

REFORMING THE GOVERNMENT ACCOUNTING SYSTEM IN IRAQ IN ACCORDANCE WITH INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS

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Abstract

This research aims to demonstrate the possibility of applying the International Public Sector Accounting Standards (IPSAS) in reforming the governmental accounting system in Iraq by adopting a modified model based on the standard model presented by (Hughes, 2013) and proposed by the International Federation of Accountants. Due to the Iraqi specificity situation, the modified model includes seven stages instead of six stages presented by Hughes, 2013 by adding a capacity building stage (training at all stages). Researcher believes that adding this stage is important because the Iraqi public sector accounting system in its current situation is not ready to apply the international standers, so this stage will pave the way for implementation of the international standards. It is known that the importance of developing the system as to be a main source of the necessary governmental financial data to improve governmental performance and preserve public money. The research concluded that adopting IPSAS standards in Iraq will help the governmental accounting system achieve transparency, accountability, and reliability in governmental financial information. The proposed model can be adapted to suit the Iraqi environment after adding the seventh stage, which is the capacity building stage to ensure proper implementation. To confirm the suitability of our modified proposed model with the Iraqi public accounting system an exploratory study has been done. In the exploratory study, the research sample includes 80 highly experienced specialists in the Iraqi public accounting sector. Statistical analysis of the study data show a clear indication that the modified model was correct and appropriate to Iraqi environment especially the direction of opinion (strongly agree) for the modified stage, capacity building stage (training at all stages) with a high value of arithmetic average.

Keywords: government accounting system; IPSAS; public sector; reforming.

Introduction

JEL Classification: M41, M48

Iraq is one of the developing countries that lack international governmental accounting standards, and its economy is going through a transitional phase in light of economic and political changes and the transition to a market economy. After 2003, the Iraqi government

began to be interested in reforming the government accounting system and developing it in a direction that includes improving the performance of the government public sector through optimal use of financial resources, rationalization of spending, and giving a clear picture of how public money is spent and providing the best services to the public to achieve development in Iraq. Reforming requires the existence of an accounting information system meets the needs of governmental agencies necessity to increase their ability to achieve their efficiently and effectively protection and management of public funds, also transparency and accountability for performance achievement.

The main stage in reforming is the development and organizing government accounting and financial effective reporting system to provide the transparence information required for issuance, oversight, and decision-making. The existence of such system allows consistency and interrelation between theory and practice and enables the development and establishment of accounting standards as applied tools through which the objectives of various governments are achieved and constitute a source of collection. Iraq has not yet begun any steps regarding the adoption of international government accounting standards. Therefore, the problem of the study lies in trying to provide the best way to help applying international governmental accounting standards to reform of the government accounting system in Iraqi environment.

Background and Previous Studies

At the beginning of the nineties, the interest of researchers and professional and scientific organizations began to shift from the cash basis to the accrual basis, in an attempt to bring government accounting closer to financial accounting. One of the results of this interest was the issuance of international public sector accounting standards on an accrual basis, which is called IPSAS and has been adopted by many countries. New Zealand is considered a leader in this field, followed by Australia, the United Kingdom

Sweden, and other countries. Some Arab countries, such as Kuwait, Qatar, Morocco, and Jordan, have begun to shift to the accrual basis of accounting in the public sector and standards, (Salloum and Muhammad, 2016) presented “the possibility of evaluating the performance of state units using information derived from the government accounting system ensuring that they achieve the program objectives set for them, achieving the results expected of them, and achieving financial control. (Aliwi and Al-Khazraji, 2017) addresses the shortcomings in the government accounting system as a result of using the cash basis in recording financial operations by switching to the accrual basis in recording financial operations in government service units, which is useful in planning, control and decision-making processes. (Benito et al., 2016) assert that modernization and reform of government financial reporting systems have made IPSAS an important and reliable reference as a public sector accounting standard.

The public sector has undergone a comprehensive transformation that has necessitated fundamental changes in the approach to government accounting and, consequently, accounting standards. (Brusca & Martínez ,2016) argue that these reforms have made IPSAS an undisputed reference as a high-quality public sector accounting standard. Therefore, these IPSASs aim to describe how financial statements are presented for general purposes.

