



Applicability of International Accounting Standards in Public Sector IPSAS and its Impact on Quality of Financial Reporting in Iraq (Applied Study in Iraqi Government Institutions)

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Abstract. *The research aims to demonstrate the extent to which international accounting standards can be applied in the public sector. IPSAS And its impact on the quality of financial reporting in Iraq and providing a theoretical framework on the concept of international accounting standards in the public sector IPSAS The quality of financial reporting in Iraq and identifying the economic and social benefits of implementing it IPSAS In Iraqi government institutions and evaluating the positive impact of the application IPSAS on the local economy and society and studying the most important challenges that may hinder the implementation IPSAS and to provide recommendations to overcome them, the deductive approach was relied upon in building the proposed framework for the research by moving from the general to the specific and relying on the inductive approach by moving from the specific to the general by generalizing the conclusions and recommendations to the research community. The research community is represented by all government departments and institutions in Iraq. As for the research sample, the Financial Supervision Bureau was chosen because of the effective role of this body in imposing accounting and control systems on government departments and institutions, preserving public money, supporting public accountability and strengthening the economy. The most significant of the researcher's findings, however, was that the Iraqi Accounting Standards Board had failed to implement international accounting standards. the public sector and issue local standards that are consistent and compatible with the above standards to bridge the large gap between international and Iraqi standards because the current local rules are insufficient to address accounting practices.*

Keywords *International Public Sector Accounting Standards IPSAS, Financial Reporting Quality.*

1. INTRODUCTION

Government organizations face significant challenges in preparing financial reports that accurately and transparently reflect financial and administrative performance. The importance of these standards is increasing in light of the rapid economic, political and social changes, as financial transparency has become a basic requirement to enhance trust between citizens and governments, and safeguard the optimal use of public resources, while the International Public Sector Accounting Standards are IPSAS A comprehensive framework aimed at improving the quality and availability of financial reporting in government institutions and public bodies around the world. These standards came in response to the urgent need to enhance transparency and accountability in the financial management of the public sector, as they contribute to providing a set of unified accounting principles and practices that can be applied across countries and government systems. Given that the outputs of the government accounting system appear in the form of reports and financial declarations that disclose the level of adequacy of government programs and activities, such statements and reports express the reality of the financial situation and performance of the state in a fair and fully disclosed

manner. Many countries have succeeded in developing their government accounting systems and providing more useful, clearer and objective information about the reality of the operations carried out by the state and its real financial situation, in a way that made them similar to glass houses for all stakeholders and achieving public accountability for the government in the adequacy and effectiveness of its performance of its functions and tasks assigned to it.

2. CHAPTER ONE: RESEARCH METHODOLOGY

Research Problem:

The basic difficult of study is that the Iraqi government accounting system suffers from many weaknesses in the process of insufficient disclosure of the financial status of government units and at the level of the entire country, and its lack of focus on achieving control over operations and evaluating the activities and programs carried out by government units, and its focus only on controlling funds and verifying that the appropriations allocated to government units are not exceeded and are spent on the designated purposes and adherence to laws, regulations and instructions, in addition to the fact that disclosure in the Iraqi government accounting system does not provide information that helps in knowing the correct financial status of the country and estimating its capabilities and estimating its needs for the required assets and resources .

The Importance of the Research

The research derives its importance from the topic it addresses, which is global accounting morals. IPSAS In the public sector, and the extent to which they can be applied in the administration accounting system in Iraq, and because of the importance of these standards, which lead to increased transparency and credibility and the provision of financial reports efficiently and effectively, which enhances trust between the government and citizens, in improving the quality of monetary journalism by providing unified and updated standards and contributing IPSAS In improving financial management by providing unified and updated standards .

Research Objectives:

The research seeks to demonstrate the degree to which international accounting values can be applied in public sector. IPSAS And its impact on the quality of financial reporting in Iraq, and from that the sub-objectives branch out, which are to provide a theoretical framework on the concept of global accounting values in the community sector IPSAS The quality of financial reporting in Iraq, and assessing the extent of improving financial transparency in government institutions through the application of IPSAS , identifying the economic and social

benefits of implementing IPSAS in Iraqi government institutions and evaluating the positive impact of the application IPSAS on the local economy and society .

