



The Role of the Cash Flow Statement in Enhancing the Quality of Financial Reporting in the General Tax Authority : An Applied Study

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Abstract .The percentage of Adequacy Flows Cash Operational and indicator Activity Operational and revenue on assets from the flow are two examples of cash flow events that help improve the quality of financial reporting. The research attempts to address the theoretical framework of the cash flow statement. According to the following premise, cash flow metrics have the potential to improve the quality of financial reporting. The Iraqi General Tax Authority for 2022 and 2023 serves as the study sample. The study came to several results, chief among them being that the cash flow list can offer Since these measures express the continuity of cash flows for the research sample, they would help improve the quality of financial reporting by measuring the quality of the sample's profits in a way that improves performance and is consistent with the variables supplementary the contemporary business environment for the research sample related to the Iraqi General Tax Authority.

Keywords: Cash Flow, Quality of Financial Reporting, General Tax Authority.

1. INTRODUCTION

With more size the sample I became information existing Center Financial And list Income not able on give picture Real on the situation Cash For the research sample, And from here Originated the need to Existence existing give This is amazing the information additional, And help Users Lists Finance from Contributors And creditors And investors And others on take Their decisions Correctly, it came existing Flows Cash To include This is amazing the information Additional Which no Available in My list Income And the center Financial, And meet needs users, And you give them Answer Clear And objectivity on Their questions, That's because Depends on Basis cash, And with Appearance of Changes Economical New characterized Under circumstances non making sure And increasing need Investor to Create climate My investment Characterized Credibly And convenient And transparent And flexibility more for help on take Decisions Investment It increased Importance This is amazing the list, where had become Investor Cares about With operations Company Cash from sell Stocks And bonds in Markets Finance And operations Grant Loans And recover it And operations Distributions Profits And he paid the benefits And other that .

2. RESEARCH METHODOLOGY

Research problem

The issue with the research is that, in addition to not being able to give the information needed to improve the quality of financial reporting, the income statement and the statement of financial position, which are traditional financial statements, cannot satisfy the demands of decision makers in the way that is needed. The following query can be used to articulate the research problem: Is it feasible for norms Flows Cash to contribute to improving the Iraqi General Tax Authority's financial reporting quality?.

The importance of the research

The significance of research stems from the cash-flow declaration's ability to provide the essential indicators for assessing the sample's profitability in a way that enhances performance and aligns with the factors that accompany the contemporary business environment.

Research objectives

The percentage of Adequacy Flows Cash Operational and indicator Activity Operational and revenue on assets from the flow are two examples of cash-flow measures that help improve quality of financial reporting. The research attempts to address procedure more from research and studies that Looking in variables other derivative from existing Flows Cash Which effect on resolution Investor the theoretical framework of the cash flow statement. Cash Management.

Research hypothesis

The following fundamental premise serves as the foundation for the study: (Cash flow metrics can assist boost the quality of financial reporting).

Research sample

The research sample represents the Iraqi General Tax Authority and its affiliated bodies for the years 2022 and 2023.

3. THE THEORETICAL FRAMEWORK FOR THE RESEARCH

The concept and importance of the cash flow statement

The total amount of money coming in and going out is displayed in this list. Whether there have been increases or declines in the company's cash flow, the cash flow statement is seen as an analytical representation of these changes together with an understanding of the causes (Al-Douri and Abu Zannad, 2006: 111). Some people see the cash-flow statement as a slope that shows money inflows and outflows as well as the net change in cash from finance,

investing, and operational activities., in order for the cash balance at the start and the conclusion of the term to match. As a result, the cash flow statement is a list that makes it possible to assess a sample's financial liquidity. Research conducted over a predetermined time period, typically at the end of the fiscal year, that determines the balance of cash flows entering and exiting the research sample while conducting the company's financing, investment, and operational activities during fiscal year (Nurnberg, 2006:30) and another name for it is a report. Users of financial statements may see where the study sample's cash flow came from and how it was spent during a certain time period (Essys, 2018:2).