IPSAS are seen as a path towards modernizing government accounting, and many countries have made efforts to adopt them. These standards are concerned with the accounting rules and foundations that govern the financial and accounting operations that arise in the non-profit public sector and unify their treatment of similar matters according to a unified basis for comparing public sector performance. Institutions. The adoption of IPSAS by governments will achieve their goals of improving the quality and comparability of financial information provided around the world. In 2004, some international organizations, such as the International Monetary Fund, the Organization for Economic Cooperation (OECD), and the World Bank, encouraged and pushed the adoption of international accounting standards to achieve comparability of financial statements, transparency, and control. The World Bank and the International Monetary Fund actively cooperate through financial assistance and capacity development programs (Allen, 2009; PWC, 2013; Manis Rossi et al., 2016).

From the point of view of (Kim and Kim, 2019), globalization and accountability, as well as international organizations, have contributed to the development and adoption of international accounting standards in the public sector. Therefore, government units (Qasim and Ismail, 2020) realize the importance of consistency in financial reporting practices to ensure economic stability, demonstrating their commitment to global harmonization of accounting standards in government units and emphasizing its importance. In their research (Christian & Rommel, 2008) points out that the new financial management in the government sector requires the adoption of international accounting standards for the public sector because they push towards unifying accounting practices, as well as raising the quality of financial services.

The intellectual framework of government accounting did not receive adequate intellectual grounding as in financial accounting until 1979 when the National Accounting Board issued the National Council on Governmental Accounting Standards (NCGA) (Lantto, 2019). In the early 1980s, the Governmental Accounting Standards Board (GASB) was established Under the supervision of the Financial Accounting Foundation (FAF), the IFAC Public Sector Committee (PSC) is responsible for developing programs aimed at improving financial management and accountability in the public sector. In 2004, the PSC was replaced by the International Public Sector Accounting Standards Board (IPSASB), a committee of the International Federation of Accountants (IFAC) (Cuganesan, Guthrie, & Ward, 2018), and since its establishment, it has strongly encouraged the national government to implement accrual accounting (Zakia and Pendlebury, 2006). This board (IPSASB) aims to improve efficiency and effectiveness in public service delivery to serve the public good (Benito et al., 2016) the Sector Accounting Standards Board (IPSAS) has developed a comprehensive set of standards known as the International Public Sector Accounting Standards (IPSASB), (IFAC, 2020) to address financial reporting issues in the public sector that are not comprehensively addressed in current international accounting standards, In addition, (Salomia & Carataş, 2019) provides educational guidance on preparing financial reports and accounting policies, and explains the basics of public sector measurement.

There is an urgent need to develop accrual-based government accounting in the direction of modernizing state financial administration (IPSAS) to be compatible with state accounting systems (FEE; 2007). Providing them with more complete information that will enable them

when developing future government plans and adopting international public sector accounting standards by government units. (Brusca and Martinez, 2016) presented that, the IPSAS program was developed in two phases; First, from 1996 to 2002, the IFAC Public Sector Committee extracted and imported the IPSAS texts from the IFRS texts by making relatively minor modifications. As for the second, in 2003, the Sector Accounting Standards Board (IPSAS) developed a comprehensive set of standards known as the International Public Sector Accounting Standards (IPSASB), (IFAC, 2020) to address financial reporting issues in the public sector that have not been addressed. enough. Comprehensive in current international accounting standards In addition, (Salomia & Carataş, 2019) provides educational guidance on financial reporting and accounting policies, and explains the basics of public sector measurement. As of February 2006, the PSC has issued 21 IPSAS standards. However, these standards are not complete or comprehensive. Its objectives were to improve the quality (transparency and thus accountability) and comparability of financial information and to assist national standard setters (Mutiu & Tudor, 2006). Hence, simplifying the analysis of financial reporting requirements when accounting standards are different, facilitates comparison of financial information and enhances transparency (Ebrahim & De Villiers, 2019). Until 2021, the Public Sector Accounting Standards Board issued (42) accrual-based public sector accounting standards, and 4 of them IPSAS 6, 7, 8, and 15, were canceled and replaced. The total number of standards issued is 38, and they are now being compared and matched. (Justice, et al. 2006) confirms that reliable and comprehensive information derived from (IPSAS) enhances citizens' participation in managing public funds and determining the costs of activities and that the government has accomplished what it promised in the fight against corruption.