Research Hypothesis

The following hypothesis forms the basis of the study: The public sector may adopt international accounting standards. IPSAS in a manner that contributes to raising the standard of Iraqi financial reporting.

Research Community and Sample

Every Iraqi government agency and institution represents the research community. The Financial Supervision Bureau was selected as the research sample due to its successful role in enforcing accounting and control systems on government agencies and organizations, protecting public funds, promoting public accountability, and bolstering the economy.

3. CHAPTER TWO: THE THEORETICAL ASPECT OF THE RESEARCH

The Concept and Importance of Accounting Standards in The Public Sector IPSAS:

In addition to improving the quality of financial reports released by public sector organizations, the primary function of the International Public Sector Accounting Standards is to address the rules of accounting principles that govern the financial and accounting operations that arise in the non-profit public sector. This is done in order to guide their practice and unify their treatment of similar matters, creating a unified basis for comparing the performance of public sector institutions given their importance and the enormous amount of money they spend (Boukfoussa, 2022: 491).

The term public sector refers to public sector companies that aim to achieve profit and that practice economic activities similar to the private sector and apply the unified accounting system to their financial transactions, as the private sector applies the international standards for financial reporting issued by the International Accounting Standards Board. Therefore, the term international government accounting standards will be used to be appropriate to express the global accounting values for the community sector that is owned by the state (Al-Jazrawi , Ibrahim Muhammad Ali Tahir and Saleh, 2013).

The adoption of international public sector accounting standards provides a stable and unified accounting reference across countries and contributes to strengthening the global accounting profession, developing countries' economies, strengthening ties, and expressing public interest issues (Abbas et al., 2024). The adoption of global accounting values in any country is one of the characteristics of its progress and development of its investment environment and an indicator of its openness to the global arena. The application of these

standards in Iraq is one of the most important issues of economic reform, because after the publication of the Arabic version of these standards in 2001, these standards were adopted in 107 countries around the world, including eight Arab countries: Bahrain, Saudi Arabia, Algeria, and Egypt, especially in private sector institutions, as the application of global values does not interact with the new structure of countries' economic relations (Al-Sayegh, 2019: 126).

Developing countries can benefit from the experiences of countries that have applied international standards in their public sector, in order to preserve public funds from being lost, and to focus on preventive control to avoid making mistakes. In addition, the supervisory authorities obtain financial and accounting advice, in order to benefit from specialized financial topics (Biraud, 2010: 6).

Convergence of International Public Sector Accounting Standards with International Financial Reporting Standards

International Public Sector Accounting Standards (IPSAS) are based on International Financial Reporting Standards (IFRS), formerly known as International Accounting Standards (IAS). The International Accounting Standards Board (IASB) writes IFRS. The International Public Sector Standards Board (IPSASB) adapts IFRS for the public sector as necessary. In this process, the IPSASB tries to preserve as much as possible the principle and text of the original IFRS, unless a significant reason makes the distinction necessary in the public sector (Al-Baghdadi, 2008: 45).

International accounting morals are crucial for ensuring financial accountability and transparency in the public sector. These standards provide a framework for consistent and comparable financial journalism practices so that stakeholders can make informed decisions. Due to need to improve financial managing procedures, boost community trust, and make cross-border comparisons easier, the public sector has adopted international accounting standards, a trend that has spread throughout the world. Common guidelines established by International Accounting Standards (IAS) ensure that financial statements from businesses worldwide are consistent, transparent, and logical. How this paper should be cited Comparative Analysis of Global Community Sector Accounting Values in Greece and Other European Nations (Darwish, 2020: 212).