The importance of the cash-flow report is demonstrated by its capacity to communicate information about the financial condition of the research sample in an effective manner. Additionally, shareholders view the cash flow statement as useful for comparing changes in the financial status of the research sample. The statement of cash flows is considered an important source for investors when they are making investment-related decisions, in addition to being a vital instrument for evaluating the company's short-term sustainability and stability (Epstein & Pava, 1992:32–33). Because the cash flow declaration can give a clearer picture of the business's performance and stability than both the income statement and the financial position statement, an experienced financial analyst may occasionally use it to identify problems and difficulties that the company may be facing that are not readily apparent or discovered. This was confirmed by Zhao and El-Masry (2013:822), who reviewed prior research on the cash flow statement's informational content and came to the conclusion that the majority of studies showed that the cash flow statement's informational content is superior to that of the revenue statement. The cash flow report reports a number of matters, including the following: (Kieso, et. al.,2016:1345-1346)

1. The financial impact of an operational unit's activities over a given time frame.
2. Transactions involving investments.
3. Transaction financing.
4. The cash flow statement displays the net increase or decrease in cash over the given time frame. responses to the questions that follow: Where did the funds originate at that time? For what purposes was money spent at this time? How has the cash balance changed throughout the course of the old-fashioned?

Components of the cash flow statement

The sample is used to reveal cash during the period and is appropriately classified based on its activities (financing, investing, and operating) in order to provide beneficiaries with relevant information that allows them to understand and evaluate how such actions affect the

financial statements. Because the contents of the cash flow statement must explain cash flows in accordance with American accounting rules, the statement of cash flows technique is based on further study. Other derivatives that look at variables work to provide users of financial statements with information about cash flows by establishing guidelines and foundations that help determine the unit's capacity to generate cash, identify its areas of use and timing, and determine the degree of certainty of meeting it in the future.

a. Operational activities : It comprises all cash sums received and paid in cash, as well as the cash consequences of the transactions that go into calculating net income. Since the net amounts derived from operational activities are seen as a fundamental indicator of the degree of funding the business's operations, they are regarded as one of the sample's most significant activities procedure more from research and studies that Looking in variables other derivative. As a result of unit-level direct and indirect taxes (Al-Tamimi and Ali, 2018: 9), the following examples lead to working action inside the business: (IPSASs, 2016:226)

- 1-The monetary amounts obtained from the study sample's varied income, fees charged for goods and services, grants, and other sources.
- 2-Cash flows for commissions, other income, and financing the unit's activities.
- 3-Amounts paid to employees in cash.
- 4-The sums of money obtained and paid as a consequence of contracts and lawsuit settlements.

b. Investment events : These are the cash flows that result from the business's investment operations, which include debt financing, fixed asset purchases and sales, and business ownership (Nurnberg, 2006:31). Additionally, they comprise all of the business's long-term investment and asset acquisition and sales operations that are not comprised in cash counterparts and are reported distinctly, which fallouts in the subsequent consequences: (IPSASs, 2016:228)

- 1-Offering the research sample a future service that results in the asset being recognized in the financial reports.
- 2-The sums of money received and paid for the acquisition and disposal of factories, buildings, land, gear, intangible properties, and other possessions.
- 3-The sums of money used to purchase and sell debt instruments and ownership rights for other elements and shares in combined ventures.
- 4-The sums of money obtained by paying back loans and advances given to third parties.

c. Financing activities :- These include operations that improve the company's capacity to raise capital, such as those pertaining to drive of loans and wealth, whether they are rising or decreasing, and capital extras given (Digo et al., 2017:141). All cash amounts received procedure more from research and studies that Looking in variables other derivative and paid as a consequence of financing operations are fully reported. Because it is regarded as a crucial indicator of the amount of cash accessible through stocks and loans, the examination of cash flows from financing operations is very significant.

1. Any financial returns, excluding promissory notes, transfers, etc., obtained from the issuing of unsecured debt instruments.
2. Loan repayment over the time frame.
3. The period's dividend payments to stockholders.
4. The sums of money owed for the financial lease.

