intangible asset.

Research conducted in Indonesia, specifically looking at the current measurement of Borobudur and Prambanan, found that the present measurement does not reflect its true value (Basutama, 2017). Overseas museums are also facing problems in delivering good accounting practices (Basnan et al., 2016). The International Public Sector Accounting Standards Board (IPSASB) took a proactive approach by issuing a consultation paper (CP) on heritage assets in April 2017 to gather feedback from stakeholders on this specific topic. Aversano et al. (2019) analyzed the responses to the CP and found that most participants supported the proposed definition of HA and expressed the need for further clarification and guidance from IPSASB.

Juliyanti and Wibowo (2020) presented a comprehensive review of research on HA in Indonesia, focusing on the classification and evaluation of scholarly articles related to the accounting treatment of these assets by Government Accounting Standards (Standar Akuntansi Pemerintahan, SAP). Their findings indicated that the accounting treatment of several HA in Indonesia aligns with the applicable SAP. Historical assets are generally recognised as fixed assets, though they are not measured using either the cost or revaluation method. Most HA are reported in financial statements by established accounting principles, demonstrating the Indonesian government's compliance with accountability standards for HA disclosure. Juliyanti and Wibowo (2020) further emphasised that historical assets are among the categories of government assets that receive special accounting treatment.

Ellwood and Greenwood (2016) highlighted that in recent years, there have been increasing efforts to incorporate HA into annual financial statements, both through disclosure and recognition on the balance sheet. However, the valuation of HA remains a subject of ongoing debate. Multiple measurement approaches exist, reflecting diverse value perspectives in economic, cultural, political, and aesthetic. Furthermore, several contextual factors, such as prevailing economic opportunities and cultural developments, must be taken into account when assessing these assets (Ellwood & Greenwood, 2016).

Woon et al. (2019) argued that heritage reporting in the public sector has long posed challenges, primarily due to the limitations of sector-neutral, for-profit-oriented financial reporting standards. In the Australian context, such a sector-neutral approach fails to adequately address the information needs of public sector stakeholders. In response, the authors proposed a heritage reporting model designed to reconcile the interests of the community and other stakeholders, while addressing prior critiques of existing frameworks.

Woon et al. (2019) reviewed heritage reporting practices across Anglo-Western countries and analyse relevant commentaries and scholarly literature. It evaluated current reporting standards within the frameworks of New Public Management (NPM), which emphasises information provision and efficiency, and New Public Governance (NPG), which prioritised balancing stakeholder interests and enhancing reporting quality. Based on this evaluation, the authors introduced an NPG-based heritage reporting model that incorporated performance indicators aligned with the five UNESCO (1972) dimensions and the operational guidelines set forth by UNESCO in 2015, being identification, presentation, protection, conservation, and transmission. The proposed model aligned with the principles of U.S. Standard Federal Financial Accounting Standard (SFFAS) 29, which recognises that not all HAs must be capitalised or assigned a monetary value. Instead, it emphasises the importance of comprehensive disclosures. These findings offered valuable insights for the future development of HA reporting in Australia.

Ferri et al. (2021) investigated the monetary valuation practices of cultural heritage across 16 major public, not-for-profit Australian cultural institutions over a period of nearly three decades (1992–2019). The study aimed to understand how these institutions navigated the inherent tensions associated with valuing heritage for financial reporting purposes. Specifically, the research highlights the conflict between two divergent valuation paradigms being the conventional accounting approach and the curatorial or heritage professional perspective. Using qualitative content analysis of annual reports and related documentary sources, the study examined how various stakeholders addressed the conceptual and technical challenges introduced by the requirement to assign monetary value to HA, a term rooted in accounting standards. The findings shed light on the

ways institutions reconciled these competing logics in practice, revealing the complexities of integrating financial accountability with cultural stewardship.

Alfasyiri (2015) explored the accounting treatment of the HA “Candi Penataran” in Indonesia through a phenomenological lens. The study investigated the processes by which the asset was recognised, recorded, and reported in financial statements, acknowledging that empirical data derived from real-world phenomena may not always align with existing accounting standards. Employing a qualitative research approach, the study found that “Candi Penataran” is classified and recorded as a plant asset for accounting purposes. However, given its cultural and historical significance, the study concludes that the asset should not be assigned a monetary value, as it is irreplaceable and not subject to trade. This aligned with Government Accounting Standards (PSAP) No. 07 of 2010, Section 69, which stipulates that HAs should be recorded in terms of quantity, without financial valuation based on research conducted by Haditswara, F. (2017). The findings underscored the tension between conventional accounting practices and the unique nature of HA.