It explains how a business maintains and reports its explanations and the types of dealings and other proceedings that impact its finances. To guarantee that companies and their financial reports are reliable and uniform across countries and businesses, international accounting standards development aims to establish a common accounting language. Greece's particular

political and economic situation makes it particularly difficult to adhere to international accounting standards. Concerns regarding the public sector's financial reporting and management procedures have been raised by the nation's recent severe financial instability. Greece must adopt and use international accounting standards in order to get over these challenges and improve financial transparency. There are two objectives for this study. First, to assess the extent to which the Greek public sector has embraced and implemented international accounting standards. The second phase of the study involves comparing Greece's adoption and implementation of these standards with those adopted in other European countries (Spyridaki et al., 2016: 262). Through this comparative study, we seek to identify similarities and differences, as well as obstacles and opportunities associated with the implementation of international accounting ethics in the public sector in Greece and Europe (Nerantzidis et al., 2022: 190). This study aims to enrich academic knowledge by providing a new perspective, as well as addressing the opportunities and challenges related to the public sector's adoption of international accounting standards (Schmidhuber et al., 2022: 120). Although there is a lot of past research on the adoption of these standards in different contexts, this study remains in the early stages of the implementation of international accounting standards (Mahayni & Salloum, 2008:17).

However, the literature lacks comprehensive studies that focus exclusively on the Greek public sector (Haug et al., 2024: 1964). This study fills a significant gap by examining Greece's adoption and implementation of international accounting standards, and comparing it with other European countries (Asonitou, 2022: 244). In addition, this study takes into account Greece's specific political and economic circumstances, offering a sophisticated approach (Challoumis & Eriotis, 2024: 992). The country's recent financial turmoil and the increased scrutiny of public sector financial reporting procedures highlight the need for a tailored analysis that reflects the unique challenges facing this sector (Al-Hussaini, 2020: 67).

This study explores the implications of implementing international accounting standards in Greece, providing valuable guidance for stakeholders, practitioners and policymakers, taking into account the country's unique political and economic context. By providing a comprehensive analysis of the adoption of and demand for international accounting ethics, this study aims to significantly advance the field of financial management and accountability in the public sector (Al-Khaqani, 2015: 48).

Motivations for Adopting International Accounting Standards in The Public Sector:

The public sector adopts international accounting standards for several reasons, most notably enhancing transparency, comparability and financial accountability. These standards are:

1. **Depicting financial information and its comparability:** Enhancing financial information and its comparability is one of the important ways to develop the public sector as it contributes to financing infrastructure and its needs (Al-Jaarat, 2018: 104).

2. **Accountability:** Accountability is an important factor in applying international accounting standards because it has the means and goals that can encourage institutions to invest in it by providing accurate and unified guidelines for applying financial reporting standards (Al-Amiri, 2016: 178).

3. **Assessing the economic, social and environmental impact:** International accounting standards play an important role in assessing the impacts of public sector operations as they are related to social responsibility and environmental sustainability (Boukfoussa, 2022: 116).

4. **International Harmonization:** International harmonization and conformity to global financial reporting standards are encouraged by adoption of IPSASs. The consistency and comparability of financial data are crucial in a world that is becoming more interconnected and where capital flows and economies cut across national boundaries. By adopting IPSASs, nations can bring their financial reporting procedures into compliance with globally accepted standards. International comparison is made easier by this harmonization, which enables analysts, investors, and politicians to evaluate the financial presentation of community sector organizations in various jurisdictions and make well-informed decisions (Al-Ubaidi, Maher Musa and Al-Baghdadi, 2002: 19).

The Relationship Between International Accounting Standards in The Public Sector IPSAS and Its Impact On the Quality of Financial Reporting:

Data that has been processed in a particular method to provide a comprehensive connotation that can be used in present and upcoming decision-making procedures is called information. Information from various sources that represents the living material that is recorded and can be handled through analysis, interpretation, explanation, and description is known as accounting information. Its purpose is to be processed and output in the form of financial statements and information that represents the data, which are helpful to internal and external users in their decision-making process (Almasarwah, 2015: 107).

