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# SUSTAINABLE DEVELOPMENT AND THE ROLE OF THE CHARTERED ACCOUNTANT IN IMPLEMENTING THE UNIFIED ACCOUNTING SYSTEM IN IRAQ

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## Abstract

Achieving profits is regarded as one of the most important goals that profit-oriented economic units seek, but achieving this goal may be governed by societal restrictions. So, this corresponds to a social and environmental responsibility. Economic stagnation turns the significance of accountancy within the concept of proprietary, which is crystallized to magnify the self-interest of artisans in the companies. So, it is necessary to balance public and private interests to achieve sustainable development and not be affected by subsequent generations. Sustainable development in Iraq represents a general goal for all citizens of Iraqi society because achieving this goal means transferring the reality of Iraq from one case to another. Our research came to define and evaluate the role of the chartered accountant in sustainable development. The importance of this role is that this tool (The chartered accountant) provides the required healthy bases to arrange plans and programs to develop in all economic sectors. The choice of Iraq occurs as it is going through a transitional phase in all fields, and at the forefront of these changes is turning the general approach of the Iraqi economy from a planned and central economy to a market economy by implementing the unified accounting system in Iraq. And its amendments are considered one of the most essential bases necessary to keep pace with these changes.

**Keywords:** Accounting, Sustainable Development, Unified Accounting, Iraqi economy.

## Introduction

The accounting data and information provided by accounting in the form of annual reports for the benefit of the community are no longer sufficient for the environment. Instead, it requires the reports of the chartered accountant to focus on the environmental aspects through what has been created and modernized from sustainable accounting. The chartered accountant represents the primary tool for finding neutral professional opinions in the accounts of individuals and projects. The importance of this opinion increases when countries are going through transitional periods in politics and the field of economy, as it is in Iraq after 2003. The neutral legal accounting opinion is the tool for judging the course of the economic activity march of projects and the economy in general. And the legal accountant is the primary and decisive factor in finding this opinion. Therefore, the more we can qualify the legal accountant distinctly, the more we can obtain an accurate, neutral opinion. The role of the chartered

accountant begins with the issue of allowing and then acquiring the necessary experience for that.

This research tries to find the role of the chartered accountant in sustainable development by providing an opinion to criticize and evaluate the sustainable development process. This helps implement the unified accounting system in Iraq, which is the guarantee for judging and evaluating economic projects.

We have made this research in three chapters. The first is the methodology of research and previous studies. Where it includes two sections, the first being the research methodology and the second being the previous studies. The second chapter has debated provisions or constituents of sustainable development in Iraq. It consists of three sections: firstly, the concept of sustainable development, and secondly, the properties of the Iraqi economy within the current transitional phase. The third section is entitled the chartered accountant and his role in evaluating sustainable development projects in Iraq.

In conclusion, the third chapter is titled The Role of the Chartered Accountant in the Unified Accounting System in Iraq. It implies three sections, the first of which is the suitable accounting system in Iraq, its characteristics, and the development of the stage (before the change and after the change). The second topic came under the title of the facts that led to the change in the unified accounting system in Iraq after 2003. The third topic was the Chartered Accountant and his creativity in Sustainable Development. The research ends with conclusions, recommendations, and a list of sources, supplements, and references.

## **Chapter one**

Research methodology and the previous studies

The chartered accountant is essential to audit, judge the accounts, and extract a professional opinion about them. These values are necessary for making sustainable development decisions regarding any of the sectors it focuses on and the productive method used in development. Therefore, the role of the chartered accountant is essential in sustainable development.

The first topic: Research methodology

The research used the inductive and then deductive methods. We tried to extrapolate the legal accountant's duty and role. The result elicited his innovations in implementing the unified accounting system in Iraq. This topic included the following :

1) The research problem :

Sustainable development in Iraq represents a goal for Iraqis at present. This is due to the characteristics of the Iraqi economy, which is described as underdeveloped or not keeping pace with other economies worldwide. The research problem lies in investigating and assessing the study for one of the sustainable development tools. It is the role of the chartered accountant to find out the neutral opinion to rule about the economic projects and then the economic activity in general. The problem of the research in a precise way is to evaluate and rectify the accountant's role in finding a neutral accounting opinion for implementing the unified accounting system to achieve sustainable development.