The findings of Widodo et al. (2020) were consistent with those of Alfasyiri (2015), reinforcing the challenges associated with valuing HA. Widodo et al. (2020) examined the accounting treatment of the HA “Pari Temple” and report that, according to the East Java Cultural Heritage Preservation Centre (Balai Pelestarian Cagar Budaya, BPCB Jawa Timur), the temple is recognised as a plant asset. However, similar to “Candi Penataran,” the Pari Temple is not assigned a monetary value, reflecting the position that such HAs are not subject to trade and should be preserved without financial valuation.

The disclosure of HA information provides relevant insights not only for reporting purposes but also for managerial implications, particularly in assisting with better decision-making. With access to relevant information, various stakeholders, especially those within the public sector, are better armed to manage and administer HAs effectively. This includes strengthening governance frameworks, administrative planning (such as ownership, daily operations, and supervision), resource allocation (including budgeting and funding), as well as strategic planning related to tourism

and other government initiatives. Without sufficient information provided through proper disclosure, HAs may not be managed effectively and may fail to reflect their significance.

RESEARCH METHODOLOGY

The research involved a qualitative approach through face-to-face interviews with government officials (curators and accountants), the JWN, and the local experts in the archaeology area to obtain an in-depth understanding of the valuation practices of HA adopted in Malaysia, specifically archaeological sites and artefact collections (Given, 2008; Bowen, 2009; Creswell, 2018).

Four participants, as indicated in Table 1, who were experts in HA, were interviewed. This study employed in-depth interviews which were consistent with qualitative research approaches that prioritise data richness over quantity (Smith et al., 2009; Yin, 2018). Given the specificity of the sample and the study’s focus on in-depth exploration, the small sample size was deemed sufficient to achieve information power (Malterud et al., 2016). Saturation was considered achieved after four interviews, as no new experiential themes emerged.

Table 1: Participants’ Information

Participant	Description
1	Professor at a university and started his involvement in archaeology in 1987. His notable contributions to the field of archaeology include helping to explore the Bujang Valley in Kedah and the Lenggong Valley Archaeological Site in Perak, which is an open Palaeolithic site that dates to 1.83 million years ago. His other contributions include the discovery of Sungai Batu Kedah Archaeological Site, which holds some ruins of the Hindu-Buddhist temple, the oldest civilisation site in Southeast Asia.
2	Professor at a university in Malaysia and provides advisory and consultancy services in the field of archaeology to the National Heritage Department, higher education institutions, and organizations at both national and international levels.
3	An officer in a government heritage department that carries out research in archaeology and the conservation of buildings and monuments. Other than that, the department also had done publications and was in charge of the enforcement of tangible and intangible heritage in Malaysia for development and promotion.
4	A government official in charge of an archaeological museum in Malaysia.

The study was confined to the archaeological sites and the artefact collection. The study focused on various archaeological sites and galleries, including Lenggong Valley Archaeological Site and Gallery in Perak, Sungai Batu Kedah Archaeological Site, and Bujang Valley Archaeological Site, both are in Kedah, Malaysia. Table 2 provides information on the archaeological sites.

Table 2: Archaeological Sites Information

Name	Description
Lenggong Valley Archaeological Site and Gallery in Perak, Malaysia	The history of the Lenggong Valley in Peninsular Malaysia dates from 1,830,000 to 1,700 years ago. The Lenggong Valley has the longest record of early humans for a single location outside of the African continent. The discovery of the 'Perak Man' in 1991 was a major event in boosting the Lenggong Valley as one of Malaysia's most important archaeological sites. Perak Man is a complete human skeleton dating back 11,000 years, discovered in 1991. Other major discoveries follow, including an Early Palaeolithic hatchet from 1.83 million years ago and a workshop containing several types of tools dating from 1,000 to 200,000 years ago. On 30th June 2012, Lenggong Valley was inscribed as a World Heritage Site by UNESCO (Jabatan Warisan Negara, 2023; UNESCO, 2020, 2023)
Sungai Batu Kedah Archaeological Site, Kedah, Malaysia	Sungai Batu contains the oldest man-built structure known to exist in Southeast Asia, dating to 110 AD. The structure was discovered during excavations together with jetty remnants, iron smelting sites, and a monument made of clay bricks. Beginning in February 2009, archaeological investigation and excavation took place at a fresh location in Sungai Batu, Bujang Valley (Jabatan Warisan Negara, 2023a, 2023b; Saad et al., 2014).
Bujang Valley Archaeological Site, Kedah, Malaysia	The temples and objects used for worship in the Hindu-Buddhist religion are among the historical relics in Lembah Bujang, which has a square area of 224 km. Several temples, including Candi (temple) Pengkalan Bujang, Candi Bukit Batu Pahat, and Candi Pendiati, were discovered. The Bujang Valley Archaeological Museum is the only museum in Malaysia that displays an archaeological collection that documents the development of Buddhism and Hinduism in Southeast Asia from the third century AD to the 12th century AD, as well as the existence of an international commerce centre (Jabatan Muzium Malaysia, 2023)