Standards for IPSAS It facilitates the presentation of prepared financial statements that offer thorough accounting details regarding the operations of the economic unit. Because it can

have a positive impact on their various decisions, including administrative and investment decisions, this information necessity be of the necessary quality to meet the needs of users. Information quality is a collection of methods, which could take the shape of a program, that are intended to improve the accounting information system's final outputs, decrease performance flaws, and achieve the desired outcome in a way that aids users of all kinds in making logical decisions (Constantatos, 2018: 56).

It also adheres to IPSAS Standards. Improving a set of qualitative characteristics that accounting data must have to assist its users will contribute to raising the standard of financial reporting. While these traits vary from one institution to the next, there is general agreement on three key traits: comparability, relevance, and dependability in light of current environmental changes (Nora, 2018: 73).

In order to evaluate the quality of financial reporting, Dechow and Dichev developed the accruals quality model, which is predicated on the idea that accruals (or working capital) are established by operating cash flows in the past, present, and future. According to Dechow and Dichev (2002), the model is described as by means of the following: (McNichols, 2002: 64).

$$Accruals_{it} = \alpha + \beta_1 CFO_{it-1}/TA_{it-1} + \beta_2 CFO_{it}/TA_{it} + \beta_3 CFO_{it+1}/TA_{it+1} + \beta_4 \Delta Revenue_{it}/TA_{it} + \beta_5 PPE_{it}/TA_{it}$$

Then :

Accruals_{it} : Quality of receivables for institutions *i* per annum *t* .

CFO_{it-1}/TA_{it-1} : The ratio of the previous year's operating cash flow to total assets .

CFO_{it} / TA_{it} : The ratio of current year's operating cash flow to total assets .

CFO_{it+1}/TA_{it+1} : Ratio of future operating cash flow to total assets .

ΔRevenue_{it} / TA_{it} : The ratio of change in revenue to total assets.

PPE_{it} / TA_{it} : Fixed assets to total assets ratio.

Thus, International Public Sector Accounting Standards, or IPSAS Users can make well-informed decisions about the economic unit's policy by receiving this information at the appropriate time in a manner that facilitates the rationalization of administrative decisions. Additionally, it helps to deliver relevant and accurate data and information to its users, especially those who are external (Cheung et al., 2010:149).

4. CHAPTER THREE: THE APPLIED ASPECT OF THE RESEARCH

An Introductory Note About the Research Sample

The government accounting system in Iraq has been subject since the issuance of the first general budget with the formation of the first Iraqi government in 1921 to the provisions of the Ottoman Accounting Principles Law issued in 1911 and the instructions issued by the British Mandate Authority and the Iraqi Interim Government. In 1924, when the Financial Affairs

Authority System No. (715) was issued, matters related to organizing and implementing the budget became derived from this system and the Ottoman Accounting Law due to the absence of a constitution and parliament at that time. In 1925, when the constitution was issued, the accounting organization and financial matters became subject to the provisions of Chapter Six thereof on financial matters and the rules organizing the budget and the necessity of its approval by parliament and determining the method of monitoring it. In 1940, the General Accounting Principles Law No. 28 was issued to organize government accounting work in Iraq and prepare the budget, which remained the only reference that organizes budget affairs in addition to some scattered provisions included in the successive development plan laws until the issuance of the Unified Budget Law No. (107) of 2008.

With its provisions and accompanying guidelines, the aforementioned law was thought to be the sole law governing financial matters in Iraq. The Accounting Principles Law and its accompanying instructions were not repealed by the Unified Budget Law No. 107 of 2008, nor did it have a significant impact on the contents of the aforementioned law. According to Article (4) Fourth of Section (12) of the Financial Management and Public Debt Law No. (95) of 2004, the Public Accounting Principles Law No. 28 of 1940 and the Unified Budget Law No. 107 were put on hold following the publication of the Public Financial Management Law No. 95 of 2004. Nevertheless, the law stipulated in Section (15), Paragraph (2), Second, that its implementation instructions must be approved within a year of its adoption until they are accepted by government agencies.