2) Research hypothesis

The more we can efficiently qualify the chartered accountant, the more we can get the tool to evaluate sustainable development projects in Iraq efficiently

3 ) The purpose of the research

The research aims to survey and evaluate the role of the chartered accountant and to show his creativity in implementing the unified accounting system in Iraq

4 ) Limitations of the search

It is the period that Iraq's economy went through after the change in 2003.

Second research: Previous studies

The study in this field is characterized by its rarity modernity and includes the following :

First: The study of Dr. Fahad Hadi Al-Adnani (1) Let me know if there is anything else I can help you with. Department of Accounting / College of Administration and Economics. Let me know if there is anything else I can help you with. Al-Mustansiriya University (The extent of consistency of the assessments of Iraqi chartered accountants with the accepted standard model ) is published in the Journal of the College of Administration and Economics - University of Mosul for 2006 A. D.

This study dealt with one of the critical issues in auditing related to the degree of commitment of certified accountants in Iraq in their assessment of audit risk for the requirements in the generally accepted auditing standards. This study reached the following results :

1- The non-compliance of certified accountants in Iraq with the provisions of the audit risk model on their assessment of audit risks

2- The attitude of accountants in Iraq in their assessment of the inevitable and oversight risks on the entrance to the reassuring assessment of the risk

3- While there is a relative similarity to some extent in the assessments of certified public accountants in Iraq for the inevitable risks. Which reflects the bias of the high proportion of control risks

4 - The focus of the risk factors is associated with the characteristics of the audit process, with the special attention of chartered accountants in Iraq.

Second - The study of Assistant Professor Dr. Muhammad Howish Allawi (1), Sabiha Saleh Omar, and Iman Abdulmunem Abdullah, Al-Rafidain University College. Let me know if there is anything else I can help you with. Accounting Department. Which was entitled (The Unified Accounting System and the Requirements for Compatibility with International Accounting Standards) was published in the Journal of Al-Rafidain University College of Science in edition no. 32 for the year 2013 AD

This study dealt with the analysis of attempts to develop the accounting system to achieve compatibility and harmony with international accounting standards within the framework of developing the unified accounting system, its various applications in the field of concepts, measurement processes, accounting disclosure to encourage, attract foreign investments, achieve compatibility and accounting systems at the international level.

1- Adoption of the unified accounting system for the unification process due to the different nature and work of the general organization of the certified accounting profession in Iraq.

2- The accounting objectives of the unified accounting system in Iraq at the applied level provide helpful accounting information for economic planning for the state in addition to tax requirements and other parties

3-The policy of financial reporting, in general, under the unified accounting system is based on legal conditions rather than the standard of fair representation as a basis for evaluating financial reporting

4- The unified accounting system is mainly characterized by confidentiality and verification to protect creditors in all matters related to financial accounting, such as using legal precautions that are not distributable as additional protection. It reflects a clear difference in the directives of international standards

5- The objectives and applications of the unified accounting system in Iraq indicate their differences in contrast with the goals, applications, and concepts used for international accounting standards

6- The amendments in the amended unified accounting system in 2011 indicate a weak response to the compatibility requirements with international accounting standards.

Third - The study of the chartered accountant Dr. Qahtan Tareq Yousif Kamal from the Financial Supervision Council (3), Prof. Dr. Shaima Abdullah Yaqoub at the Higher Institute of Accounting and Financial Studies

This study discussed the exposure of the audit profession to a crisis of responsibility, credibility, and loss of confidence, especially in recent years. This is due to the increase in financial and economic situations at the global level. This raised questions from those who were harmed due to the bankruptcy and collapse of many international companies. These questions revolve around the reasons for the failure to establish the auditors' warning signals regarding the economic situation of these companies.

This study attempted to identify the reality of general contracting companies in Iraq and their problems, especially in light of changing the Iraqi market from a closed market to an open market. This led to the emergence of new competitors, high prices of raw materials, high salaries, and high numbers of workers. This made it difficult for these companies to fulfill their obligations compared to their revenues from their current activity without relying on government grants. This is primarily due to the auditor's weak interest in investigating companies' recent activity results. This study reached the following conclusions :

1) Financial accounting auditing is one of the most important means that help the human community create reassurance and trust among its members. Which in turn participates in the renaissance of society economically and financially

2) The auditor shall be responsible for the audit. Which must be done with the necessary professional care because he is responsible for a disciplinary and judicial process later

3) The financial statements with the data they contain. They are the mainstay of the information based on which decision-makers rely and help them identify strengths and weaknesses and predict and refer to many economic phenomena. Therefore, these lists must represent unquestionable facts

4) The audit standards indicated that continuity opportunities are a significant principle in preparing financial statements and that the company's departments are responsible for designing these statements to provide the requirements for continuity.