A set of interview questions was developed to elicit data relevant to the objectives of the research. All interviews were conducted voluntarily, and participant consent was obtained before the interview. The interviews were tape-recorded and transcribed verbatim for analysis. The interviews were conducted in both English and Malay. The interviews ranged from one hour to two hours. The data collection took four months to complete.

Thematic analysis was used for data analysis. The analysis began with familiarisation with the data, generating initial codes, searching for themes, reviewing themes, defining and naming themes, and producing the report (Braun and Clarke, 2006). An inductive approach was adopted, allowing themes to emerge from the data. A coding framework was developed collaboratively after initial readings of the transcripts. The coding was carried out by two researchers independently. To ensure analytical rigour and consistency as well as trustworthiness of the analysis, peer checking sessions were held to compare codes, resolve discrepancies, and reach consensus on emerging themes.

RESULTS AND DISCUSSION

Valuation of Archaeological Sites and Artefact Collections

This section discusses the face-to-face interview responses and findings on RO1. The relevant research question is “How are Tangible HA, specifically archaeological sites and artefact collections being valued in Malaysia?”

Participant 1

“...for an archaeology site to be a world heritage site, it must have “Outstanding Universal Value”. It must meet the UNESCO international standard. UNESCO will come to the site and evaluate. So, the UNESCO assessment will apply because it is the global standard. UNESCO has its standard operating procedure and its justification”.

“What caused Lenggong to become a world heritage... Firstly, the evidence of continuously inhabited. From 1.83 million years until now... we can see the change from the Palaeolithic to the Neolithic, which means from pottery into metal...”

“What is the next evidence? There is a site...and human remains in the site...including human settlement evidence in caves. At the sites, we also found the artefacts. Artefacts are anything that

humans manipulate into something. They took river stones, they broke them into stone tools, that is, artefacts”.

“If value, we will compare it with the world-level artefacts. From a monetary value perspective, for me it is priceless. Invaluable. Cannot be valued...”

Participant 2

“...priceless. Archaeological sites and artefacts have no price value. On our trip oversea, when we bring artefacts abroad, they always ask for insurance, what is the value? But these kinds of stone tools have no commercial value. For the archaeologist, it is very valuable because there is national historical value. So commercial value cannot be applied to archaeological artefacts, But if there is an auction, maybe it has value. Ceramics can fetch around RM 10,000 to RM 20,000”.

Participant 3

“...there are values that we share. We must appoint an appraiser to evaluate based list we gave earlier to evaluate one by one... and how much price to pay. Not buying and selling transactions, but more about how much compensation to be given to people who found artefacts....”

“... in terms of heritage value, it is priceless. But there is commercial value. The commercial value attracts not only ordinary people but also politicians. Even high-ranking people are interested.... also the rich businessmen. When doing an exhibition, a mini gallery, there are invitations everywhere, and there are people who want to buy. So these artefacts have value...”

“Artefacts are priceless. But we can share the value figure based on the compensation amount. If it is inherited, let's say a Malay cannon, so how much does it worth? We will provide an estimate of the current value. We cannot give an exact figure. Evaluation

is based on history. In the past, to find shipwrecks, if it was a commercial project, we would appoint experts from abroad to do the monetary evaluation”.

“We once bought an archaeological site. We bought Sungai Batu for RM13 million, and Lenggong for RM12 million. We bought the sites at the current value. The current value also considers crops being planted at the site. Usually, we pay more. We do a land assessment”.

“In the Museum Department, most artefacts are valued by Finance at RM 1...actually, the real price does not exist”.

Participant 4

“... the evaluation of the artefact... is determined based on the compensation to the donor. Most of the time, artefacts are priceless...the value cannot be determined”.

“For the historic site is the Outstanding Universal Value. Haah (stating agreement to the statement) ... this is an Outstanding Universal Value. We follow this universal value...”