Since the Financial Management Law did not address any changes to the organizational structure of the government accounting system in a way that was compatible with the requirements of the new federal system in Iraq, it is noted that it does not comply with the Republic of Iraq's 2005 Constitution, as Article (116) of the Constitution stipulates (the federal system in the Republic of Iraq consists of a capital, regions, decentralized governorates and local administrations) and Article (122-First) stipulates that “governorates that are not organized into a region are granted broad administrative and financial powers that enable them to manage their affairs in accordance with the principle of administrative decentralization, and this is regulated by law ” .

It is noted that what distinguishes the aforementioned law from the old law is its reliance on international accounting standards issued by IFAC Paragraph 7 of Section Eleven stipulates that the final accounts related to the federal budget shall be in accordance with the content and classifications of the budget and international accounting standards. However, the provisions

of the Accounting Principles Law continued to be applied due to the lack of an alternative to them in the Financial Administration Law.

Application of IPSAS in The Public Sector IPSAS in Iraqi Government Units:

Before starting to apply the standards IPSAS, a comprehensive analysis of the current status of the public sector accounting system in Iraq should be conducted. This analysis should address:

1. **Current accounting structure:** The accounting structure plays an important role in analyzing accounting policies and procedures.
2. **Human capabilities:** The capabilities of the resource are important in assessing the efficiency of accountants to deal with international accounting standards.
3. **Technology and systems:** They represent an important element and a major pillar in developing and improving the capabilities of employees and organizations to use the methods and tools used in preparing financial reports.
4. **Regulatory and legal framework:** It includes all laws, regulations and systems that govern international accounting standards.

Implementing IPSAS standards contributes to enhancing the transparency of financial reporting by providing accurate and reliable financial information. For example, the use of IPSAS 1 (Presentation of Financial Statements) can help standardize the form and content of financial statements, making it easier for users to compare the financial performance of different entities.

. IPSAS like IPSAS 24 (Public Budget Presentation) provides a framework for improving control over government spending. By providing periodic reports tracking the budget and financial allocations, the government can monitor spending and ensure compliance with the approved budget, and use IPSAS 17 (Property, Plant and Equipment) can help improve fixed asset management by providing accurate reports on the value and useful life of assets, enabling the government to make informed decisions about replacing or maintaining assets.

The application of standards IPSAS It represents a golden opportunity to improve the accounting system in Iraq. By drawing on global best practices and adapting them to the local context, Iraq can build a sustainable and transparent financial system that enhances trust in government institutions and contributes to achieving comprehensive development goals and implementing IPSAS Successfully achieving this requires collective commitment from all stakeholders, and continuous efforts in training, development and technological improvement. Ultimately, this will contribute to building a strong and sustainable economy that supports the comprehensive development and well-being of Iraqi society.

Analysis of The Relationship Between International Public Sector Accounting Standards (IPSAS) And The Quality of Financial Reporting in Iraqi Government Institutions

The accruals model, which aims to optimize the quality of accruals based on operating cash flows, will be used to gauge the caliber of financial reporting in Iraqi government entities. The following can be used to explain this model:

$$Accrualsit = a + \beta1 CFOit-1/TAit-1 + \beta2 CFOit / TAit + \beta3 CFOit+1/TAit+1 + \beta4 \Delta Revenueit / TAit + \beta5 PPEit / TAit$$

The following table provides an explanation of the ratios of the institutions' operating cash flow from the previous year to their total assets, operating cash flow from the current year to their total assets, operating cash flow from the future to their total assets, change in revenues to their total assets, and fixed assets to their total assets. Consequently, it is imperative to calculate each variable in this model:

Table 1 Variables of the Receivables Quality Model in Iraqi Government Institutions for the Period (2014-2023)

Year	CFO _{it-1} / TA _{it-1}	CFO _{it} / TA _{it}	CFO _{it+1} / TA _{it+1}	ΔRevenue _{it} / TA _{it}	PPE _{it} / TA _{it}
2014	0.046	0.322	0.684	-0.007	0.090
2015	0.118	0.072	0.017	-0.006	0.052
2016	0.106	0.005	0.005	-0.007	0.114
2017	0.019	0.100	-0.388	-0.021	0.212
2018	0.063	0.254	0.531	-0.013	0.030
2019	0.133	0.26	-0.100	-0.005	0.202
2020	0.090	0.152	0.116	-0.012	0.155
2021	0.037	0.100	0.010	0.009	0.067
2022	0.122	0.294	0.348	-0.015	0.007
2023	0.120	0.166	-0.061	0.023	0.126