## **Chapter Two**

### Sustainable development in Iraq

Sustainable development is one of the new additions to economic growth. This term has appeared since the eighties decade of the last century. It considers the social and environmental dimensions and the content of the previous economic development.

Sustainable development has become an intellectual concept resulting from harmonizing social and environmental conditions with the content of economic development. The idea of human development has become a governmental institution, body, and conference to implement this concept at the state and the global community level because the general goal is a renewed movement of resources, not in the short term, but in the long term. Through one of its bodies, the United Nations Development Office, the United Nations has held international conferences to evaluate the previous work and then set goals at the global level. Thus, the concept of human development, the human development guide, appeared, which puts countries in a specific order according to their interest in their citizens in terms of providing health and education services based on raising the individual's and society's standard of living.

The first topic: The concept and basis of sustainable development

First: The concept of sustainable development

There have been many opinions and varied sources about sustainable development and the beginning of its emergence. Some assert that this concept appeared at the beginning of the Earth Summit Conference held by the United Nations Development Office in 1992 in Rio de Janeiro. While the other opinion revolves around sustainable development as a development of economic development after considering the social aspects, economists have emphasized sustainability to clarify the required balance between the financial concept and the preservation of the environment. Sustainable development means caring about the needs of the present without harming the ability of future generations to meet their own needs. It assumes the preservation of natural assets for growth and development in the future. The first of them is subject to change in international conferences which is held by the United Nations Development Office, which include:

- 1) The definition of the World Commission on Sustainable Development for the year 1987
- 2) Defining the United Nations Conference on Environment and Development (Earth Summit) in Rio de Janeiro in 1992
- 3) Definition of the 1995 United Nations International Conference Copenhagen
- 4) Johannesburg Declaration 2002
- 5) The United Nations Conference on Sustainable Development on 20 June 2012

These activities resulted in the following definition ( Sustainable development is the cultivation that meets the needs of the present generation by using natural resources to obtain health, educational services, and job opportunities, combating poverty and unemployment, achieving economic well-being, taking into account the needs of future generations of these resources ) and in the light of this text it can be classified definitions of sustainable development into four groups.

A ) Definitions that have the economic impression

This definition depends on the economic level of the state or the group of northern industrialized countries trying to make a profound, continuous reduction in energy consumption and natural resources to bring about radical transformations in the prevailing patterns of life of consumption and production. The standard of living of the poorest population ( Samaqi, 2006: 100 ) ( 5 )

B ) Definitions of a social human nature

Sustainable development tries to seek to stabilize population growth and stop the flow of individuals to cities in developed countries by developing the level of health educational services in rural, underdeveloped countries and achieving the most significant degree of popular participation in development planning ( Abdullah, 1998: 244 )

C- Definitions are related to the environment

Sustainable development is the one that protects natural, agricultural, and animal resources and focuses on the optimal use of agricultural lands and resources in the world. This leads to the preservation and, consequently, the increase of green spaces globally.

D- Definitions are related to the technical aspect

Sustainable development moves society to the era of clean industries, technologies that use the least energy and natural resources, producing the minimum amount of greenhouse gases and environmental pollutants ( Saleh. 2002: 22).

Second - The foundations of sustainable development

The foundations of sustainable development are the determinants of raising the standard of living. Health conditions are improved, such as the diversification of health services, the abundance of their vocabulary provided to the individual and society, and the controls under which education, its multiple branches, and vocabulary are carried out. The foundations of sustainable development make work in these aspects interconnected and continuous by what suits society and the environment. We can define the foundations of sustainable development as follows.