Disclosure Information of Archaeological Sites and Artefact Collections

This section discusses the face-to-face interview responses and findings on RO2. The next research question was “What is the ideal disclosure information on Tangible HA, specifically archaeological sites and artefacts, which has to be included in the financial statement of the relevant agency?”

Participant 1

“I suggest disclosing the expenditures on sites, conservation management costs, and after that, future planning”.

“Disclose the scientific evidence...whether artefact or eco fact site. For example, stone tools from 5,000 years ago... If it is the

only one, it is considered special... considering its contribution toward national culture..."

"...use an accurate tagline, which is based on historical evidence... for example, "Perak Man, the most complete human remains from Southeast Asia from 10,000 years ago, which had never been discovered before".

"...also refer to information which is being documented... the international and national documents. Describe in just one paragraph. That can also be referred to as a tagline, reduce it to just one paragraph".

Participant 2

"...perhaps provide a historical narrative. Perak Man's historical value is quite important because he is complete, the oldest of his time.... In Sarawak, the skull in Niah Cave has no commercial value. But Niah Cave is an important historical value... because it is one of the earliest human pieces of evidence in Malaysia..."

(note: located in Miri, Sarawak, Malaysia (island of Borneo), Niah caves are the site of some of the oldest human remains discovered in Southeast Asia (Sarawak Forestry Corporation, 2023))

Participant 4

"..... artefact - the artefact that is found is stated first as its age, then its history... then its condition. So older things or those thousands of years old are more valuable, with their historical background and in good condition."

"...for its excellence or masterpiece. If it's the masterpiece, it is more valuable... The artefacts found in the Bujang Valley are masterpiece artefacts because they are there, there is only one... the artefacts that we found in the Bujang Valley are more than a thousand years old..."

Discussion of Findings

In Malaysia, archaeological sites and artefacts are primarily valued for their historical and cultural significance, often regarded as priceless. Sites like Lenggong Valley gain recognition through UNESCO's Outstanding Universal Value criteria, emphasising their importance based on continuous human habitation and archaeological findings. These values focus on preservation and heritage rather than commercial worth.

However, in certain contexts, such as compensation for donors, land acquisition, or exhibitions, monetary estimates may be made. While everyday artefacts like stone tools usually lack market value, some items like ceramics may be valued for auctions. Appraisers may be appointed to estimate values for compensation, though these are not market transactions. Ultimately, while the true worth of these heritage items is considered invaluable, practical evaluations are sometimes necessary.

The ideal disclosure of information on tangible HAs (specifically archaeological sites and artefacts) in financial statements should include the financial information of HA (Theme One: Financial Information), including expenditures and conservation-related costs, such as site maintenance, conservation efforts, and future planning. This is consistent with the responses provided by the participants. The financial transparency helps stakeholders understand the investment made in preserving national heritage. Additionally, disclosing documented scientific evidence, such as the uniqueness, age, and historical significance of artefacts, adds context and supports the justification for these expenses (Theme Two: Historical Narratives Information). Brief, evidence-based taglines and references to international or national documentation (e.g., Perak Man as the oldest complete human remains in Southeast Asia) can enhance public understanding and appreciation. The second theme is also linked to the responses provided by the interview participants.

In addition to financial details, disclosures should include historical narratives and descriptions of significant artefacts, emphasising their rarity, condition, and cultural value. Highlighting masterpieces or one-of-a-kind finds adds depth and helps convey their true importance beyond monetary terms. This proposed disclosure of HAs, specifically for archaeological sites

and artefacts, provides useful information to various stakeholders, especially the public sector itself. It can enhance public sector accountability and transparency in managing public funds related to the management of HAs. Providing relevant information to the public supports public accountability theory, which asserts that the public sector must be answerable for its actions and decisions to the public it serves. Thus, this disclosure enables the public to better understand how heritage assets (HAs) are managed, funded, preserved, and conserved.

The proposed disclosure also supports previous research that emphasises the inclusion of non-financial information such as historical and narrative content in financial reporting (Basnan et al., 2015; Rosli et al., 2019; Aversano et al., 2019; Hassan et al., 2016; Aversano et al., 2015; Aversano & Christiaens, 2014). By disclosing such information, it contributes to improved reporting of HAs, which in turn enhances management practices, including conservation and preservation strategies, budgeting, and the promotion of HAs for their historical and civilizational significance to the country.