Operating cash flow for the current year divided by total assets, operating cash flow for the previous year divided by total assets, operating cash flow for the future divided by total assets, change in revenues divided by total assets, and fixed assets divided by total assets are the next steps in the calculation process. The quality of receivables in Iraqi government entities from 2014 to 2023 is explained in the following table:

Table 2 Quality of receivables in Iraqi government institutions for the period (2014-2023)

Year	Accruals _{it}	Arrange
2014	1.135	10
2015	0.253	4
2016	0.223	2
2017	-0.078	1
2018	0.865	9
2019	0.490	6

2020	0.501	7
2021	0.223	3
2022	0.756	8
2023	0.374	5

Source: Prepared by the researcher.

The table above shows that the lowest number was -0.078. During the research period, which ran from 2014 to 2023, this illustrates how the quality of the receivables reflected the quality of financial reporting for the research sample institutions. The Kurdistan International Bank's highest value, 1.135, was recorded in 2014 and again in 2017. This enables the financial statements' beneficiaries to determine the accuracy with which the bank stated its receivables.

Therefore, it can be concluded that all of the accounting and financial data and information needed to assess the caliber of financial reporting in the research sample—the Iraqi government institutions—are available. Additionally, this bank has human cadres who are qualified both scientifically and practically to assess the quality of financial reporting and assess how well it meets user needs. It is possible to review and verify the accuracy of the data gathered from assessing the standard of financial reporting. The bank's management, the research sample, is aware of the conclusions reached from the assessment's findings in addition to having adequate time to gauge the caliber of financial reporting and deliver relevant information at the right moment. Using a model, accounting data from Iraqi government entities will be categorized as either good or poor based on the amount of optional dues. (Jones), and the mathematical model that follows is relevant:

$$DAC_{it} / A_{it-1} = TAC_{ijt} / A_{ijt-1} - NDAC_{ijt} / A_{ijt-1}$$

It is explicable. The following table displays the absolute amount of optional dues in Iraqi government institutions for the 2014–2023 period based on the Jones model:

Table 3 Absolute value of discretionary dues according to the Jones model in Iraqi government institutions for the period (2014-2023)

Year	The absolute value of optional accruals	Average the absolute value of optional accruals	Classification (good / not good)
2014	1.135	.474	Good
2015	.253	.474	Not Good
2016	.223	.474	
2017	-.078	.474	
2018	.865	.474	Good
2019	.490	.474	
2020	.501	.474	
2021	.223	.474	Not Good
2022	.756	.474	Good
2023	.374	.474	Not Good

The following table shows the value of optional accruals as well as their absolute value, which was determined using the Jones model. If the overall value of optional accruals is more than the value of the accruals themselves, and vice versa, the financial reporting is of the required quality. The above table shows that while the accounting data was of excellent quality in the other years, it was not of the required level in 2015, 2016, 2017, 2021, and 2023. This is due to the data's auditability and dependability verification, which enables various users to make more rational administrative judgments.

Measuring Role of International Accounting Standards in The Public Sector IPSAS in Improving the Quality of Financial Reporting in Iraqi Government Institutions:

The following table provides an explanation of the correlation coefficient (Pearson) value between the research variables in Iraqi government institutions for the 2014–2023 timeframe:

Table 4 Correlation coefficient value (Pearson) Between International Public Sector Accounting Standards IPSAS Quality of financial reporting in Iraqi government institutions for the period (2014-2023)

	IPSAS standards	Quality of financial reporting
IPSAS standards	1	0.924*
Quality of financial reporting	0.924*	1

The table above illustrates the connection between public sector IPSAS and international accounting standards. At the 1% level, there is a significant and direct correlation between financial reporting quality. The correlation coefficient was 0.924, indicating that the implementation of international accounting standards (IPSAS) in the public sector will enhance the quality of financial reporting and assist both internal and external users in making wise and valid decisions. It should be noted that the aforementioned law differs from old law in that it relies on IFAC-issued international accounting standards. Final accounts pertaining to the federal budget must comply with the budget's classifications and content as well as international accounting standards, according to paragraph 7 of Section Eleven.