1) The first basis is to consider future generations' rights in terms of human resources, which means the balance between the diminishing resources of the earth and the increasing population. This basis differs from one economic thought to another. As for Islamic economic thought, achieving the best possible satisfaction with limited resources is the essence of positive economic thought, which has various names. It believes the earth's resources are sufficient, but some are not exhausted. As the Qur'anic verses indicate (( All of the whole things, we have its treasures . And what we do not send it down except with a known measure (6) )) & ( I am everything . We created with a predestination ( 7 ) )

If an economic problem occurs, such as a low level of saturation or waste in the use of resources resulting from human misconduct and non-compliance with the necessary Islamic controls in this field

2) The work in sustainable development should be for a relatively long period; the work should be cumulative in the sense that the plans for economic development or planning are based on each other; this means taking into account the temporal and quantitative dimension

3) The individual's well-being is the axis on which all work in sustainable development is based. If there is any conflict with other needs, the individual's need and how to meet it is put in the first place

4) Preserves and develops the population, religious, and cultural diversity of the society, thus working on the economic side within the conditions of these particularities, highlighting and developing them

5- It takes coordinates into account. It integrates with the international effort in regulating the use of resources at the global level, regulating the relationship in a neutral manner between rich countries and relatively poor countries, meaning that the international effort in the field of environmental preservation must be borne by the developed countries first and in proportion to their negative impact on the environment due to their economic activity. (Al-Akedi, 2005: 27)

These foundations are applied in light of the principles of equity, which means obtaining a fair share of society's experiences and energies to ensure the equitable growth of all social groups and all countries. Therefore, the foundations of human development must be established in light of empowering the individual and allowing him to fully participate in the decisions, procedures, and mechanisms that guide their life and destiny. As well as within the determinants of removing poverty from societies and raising the standard of living. These items are only achieved through democracy, which means participation in the planning and decision-making processes. This results in this process of good governance, which enhances, supports, and preserves human well-being, as well as the existence of the legal framework and the constitution in determining the relations of members of society with Each other and their relations as a society with the outsider. Economic activity is based on reality, on the level of the individual in political and civil liberties, and the level of the press and the media.

The second topic: Characteristics of the Iraqi economy in the transitional period

The Iraqi economy is described as suffering from structural imbalances of a fixed nature. This is due to the circumstances that accompanied the formation of the modern Iraqi state. This is due to the impact of the political factors that Iraq has experienced from wars and instability. These differences can be defined as follows :

1) Economic unilateralism (8) . It means the Iraqi economy depends mainly on one sector, the oil sector. This sector makes the most significant contributions to the national product, national income, and so on, as well as other economic indicators. The negative impact of this fact on this sector increases due to global market conditions (The rise and fall in oil prices, as well as the various alternatives that have begun to appear to replace oil in the energy field). After 2003, this sector became subject to political changes when the national cadre, in its various forms, led this sector. The national cadre became marginalized after 2003, the licensing rounds carried out by the Iraqi government, and foreign companies entered the Iraqi oil sector again. This led to a high cost of oil production ( Although it is the lowest in the world so far), but this led to the deduction of enormous resources from Iraq's resources compared to the previous period, meaning that the cost of the high production of a barrel of oil makes Iraqi oil sometimes not enjoy the last comparative advantage.

2) There is a decrease in the national production of goods and services in return for the increase in demand. This breach led to the Iraqi society resorting to imports from abroad to fill this gap.

This negative thing in the economy leads to the outflow of the monetary mass outside the Iraqi economy. This imbalance became, after 2003, one of the characteristics of the Iraqi market so that the local production disappeared, and the Iraqi market became an area for discharging the output of other countries. This breach has negatively affected Iraqi labor, as unemployment rates have risen, and the Iraqi workforce has not kept pace with world technological development.

### **3) Financial imbalance:**

The financial imbalance is primarily due to the lack of diversity of state revenues and the economic imbalance in the general budget. The balance of payments is due to the high public expenditures due to the large size of the executive government apparatus, the high state intervention in the service, social, and support fields, and the increased military and security spending. One of the manifestations of the financial imbalance is the monetary imbalance. Its causes in Iraq are due to the failure to observe the relationship between the money supply and the volume of goods and services offered, as well as the lack of confidence in the banking system in Iraq for many reasons, including the backwardness of the banking system. Which led to a decrease in savings, and the individual became reluctant to deal with this sector.

These three imbalances above are chronic imbalances in the Iraqi economy and were diagnosed before 2003. Which are due to the high population growth. This is estimated at more than 3%, compared to limited economic growth, as well as the low contribution of these productive sectors to the domestic product, the lack of integration of the Iraqi market, and the weak participation of the private sector. We can point out the weakness of Iraq's health and social security system. Which affects the economic activity in Iraq. Other reasons have been added to these that led to an increase in the structural imbalance in the Iraqi economy after 2003. We can define them as follows :