CONCLUSION AND FUTURE DIRECTIONS

Preserving the nation's rich cultural heritage is crucial for maintaining national identity and supporting the country's journey toward achieving developed nation status. The government must act as a responsible steward, demonstrating a strong commitment to safeguarding these assets. At the same time, there should be room for innovation and creative design to enhance public engagement and appreciation of cultural and HAs, especially among the younger generation.

The findings of the current study revealed that, in Malaysia, there is no standardised method in place for valuing tangible HA, particularly archaeological sites and artefacts. All participants acknowledged the significant cultural and historical value of these assets, describing them as invaluable and irreplaceable. They also emphasised the inherent challenges in assigning commercial value to most artefacts, given their unique and non-replicable nature.

These HA are considered priceless or valueless based on the historical features, paradigms, and pieces of evidence. According to MPSAS 17, page 6, “heritage assets value in cultural, environmental, educational, and historical terms is unlikely to be fully reflected in a financial value based purely on a market price. They are often irreplaceable, and their value may increase over time, even if their physical condition deteriorates” (Accountant General’s Department of Malaysia, 2013a).

In the Ministry of Tourism, Art, and Culture (MOTAC) financial statement, some of the artefacts are valued at RM1, which is a minimal value, disregarding their significant historical contribution. This is inconsistent with the studies by Alfasyiri (2015) and Widodo et al. (2020), who claimed that HAs must be recorded in the number of units without value. MPSAS 17 emphasises that if an entity does recognise HAs, it must apply the disclosure requirements of this Standard (Accountant General’s Department of Malaysia, 2013a). Though the standard has highlighted the disclosure criteria, the current study offers some ideas or proposals which can be considered by standard setters on the disclosure information of HA.

To enhance transparency and public accountability, it is recommended that financial statements include a comprehensive disclosure of HA. Key information to be disclosed should include detailed descriptions of each HA, such as its age, historical background, cultural significance, uniqueness or status as a masterpiece, and current physical condition. Providing a historical narrative alongside scientific evidence such as archaeological findings, carbon dating results, or restoration reports can further demonstrate the asset’s contribution to national identity, cultural heritage, and historical continuity.

Additionally, disclosures could include references to national and international documentation, such as UNESCO World Heritage listings, heritage registers, or governmental heritage databases, to substantiate the asset’s recognised value. Incorporating a clear and impactful tagline or designation, such as “Oldest Iron Smelting Site in Southeast Asia” or “Cradle of Malaysian Civilisation” can help to encapsulate and communicate the HA’s historical importance to a broader audience.

From a financial perspective, it is also advisable to report expenditures related to site operations, including conservation and restoration costs, infrastructure maintenance, and heritage management planning. Future financial planning for the ongoing preservation, research, and public engagement strategies related to HAs should also be transparently disclosed. These practices not only improve financial reporting standards but also support efforts to protect, promote, and sustainably manage HAs as part of a nation's cultural legacy.

Future research could adopt a quantitative approach, utilising a structured survey instrument to identify the types of information that should be disclosed in financial statements when reporting on HAs. This method would enable the collection of measurable data and broader insights from key stakeholders, particularly accountants and curators, who are directly involved in the financial reporting and management of HAs. Their responses would provide valuable input in developing standardised disclosure practices that enhance transparency, accountability, and the preservation of cultural heritage in the public sector.

Significance of the Study

From an educational perspective, heritage educational programs are successful only when the local community supports heritage-related activities. Under SDG 8 Heritage conservation is considered an asset in terms of economic development. Both tangible and intangible heritage can and do contribute to equity, inclusion, liveability, sustainability, creativity, and economic development. Preservation of older places can have tremendous economic benefits and should be used as a powerful and forward-looking tool for making places more inclusive, resilient, safe, and sustainable.

From a public sector accounting perspective, this study contributes significantly by proposing a structured disclosure framework for the valuation of HAs, with a particular focus on archaeological sites and artefact collections. This framework aims to improve the quality, consistency, and transparency of HA reporting within government financial statements. By incorporating both qualitative and contextual information such as historical, cultural, and conservation details, the framework goes beyond traditional financial reporting to offer a more holistic representation of national heritage.

This is consistent with the implementation of accrual-based accounting in the public sector, which is made mandatory by 2021. The government announcement on its intention to move to the accrual basis of accounting is laid out in the 2010 New Economic Model (NEM) report. The findings of the study would recommend the next step needed by the government to ensure the reporting entity of the HA is able to value, recognise, measure, and report the HA in their report to serve the public with the relevant governmental information.

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