Methods of preparing a statement of cash flows and some considerations that must be taken into account

Both the direct approach and the indirect method can be used to produce the cash flow statement (Garrison & Noreen, 2003:736). The following provides an explanation of these two approaches:

First, The straightforward process This approach concentrations on main elements of the entry and exit of the total cash flows related to the research sample's operational activities since the Seventh International Standard (IAS7) recommended that the sample prepare cash flow statement using the direct method since it delivers useful information after estimating future cash flows. According to the direct technique of cash flow statement creation, the cash result of each revenue statement component that depicts operational operations is determined. To do this, the cash basis should be used in place of the accrual basis for developing procedures based on research and studies that look at variables other than the income statement (Muhammad, 2013: 340).

The second approach is the secondary technique, which adds or subtracts factors that don't affect cash, such operational cash expenditures for past or upcoming years, in order to calculate the net cash flows of operating activities. In order to create a cash flow statement, we need to gather a collection of data from multiple sources. This will allow us to follow a series of steps to create the final cash flow statement while emphasizing the significance of the data and the procedures used to prepare it. The foundation of this cash flow statement preparation approach is modifying the net income that is displayed. The income statement following certain modifications.

The idea of financial reporting quality and how cash flow metrics are used to assess it

Capacity Profits is a measure of financial reporting quality. Discloser about her on Forecasting With profits Futurism For the research sample, And it counts standard Important to evaluate Portability earnings Company To repeat, And possibility monitor it, And its portability for discount, And it was defined In a way wide on that it Class that Reflect With it Profits antiquities Economic basic, And it is The best in appreciation (Hermanns, 2006:113) , as well as the quality of accounting financial reporting It's the profits that You are characterized With characteristics The main one For information Accounting desired For users Lists Finance that verification Goal Disclosure in Lists Finance, so Availability Ability Predictive For information Accounting (Richardson, 2003:113).

Can be used to develop recommendations for evaluating many aspects of an activity, such as Measures for Improving the Quality of Financial Reporting, which comprise a set of financial ratios. These measures more closely reflect the continuity of cash flows for the study sample than the continuity of accruals because the statement of cash flows provides information that enables one to distinguish between net-income and remaining cash-flow—since net-income is resolute using an accrual basis (Matar, 2010: 162)

First, the Adequacy Flows Cash Operational ratio is determined using the following formula: Adequacy Flow Rates Cash Operational = Cash Dakhla flows from operational requirements Cash is the fundamental Cash outflows for operating expenses, debt repayment, and capital expenditures required to sustain production capacity and settle outstanding obligations throughout the year are all considered basic cash needs. The ability of the business to generate adequate effective cash flows to specifically meet its primary cash demands is expressed by this ratio. particularly paying off debt (Dergham, 2008: 53). The second indication is Activity Operational, which is determined using the equation below: - Activity Operating Indicator = net flow Cash Operational It was hired before to receiving benefits procedure more from research and studies that Looking in variables other derivative. Additionally, the tax demonstrates the capacity of the business's operations to provide operating cash flow throughout the accounting period.

Third: the flow's return on properties Working Cash: The following formula is used to compute it:

The return on the flow's assets Net flow equals operating cash .

The business's ability to create operating cash flow throughout the course of the accounting period is shown by the ratio of operational cash to total assets(Matar, 2010: 163). The final section: the research's application

A brief synopsis of the industrial sample. Sample for research

Sample is the body the public For taxes Iraq where it took place to merge Directorate Revenues the public, that She was Expensive By implementing Law Tax real estate, And a directorate tax Income the public, that Honored on administration Law tax income, To become Commission the public For taxes And law tax Income No. 113 of 1982 , enactment Implementation during practical Merger in 1982. Divided Commission the public For taxes to Departments And branches Commission And units Evaluation that Working in Regions Borderlands Customs duties, as... to divide Business And professions And he swore the sample And he swore transformation Profits Real estate And he swore Real estate And he swore the information And he swore Audit And the oath Financial And the oath Legal And he swore Calculator e And the oath And the circle Administrative considered as Commission the public For taxes Iraqi from Departments that form the structure Organizational For the institution Researched And from during application principles Justice tax For all My motivation Taxes .