#### **1) Administrative and financial corruption**

Administrative and financial corruption was one of the distinguishing features of Iraq's economic activity after 2003. Its causes are primarily due to the political path adopted by Iraq in this period. And power was shared by the existing political groups. The consensus became political, economic, and even social quotas; thus, the corrupt who held a political and economic position became. The share of the bloc to achieve the interests of his nationality or the sons of his sect and party. Administrative and financial corruption has disrupted the economic activity evaluation process, revealed defects, and then modified its course. The commissions and benefits for the party and the group became burdens on the financial project. Thus, investors refrained from heading to Iraq, and companies of the tenth or eleventh degree entered the global activity. It became a feature of delay and obstruction for all completed or under-implementation projects, which are the most abundant in Iraq. Dealing with dilapidated infrastructure is a difficult task that cannot be implemented. We have dozens of projects that have been suspended for this reason

## **2) Political reasons**

The confusion and lack of a political vision of economic work have been reflected. Therefore, the implementation of projects has become subject to this fact; financial priorities have changed from year to year, and evaluating projects and assessing their course has become subject to this fact. We also see the contradiction of discussions and opinions of the political class in Iraq about this trend with laws that embody this view. The oil sector is an excellent example of this. Sometimes, the state supports national companies in the oil sector; at other times, it depends on foreign companies to expand and develop this sector. This confusion can be seen in the rest of the different economic sectors.

## **3) The war against terror**

Terrorism has appeared in Iraq. This fact changed everything that exists in Iraqi society. This led to the emergence of sectarian strife and then sectarian war. Al-Iraqi said that this terrorist act, the state's reaction led to directing Iraq's resources towards providing the necessities of war, rebuilding the destroyed cities, and then returning the displaced. In 2014, the state often resorted to borrowing from inside and outside. According to this behavior, problems appeared to us that are represented in the allocation of resources that did not reap an economic return. In the end, the following conclusion must be drawn. Which is that Iraq's economy suffers from permanent structural imbalances resulting from structural factors that cannot be overcome in a short period. The change came after 2003 to give these imbalances another dimension. This led to an increase in the difficulty of the economic situation in the shadow of global economic variables, most of which are harmful.

The third topic: The legal accountant and his role in evaluating the course of work of development projects in Iraq

The role of the chartered accountant (The auditor) represents the essential tool for carrying out the duty of oversight to evaluate and then judge the economic path of the project: the financial sector or the economy in 2003. Due to misunderstandings, there is a lack of clarity in the financial path of the state in general, and this is due to many reasons that we need to mention now.

We can define the role of the chartered accountant in evaluating development projects in Iraq through the following paragraphs:

First: What is an auditor :

The amended Iraqi Companies Law No. 21 of 1997 (9) specifies that the chartered accountant is an expert in accounting affairs appointed by the company's general assembly and undertakes the financial control of the Board of Directors' work during the fiscal year.

Others also defined him as a person who companies entrusted with the work of internal control, its budget, and profit and loss account. The work of the board of directors, the extent of his commitment to the provisions of the law in a way that achieves the interests of the company partners and the public interest.

Second: Qualifications are required for a Chartered Accountant (10)

A set of qualifications and experience must be provided in a chartered accountant, which are as follows:

### **1) Professional competence**

The Iraqi law stipulated that the certified accountant should have a professional qualification expressed in a university degree and that he be licensed or have a license from the Audit and Control Profession Council in the Office of Financial Supervision

### **2) Conditions of Integrity, Independence and Impartiality**

Determinants have been set for this item for the auditor in Iraq. Which is not to combine the work of organizing accounts, monitoring those accounts by the auditor or his partners or assistants to ensure the independence, impartiality, and integrity of the auditor, working permanently in any consultative, administrative, or technical work, as well as not be a partner of one of the founders, a member of the board of directors, or one of his relatives up to the fourth degree. It is not from the owners of the shares and their partners or the beneficiaries as unique benefits in the company, and the legislator also stipulated that the auditor or his wife should not receive any wage or reward from the company even in the work that is not related to the audit of the accounts. These limitations are set by the laws in force in other countries. The conditions created by the Iraqi legal legislator are no less specific than the laws of other countries in this field.

Third - The law stipulated that the conditions for appointing a chartered accountant include the general jurisdiction, which is the law, and the precise jurisdiction related to the accounting profession. The legislator has specified specific ways to appoint the chartered accountant, such as an assignment by the foundation association.