The Council issues high-quality global accounting standards for the preparation of government financial reports and statements, which include mandatory and optional disclosures that encourage compliance with them, and urges the establishment of international accounting standards for the public sector on the accrual basis and the abolition of the cash basis. (Justice, et al. 2006) confirms that reliable and comprehensive information derived from the use of (IPSAS) enhances citizens' participation in managing public funds and determining the costs of activities and that the government has accomplished what it promised in the fight against corruption. The need for government accounting, which is concerned with measuring, processing, communicating, monitoring, and verifying the accuracy of receipts, expenditures and related activities in the public sector, has emerged (Mubarak, 2008), while (Granoff, et al. 2019) believes that government accounting is the joint activity of analyzing, recording, summarizing, and preparing reports, and interpreting financial transactions for governments. Because the government public sector operates in an environment that is economically, socially, and politically different from the private sector that aims to achieve profit, and its users' need for information is also different, which requires the existence of an accounting system that serves government purposes. Therefore, (Rommany & Steinbart, 2000) defined the system as a group of two or more interconnected components that interact to achieve a goal. Therefore, the government accounting system is considered a control and information system and is linked to the general budget, which reflects the state's activities, programs, and policies through the expenditures allocated to it.

And the expected funding sources to cover it, one of its most important tasks is knowing the result of implementing the budget, stating the state's financial position, and ensuring that the accounting units do not exceed the allocations stipulated in the budget.

There are four systems for preparing financial reports within the framework of accounting standards, which are considered the basic foundations for recording government public spending and public revenue collection operations, as follows: (Van der Hoek, 2005) Complete Cash Accounting, Modified cash, Modified accrual accounting, and Full accrual accounting. Some researchers have also expressed serious doubts about the applicability of the accrual basis in the public sector, because accrual basis techniques are compatible with the needs of for-profit companies, in addition to other issues related to measurement problems, lack of theoretical support, and increased objectivity. (Chan, 2003) Therefore, the accounting basis used in each country is chosen according to several criteria, including the types of financial statements required and the extent of their usefulness in meeting the needs of accounting control and management of public funds. (Hughes, 2013) points out that developing the government accounting system, which adopts the cash basis in registration processes, does not mean moving completely to the accrual basis, which entails large costs in the processes of entering and processing it. Instead, the outputs of the government accounting system must be consistent with the information requirements at the financial management system development stage. In general, you can move to accrual accounting all at once or gradually.

Adopting of International Public Sector Accounting Standards IPSAS

Adoption is defined by (Bacter, 2005) as a process that involves integrating international standards into local regulation, so governmental adoption of IPSAS will improve the quality and comparability of the provided financial information. (Christian and Rommel, 2008) believe that public sector encourages adoption of the international public sector accounting standards to adopt them. Therefore, from the point of view of (Knechel & Salterio, 2016), (Cohen & Karatzimas, 2015) the basic motives of adopting international public sector accounting standards is important to enhance transparency, comparison of financial information and promoting public sector accountability for their financial activities and use of public funds. As identified by (Brusca & Martínez 2016), another motivation behind the adoption of IPSAS is the sovereign debt crisis and awareness of the importance of harmonizing financial reports with national and statistical information.

In general (Lanto, 2019), some challenges and criticisms have emerged in the literature that threaten the adoption of international public sector accounting standards, which mentioned their closeness to the business accounting model. In Finland, (Olaasvirta, 2014) criticized the inability of IPSAS to analyze the characteristics of the public budget and the possibility of including budget information in the financial report. The study (Boolaky & Soobaroyen, 2017) showed that to overcome the obstacles of IPSAS adoption in developing countries, investment in information technology systems, training on new systems, and investment in continuing education, will contribute to the acquisition of professional experience in the successful implementation and ongoing compliance with policies of these standards. (PWC 2014), (Cuadrado-Ballesteros & Bisogno, 2019) added that the level of corruption in a

country affects the adoption of international public sector accounting standards and may need high standards for reporting to control it.