It is possible to illustrate the correlation test between international public sector accounting standards. IPSAS The following table displays the standard of financial reporting in Iraqi government agencies from 2014 to 2023:

Table 5 Testing the correlation between international public sector accounting standards IPSAS
Quality of financial reporting in Iraqi government institutions for the period (2014-2023)

The independent variable	R	SD Error of the Estimate	Durbin-Waston	The dependent variable
IPSAS standards	0.924*	0.78534323	1.8895627	Quality of financial reporting
* "Correlation is significant at the 0.01 level (2-tailed)"				

The table above illustrates the connection between international public sector accounting standards, or IPSAS. At the 1% level, there is a significant and direct correlation between financial reporting quality. Since the correlation coefficient was 0.925, it can be concluded that whenever IPSAS is applied in the public sector, the more this improves the quality of accounting reporting, the better. However, it should be noted that the Durbin-Waston test value was between 1.5 and 2.5, with a value of 1.8895627, indicating that there was no autocorrelation between the residuals and confirming the influence of accounting standards. IPSAS Regarding the caliber of financial reporting in Iraqi government agencies, it can be concluded that the public sector's adoption of international accounting standards IPSAS The research hypothesis has been validated to the extent that this improves the quality of financial reporting.

5. CONCLUSIONS

1. The absence of accounting texts pertaining to the creation and administration of the information system and any changes to the organizational structure of the government accounting system in accordance with the specifications of the new federal system in Iraq were not addressed by the Financial Management and Public Debt Law.
2. Although the decentralized accounting system was implemented in Iraq, it fell short of the level of ambition because it did not incorporate the integration principle into accounting work at the level of the government unit. This is because the decentralized system was not fully implemented in the government accounting system in Iraq, which makes it impossible to develop operations at the level of the government unit.
3. The absence of the concept of the accounting unit, which is one of the basic and necessary concepts that should be focused on in accounting in general and in the government accounting system in particular, and adapting them to the local context, Iraq can build a sustainable and transparent financial system because it determines the scope, areas and

activities and the failure to implement accounting texts about which information is collected and reports and financial statements are prepared .

4. The absence of accounting unit features under the government accounting system for revenues and expenses suffers from shortcomings and is within the framework of the administrative unit because it does not show expenses paid in advance and due and revenues received in advance and due.
5. The inability of the current government accounting system outputs to provide complete financial reports that enable the performance evaluation of government units and their accountability.

RECOMMENDATIONS

1. The necessity of identifying public sector accounting procedures that adhere to international accounting standards IPSAS Reducing the disparity between domestic and foreign accounting systems by standardizing the accounting language and offering a common interpretation of the financial statements will give the accounting data more legitimacy and make it more dependable.
2. The necessity for the accounting and auditing standards board in Iraq to adopt global accounting values in the community sector IPSAS Issuing local standards that are consistent and compatible with the above standards to bridge the large gap between international and Iraqi standards because the current local rules are not sufficient to address accounting practices.
3. In an effort to keep up with the current global developments, the current government accounting system is being phased out because it is outdated and has been discontinued in the majority of Arab and foreign nations. Instead, a government accounting system that is prepared in accordance with global accounting morals for public sector will be issued, as is the case in Jordan.
4. IPSAS held training courses for the Iraqi Association of Certified Public Accountants, Auditors, Accountants and Auditors on the necessity of introducing global accounting morals in the public sector and how to apply them to government accounting systems in Iraq.
5. The Board of Supreme Audit should update the unified secretarial organization in accordance with the application of global accounting morals in the public sector. By benefiting from international best practices and adapting them to the local context, Iraq can build a sustainable and transparent financial system that enhances confidence in

government institutions and contributes to achieving comprehensive development goals.

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