## **Chapter Three**

The role of the chartered accountant in the unified accounting system in Iraq

The chartered accountant is the tool for implementing the accounting system in Iraq because his role is crucial and pivotal. And the creativity of the chartered accountant in inventing new formulas in Iraq to implement them whenever the advantages of the accounting system and its objectives appear to evaluate projects and then judge them. This leads to efficiency in the use of resources, and the need for this efficiency increases at present, depending on the circumstances that Iraq is going through ( Reduced, limited resources and the expansion of spending methods ). Appendix No. (1), which shows the financial statements, final accounts, statements, and general opinions and observations on creating a chartered accountant.

The first topic: The unified accounting system - its characteristics - the period of development before and after the change

The unified accounting system was issued (25) years ago. It met the needs of the economic and accounting situation in the eighties and nineties of the twentieth century. The world, Iraq witnessed significant changes in the first decade of the twenty-first century, represented by economic openness, foreign investment, and the issuance of some special legislation for several government institutions such as ( The Central Bank of Iraq, banks, insurance companies, and the Iraq Stock Exchange) that have committed to applying international accounting standards. All of this necessitated the modernization of the unified accounting system to meet the needs of the current and future stages, in line with the primary objective of international accounting standards of unifying accounting concepts and practices and issuing

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appropriate financial reports at the international level. Proper comparison between public, mixed, and private sector institutions, considering the convergence with international accounting standards, to raise the level of accounting in Iraq, to serve the national economy, and by making financial reports meet the needs of the economic unit. The legal accountant and the tax system. As it deals with the concepts of financial accounting and cost accounting. Based on the preceding, the council formed committees to update the unified accounting system, including updating the system according to a comprehensive vision of the economic and accounting situation and international accounting standards. Several years ago, I reached a draft amendment to the unified accounting system, considered the amendments in the appendix to the suitable accounting system, and presented the draft to the Financial Supervisory Board for discussion and approval. Some proposals were added by it to take its final version.

The restrictive treatments have been identified within the principles adopted by the committee, considering the methods that aim to simplify the procedures while maintaining the foundations of control and monitoring. The amendments have been made in the following form (11): -

1- Centralization of projects in progress account to prove all financial transactions are related to the acquisition of fixed assets to limit the unit's capital expenditure.

2 - Adopting the weighted rate method in pricing inventory in exceptional cases, and an agreement is made with the debts of the financial control to choose a more appropriate method.

3- Determining the cost of purchases based on the amounts disbursed to the unit's stores.

4- Determining the value of sales based on delivery to the unit's stores, branches, or banks.

5- Intermediate the account of the commercial suppliers to fix the obligations resulting from obtaining the elements of intermediate consumption and the mediation of a credit account. The non-current activity to improve the obligations resulting from getting the aspects of production capacity.

6- Broker the commercial debtors' account to prove the rights resulting from selling goods and merchandise or performing services to others and broker the non-current activity debtor's account to show the rights arising from the sale of fixed assets.

The second topic: The facts that led to the change in the unified accounting system in Iraq after 2003

The unified accounting system has begun to work for a long time because of the developments in accounting thought, which can be identified in the following way. Which imposed the amendment of the unified accounting system in Iraq after 2003, which are the following :

1) Changes and updates in accounting standards on the professional and international scale. This necessitated considering these changes and developments, even if in a small part of the unified accounting system applied since the early eighties of the last century. Which was based on accounting principles and standards that were prevalent in that period

2) There has been tremendous technological development in electronic systems and programs. Which contributed to facilitating the application and operation of accounting and financial systems. Where the unified accounting system came with its structure and updates to keep pace with even a tiny part of this development so that the requirements of digital coding can be reversed according to the structure and coding of accounts

3) There have been developments in the law of the central bank of Iraq. The emergence of private banks and the Iraqi stock market showed facts that must be considered. Therefore, it was necessary to amend the unified accounting system in Iraq in 2011 to take into account the legislative and legal requirements related to the accounting sector in Iraq

4) The change that occurred in Iraq after 2003 is actual in that it was considered political but included all aspects of life. This change led to the opening of Iraq's markets, institutions, and social organizations to what exists in the world. Indeed, the authority in 2003 made benefiting from the changes in the world a goal. It is essential since the world's unified accounting system is from the eighties of the last century. The motive was significant to change or modify this system because it was introduced first, and then its inability to meet the accounting requirements due to the change of principles, tools, and programs in the unified accounting system in the world

5- The shortcomings and observations on the accounts, accounting, and administrative documents came for many reasons, such as concealing information for reasons related to tax evasion. The absence of primary or subsidiary regular accounting records or the lack of economic units having efficient accounting and financial systems or adding an element of certainty and not taking risks in auditing the targeted data and information. All of these reasons are imposed on the amendment of the unified accounting system in Iraq to avoid these shortcomings and not affect the credibility of the accounting work, then adopt it as a tool for estimation, evaluation, and making the appropriate decision in sustainable development in Iraq.