(Salomia and Karatas, 2019) emphasize the need for strengthening the internal control procedures to promote effective governance in the public sector and implement them appropriately to reduce the risk of errors in financial reporting.

(Chan,2006) believes that when reforming the government accounting system, it is preferable to draw the attention of policymakers and managers to the resulting problems because they effect indirectly on the development of money management and providing useful information for decision-making. The researcher believes that this observation implicitly assumes the existence of a relationship between the development of government accounting in the country and its political and economic development. Government accounting contributes to the social and economic development of a country by providing information to managers responsible for performing the basic functions of the state. This helps the accounting system to keep track of money, as it is a supporting function that has no values of its own and does not decide the allocation of resources.

(Mutiu & Tudor, 2006) explained that there are two trends in government accounting, one of which is traditional, based on cash accounting, and the other is modern, based on accrual accounting. Most countries prefer to apply the cash basis (Anessi-Pessina et al., 2016), which does not recognize or record revenues until they are received in cash because it is more convenient and easier to apply. Also, (Hughes,2009) points out that most governments in developing countries with economies in transition will prepare budgets on a cash basis because users understand this relevant information more easily.

Allowing cash basis accounting undermines the goals of enhancing the government's financial accountability, so (Ibrahim and de Villiers, 2019) assert that adopting the accrual basis enhances transparency and allows for more comprehensive assessment of public sector institutions financial situation and performance. (Bastida, & Benito, 2007) claim that IPSAS ensures that economic events are recognized promptly regardless of the timing of payment or receipt of cash, i.e. immediately after they occur rather than when they are paid in cash. This approach provides stakeholders with a more accurate representation of the financial health of public sector entities, (Gomes & Rodrigues, 2020) enables better decision-making, enhances accountability and good governance, and supports economic stability and growth. (Gomes et al, 2015) show that, the adoption of IPSAS represents a potential obstacle to corruption because it generates reliable, comprehensive, and timely information. In their researches (Hughes, 2009), (Athukorala and Barry-Reid, 2003) and (Anessi-Pessina & Steccolini, 2007), added other main arguments in favor of entitlement such as matching economic statistics with national accounts and the possibility of measuring the impact of public policies on the financial position of public institutions and their long-term sustainability. (Stalebrink & Sacco; 2003) and (Bellanca; 2014) argue that IPSAS has a positive impact on transparency and accountability by improving the quality of government accounting information.

Adopting of IPSAS Into Iraqi Business Environment

The accounting system for the public sector applied in Iraq is characterized by its reliance on the cash basis, due to the facing of high public debt. Therefore, the government resorted to borrowing from local and international banks present in the market. For this reason, we believe that, reforming the accounting system for the public sector has become an urgent necessity, which prompts the adoption of the accrual basis completely. So, we, in this research provide useful information that can be used in adopting the public sector accounting to help in making decisions, allocating resources accurately, evaluating performance, and achieving effective oversight of public funds.

Firstly we must prove that adopting of international standards for the public sector in the Iraqi environment requires the following procedures:

Translation of the standards into specific policies and procedures, including the change in instructions and legislation.

Guidance and public awareness about the accounting development in the country.

Improvement of the technical capabilities required in adopting international accounting standards

Develop curricula related to government accounting in universities and institutes to include international accounting standards for the public sector.

Full support for standard setters and regulatory bodies.

Using of electronic financial reporting system to record the movement of public funds to allow obtaining of accurate accounting information

Benefiting from the experiences of countries with similar conditions to Iraq.

The researcher surveyed the opinions of academic researchers and professional and scientific organizations about the possibility of implementing the stages of adopting and reforming the governmental accounting system by an exploratory study with many questions about the adopting of amended approach of IPSAS to reform the Iraqi governmental public accounting system.