Computing the cash flows for operations, investments, and financing for the research sample's companies

Calculate flows. Damn, cash operations, investments, and financing. For study, the published data and financial statements for this sample were checked in order to assemble data on cash flows between 2022 and 2023, and the flows can be clarified. Cash operations, investment, and finance For a branch Baghdad, branch Babel, branch Diyala, and branch Anbar for the year 2017, as stated in the table below: -

Table.(1) Funding, asset, and functioning cash-flows for the study sample in 2022 (amounts in millions of dinars)

No.	the sample	Operating cash flows	Flows Investment cash	Flows Financing cash	the total
1	Baghdad branch	200.454	400.506	785.774	1386.734
2	Babylon branch	26501.513	71094.812	44333.908	141930.2
3	Diyala branch	533.896	816.561	(887.672)	462.785
4	Anbar branch	1208.843	778.631	(454.320)	1533.154

The aforementioned data makes it evident that, either as a branch company or as a subsidiary, Branch Babel generated the most operating, investment, and financing cash flows in 2022, coming in at 26,501,513 million dinars, 71,094,812, and 44,333,908 million dinars, correspondingly. The operations and investment cash flows for Baghdad were the lowest, coming in at 200,454 million dinars, 400,506 dinars, and 785,774 dinars, respectively. Flows can be made clear procedure more from research and studies that Looking in variables other

derivative. The following table shows the sample branches of the Authority's cash operating, investment, and finance search for the year 2023: -

Table.(2) Operating cash flows And investment And financing for the companies in study sample for year 2023 (amounts In millions dinars)

No.	the sample	Operating cash flows	Flows Investment cash	Flows Financing cash	the total
1	Baghdad branch	800.213	(300.743)	(32.784)	466.686
2	Babylon branch	52796.672	35893.221	0.000	88689.89
3	Diyala branch	755.007	441.905	(226.894)	970.018
4	Anbar branch	224.906	513.442	(35.002)	703.346

The table above shows that, although Branch Babel did not generate any financing flow this year, it did obtain the maximum operating and investment cash flow of 52,796,672 and 35,893,221 million dinars. Additionally, it is procedure more from research and studies that Looking in variables other derivative observed that the research sample's procedure more from research and studies that Looking in variables other derivative financial inflows and outflows differ, and this is because the sample's performance fluctuated during this time..

Enhancing the quality of financial reporting in the study sample by employing cash flow measures

The following three standards will serve as the foundation for an example search Using Standards Flows Cash, which aims to improve the caliber of financial reporting: Adequacy flows in ratios come first. Operational Cash: The ability of the business to generate enough operating cash flows to meet its primary cash requirements, particularly debt repayment, is expressed by this ratio. This ratio is calculated procedure more from research and studies that Looking in variables other derivative according to the following equation:

$$\text{rate Adequacy Flows Cash Operational} = \frac{\text{flows Cash Dakhla from Activities Operational}}{\text{needs Cash the basic}}$$
It can be clarified rate Adequacy Flows Cash operational Damn The study is for years 2022 and 2023, as exposed in the subsequent table:

Table.(3) rate Adequacy Flows Cash Operationalization of the research sample

No.	the sample	2022			2023		
		Cash inflows from Operational activities	Basic cash needs	Competence ratio for functioning cash flow	Funds received from operational operations	Needs of basic cash	Operating cash flow adequacy ratio
1	Baghdad branch	200.454	500.00	0.4000	800.213	1000.00	0.8000
2	Babylon branch	26501.513	30000.00	0.8833	52796.672	28000.00	1.8861
3	Diyala branch	533.896	700.00	0.7611	755.007	1300.00	0.5811
4	Anbar branch	1208.843	1400.00	0.8633	224.906	600.00	0.3733

The aforementioned table makes it evident that Branch Babel recorded the highest percentage in 2022 (0.883 3) and 2023 (1.886 1). This shows the company's capacity to on to provide what It is enough from Flows Cash operational to cover needs Cash Main, procedure more from research and studies that Looking in variables other derivative on Face The special Pay Its debts are better than procedure more from research and studies that Looking in variables other derivative the other branches of the sample.