The third topic: The legal accountant and his role in sustainable development in Iraq

To touch the reality and see it. We prepared ten questions and asked them to several chartered accountants in Iraq. We started from the objectives of the unified accounting system in Iraq and how to develop it due to the need to implement it for the following reasons:

First - The need to implement a suitable accounting system in Iraq - Several respondents gathered that the need lies in the following points

1- Legislations related to government institutions must apply international accounting standards

2- Achieving compatibility and harmony of accounting concepts and practices in Iraq with their counterparts at the international level

3- There is a need in Iraq to standardize and adopt accounting concepts and practices to compare and judge the institutions of the private and mixed sectors

4- Raise the accuracy and efficiency of accounting in Iraq to serve the requirements of sustainable development and the requirements of the tax system

Second - The efficiency of the chartered accountant is the criterion for judging the efficiency of the economic establishment.

The efficiency of the information and data submitted to the economic planner is essential for creating an efficient financial plan. An efficient financial plan means efficiently making use of financial resources. The role of the chartered accountant appears in this aspect through the following points :

1) The qualifications of the chartered accountant that he possesses come from two primary sources. The first is the specialized academic qualifications in the accounting field. The second

is the accumulated field experience. The chartered accountant is a decision-maker and stays away from the task of a cashier or auditor only

2) The growth of economies needs a stable and secure environment. This is reflected in the setting of accounts on clear and predetermined bases. Thus, we obtain reliable financial data to judge business results and directions for growth in activities. The guarantor of the correctness of the presentation and fairness of these lists is the chartered accountant who monitors the accounts in the sense of assessing them. The sustainability of the growth of economies needs a condition. Which is the permanence of evaluating the accounts presented by the facilities. This makes the economic decision-makers stand on facts that can be used in sustainable development

3) The legal accountant's evaluation of the economic project after perusal, study, analysis of data, information, and documents, records, and comparing them in previous periods can judge whether the project is sustainable or stopped. This makes the economic plan away, cancel or reduce support for these projects, direct support and attention to other more efficient projects only recommendation of the chartered accountant as well

Certified accountants keep pace with scientific development in their field of specialization and access to international standards in this field is a guarantee for finding a chartered accountant. Who will contribute effectively to sustainable development by expressing opinions and advice to the economic plan towards better and more efficient projects? This essential effort for sustainable development is the high efficiency of resource use and to preserve it for use by future generations.

## **Conclusions and recommendations**

### **First - Conclusions**

1- The development of the unified accounting system in Iraq is a task that has begun to take on a larger space in the eyes of the chartered accountant profession due to the significant developments in this field at the global level. Therefore, research and studies have begun to expand in this field recently

2- The prevalence of the concept of sustainable development at the international and local levels reflects this phenomenon and the need for it in reality. Therefore, this concept (sustainable development) appeared and began to take different dimensions in societies based on the conditions of those societies

3- The Iraqi economy has characteristics that make it different from other economies worldwide. This is due to the conditions and qualities that characterize Iraq. These characteristics have emerged and deepened, especially in their negative aspect after the political change in 2003

4 - The chartered accountant is one of Iraq's sustainable development tools. This comes through his influential role in guiding the path of sustainable development in Iraq by revealing facts and making recommendations to the economic and political decision-makers to use resources efficiently to achieve the requirements of sustainable development in Iraq

5- The unified accounting system represents the mechanism by which economic project accounts are prepared, evaluated, and judged due to the changing circumstances and the

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intellectual additions to the accounting system. The technological means used in the world found the need to develop this system

6 - Based on the above point. The changes that took place in Iraq after 2003. The changes and updates that occurred in accounting standards, technological development, and financial developments in Iraq after 2003 were added factors to speed up changes in the unified accounting system in Iraq in 2003

7- The role of the chartered accountant does not depend only on the application of the accounting system in Iraq. Its amendments are professional, but new formulas must be constantly innovated. This is called discrimination, which is creativity that must be characterized by the chartered accountant in Iraq at the current stage to perform his duty significantly, distinguished, and creative in sustainable development.