Indicator Activity Operational :This indicator shows Bezel ability Activities operational on generation the flow Cash Operational during Period Accounting: -

Indicator Activity Operating = net the flow Cash Operational ÷ he won Employment before the benefits And the tax

It can be clarified Indicator Activity Operational For companies a sample Research for my year 2022, 2023, And as Explained In the table The following : -

Table (4)Indicator Activity Operational For the research sample

No.	the sample	2022			2023		
		Operating cash flow	Before curiosity and tax - Operating profit	Index of operational activity	Operating cash-flow	Before interest and tax - Operating profit	Index of operational activity
1	Baghdad branch	200.454	75.00	2.6671	800.213	64.00	12.5001
2	Babylon branch	26501.513	12000.00	2.2082	52796.672	15000.00	3.5201
3	Diyala branch	533.896	400.00	1.3331	755.007	225.00	3.3562
4	Anbar branch	1208.843	600.00	2.0132	224.906	124.00	1.8061

Source : Prepared by the researcher.

It can be seen from the table above that Branch Baghdad achieved the highest index during the year 2022, amounting to 12667, and this business likewise attained the highest index in 2023, totaling 112500, demonstrating its capacity to generate and procedure more from research and studies that Looking in variables other derivative flow Period accounting cash operations were superior to the other sample..

The return of Assets on the flow Cash Operational- : Show This is amazing The ratio Bezel capacity Origins Company on Governorate on generation flow monetary Operational during Period Accounting, calculates: -

The return on Assets from the flow Cash Operating = net the flow Cash Operational ÷ sum return of Assets

Assets from the flow can be used to justify the return. Cash Management A typical search for businesses For 2017 and 2018, as indicated in the table that follows: -

Table.(5) The return on Assets from the flow Cash Operational For the research sample

No.	the sample	2022			2023		
		Net operating cash flow	Total (assets)	ROA on Operating cash flow	Operating cash flow(Net)	Total (assets)	ROA on operating cash flow
1	Baghdad branch	200.454	8050.00	0.0251	800.213	9504.00	0.0844
2	Babylon branch	26501.513	322213.00	0.0822	52796.672	350255.00	0.1512
3	Diyala branch	533.896	1796.00	0.2971	755.007	1807.00	0.4182
4	Anbar branch	1208.843	2397.00	0.5044	224.906	2814.00	0.0806

As can be seen from the above table, Branch Anbar had the highest percentage in 2022 (0.504 4) and Branch Diyala had the highest percentage in 2023 (0.418 2). This shows how well these two businesses' assets were able to sustain monetary operations procedure more from research and studies that Looking in variables other derivative and generation flow during Period Accounting..

Based on the above, it can be said that there is a list Flows Cash has helped in situation Standards fall in Of which group from Lineage Finance that maybe Guidance With it in evaluation Face it Activity different, Especially with regard to enhancing the quality of financial reporting, Where you cross This is amazing Metrics on Bezel continuity Flows Cash For the research sample.

4. CONCLUSIONS AND SUGGESTIONS

Conclusions

1. One of the statements that... is the cash flow statement. Prepare a detailed report on the movement of cash into and out of the company based on cash and availability information..
2. Cash flow statement is considered... An indicator well on Bezel sincerity Profits that Check it out The company during a period Temporal Specific .
3. Activities included Operational ramifications Cash While financing operations entail the transfer of funds and loans for transactions in which Clear Income must be ascertained, asset events are the movements from acquisition and auction of secure possessions.
4. The Adequacy Flows ratio Activity related to cash operations and indicators, plus the flow's return on assets Cash Management Among the most significant lines of descent employed to improve the caliber of the business's financial reporting.
5. Since cash flow metrics show the continuity of cash flows for the study sample, they contribute to improving the quality of financial reporting for the sample..

Suggestions

1. To assist in providing decision makers with comprehensive information, pay close courtesy to the cash-flow report and create it alongside the revenue and monetary location statements..
2. Procedure of Investors With importance existing Flows Cash And its ability on give Standards a task For my takers Decisions whether Were they? Investors Current ones Mother Possibly Mother Analysts Millions Mother Whatever from Entities used For lists the sample Finance .
3. Procedure More from Research and studies that Looking in variables Other Derivative from existing Flows Cash Which effect on resolution Investor .
4. To assess and enhance performance, cash flows from one year to the next must be compared in order to show how these flows affect the caliber of financial reporting..
5. Utilizing the research's findings to improve the sample's overall performance and the caliber of its financial reporting.

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