### **Second - Recommendations**

1) Studies and research should be directed to studying the development of the unified accounting system, identifying the problems of its application in Iraq, and developing the necessary proposals for that matter

2) Interim missions must be set to implement sustainable development in Iraq. These mission objectives take into account the objective conditions of all regions of Iraq that are implemented in a specific time, which are interconnected and complement each other

3) Human development plans in Iraq must take into account the elimination of structural imbalances in the national economy and work to eliminate them or reduce their harmful effects

4) The chartered accountant in Iraq must be trained on an ongoing basis, meaning that he is involved in qualification courses inside and outside Iraq to be constantly aware of the intellectual and technological development in his field of competence to be able to give the professional opinion necessary to implement sustainable development in Iraq

5) The unified accounting system in Iraq should be the only reference for all accounting activity for all public and private establishments and the entire national economy

6) The political change in Iraq after 2003 was radical. Therefore, it was reflected in all the details of life, including the unified accounting system. Thus, these changes must be followed up, and their effects should be monitored constantly to find a professional accounting opinion because their effects appear after the time necessary for that

7- Creating new formulas and practices in applying the unified accounting system in Iraq should be the task of everyone in this field because the Iraqi reality is changing and going through a transitional phase in all the details of life. Therefore, creativity in the application is a task that makes the application consistent with the latest realities of reality.

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Second - the Internet

1 - S.M.A.Q.H., 2006: 100

2 - Abdullah, 2998: 244

3 - Saleh, 2002: 22

4 - Al-Akidi, 2005: 27

Third - Personal articles

Ten questions were prepared as in Appendix No. (2) . Which were put to the group of chartered accountants in Iraq.

### **Supplement No. 1**

Financial statements and final accounts

General budget

- \* Production, trading, profit, loss, and distribution account ( Industrial, commercial, and service companies )
- \* Calculating revenues, expenses, and distribution ( Service companies that do not have a system of costs and cost centers )
- \* Profit loss account for bonds and completed contracts ( Contracting companies )
- \* Disclosure of running processes
- \* Disclosure of cash flow statement
- \* Disclosure of the total value added
- \* Disclosure of the attached analytical statements

1 - Disclosure of fixed assets and their depreciation

2 - Disclosure of deferred revenue expenditures

- 3 - Disclosure of list of projects in progress
- 4 – Disclosure of list of loans granted and received
- 5 - Disclosure of financial investments
- 6 - Inventory statement
- 7 - Disclosure of Debtors
- Disclosure of the total debit balances at the level of each account
- Receivable balance analysis statement
- 8 - Disclosure of money
- 9 - Disclosure of reserves
- 10- Disclosure of assignments and allowances
- 11- Disclosure of creditors
- \* List of total of credit balances
- \* Credit balance analysis statement ( At the level of each account )
- \* Disclosure of creditors of Profit distribution
- \* Payroll and wages statement
- \* Disclosure of merchandise supplier
- \* Disclosure of service supplies
- \* Disclosure of other uses
- \* Disclosure of current activity revenue
- \* Other income statement
- \* Disclosure of distribution of uses to cost centers
- \* Disclosure of in-kind benefits
- \* Disclosure of the corresponding debit and credit accounts
- \* Disclosure of the investment plan account balances
- \* Disclosure of the amount spent on investment projects
- \* Disclosure of comparison of the leading figures in the final accounts for the last five years
- \* Disclosure of fixed, total, and variable capital formation statements in inventory
- Disclosure of summary of the unfulfilled commitments

#### Annex 2: Questions

- Q1- What are the obstacles to implementing Iraq's unified accounting system?
- Q2- Are the obstacles to implementing this system related to the competence of the human cadre, the legal environment, or something similar?
- Q3 - What are the reasons that led to issuing new instructions or controls to implement the unified accounting system in Iraq?
- Q4 - What are the obstacles to qualifying as a chartered accountant in Iraq?
- Q5- How can a chartered accountant in Iraq play an influential role in sustainable development?
- Q6- Do the data submitted to the chartered accountant meet the audit requirements, or do they contain deficiencies or notes?
- Q7 - What are these shortcomings or observations, if any?
- Q8- How can a chartered accountant judge or evaluate the course of an economic project?
- Q9- Are the foundations of legal audit currently different from its foundations before the change in 2003?
- Q10 – Are there observations or suggestions for developing the legal audit profession in