In our approach a modified method for adopting public sector accounting standards IPSAS has been proposed to reform the Iraqi governmental public accounting system. Due to the Iraqi specificity situation, this modified method of adopting IPSAS include seven stages instead of six stages as presented by (Hughes, 2013) and proposed by the International Federation of Accountants. To ensure the integrity of the implementation of the governmental accounting system that is compatible with IPSAS, the researcher believes that the model presented by (Hughes, 2013) and proposed by the International Federation of Accountants can be adopted, which is a specific approach in six stages with an estimate of the time required to complete each stage. Because of the specificity of the Iraqi environment, a seventh stage was added to adapt to the special environment in Iraq, as shown in Figure (1).

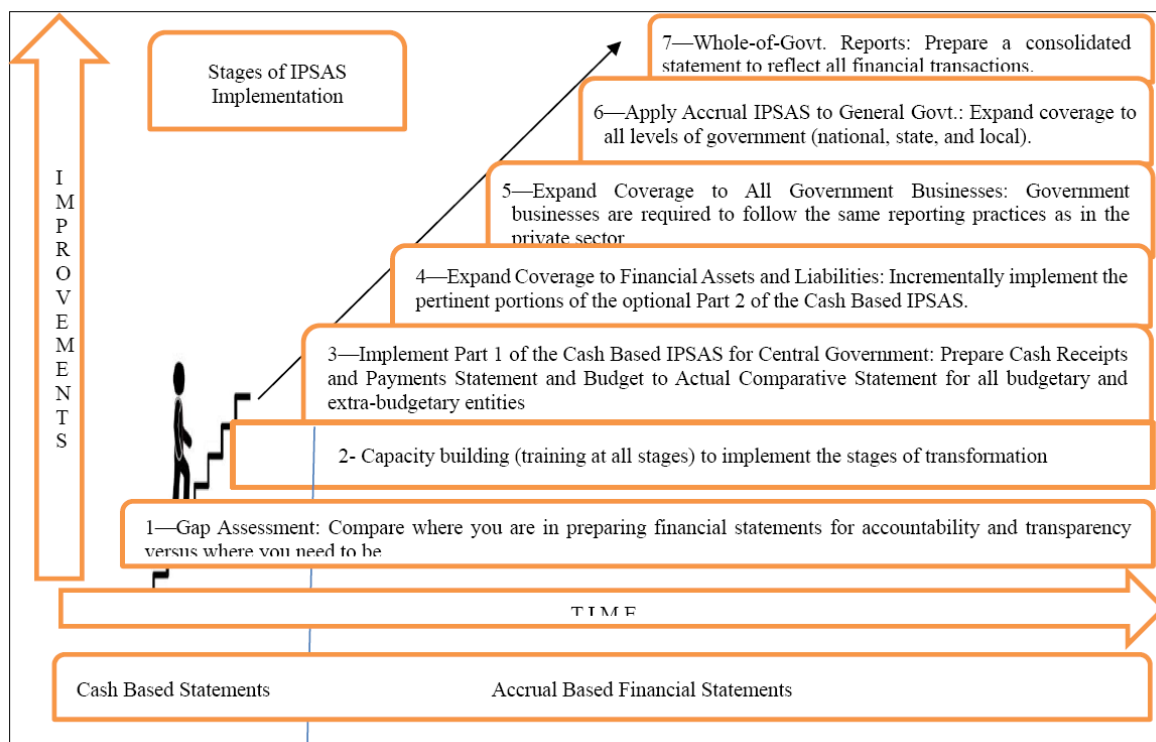


Figure 1. Stages of applying the modified method for adopting IPSAS in Iraq based on (Hughes, 2013)

The survey forms prepared for the exploratory study were distributed to a number of 80 specialists representing the research sample. For each stage, the exploratory form was including the frequency of answer options according to a five-point Likert scale strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5).

The proposed method for adopting IPSAS consists of seven stages which are useful in reforming the governmental accounting system (public sector) in Iraq. We believe in the necessity of having the following stages within applying the modified method to applying international accounting standards into the public sector in the governmental accounting system in Iraq:

- stage (gap assessment)
- (capacity-building) stage
- Stage (implementing Part 1 of the International Accounting Standards for the Public Sector on a Cash Basis)
- stage (expanding coverage of financial assets and liabilities)
- stage (expanding coverage for all government institutions)
- stage (applying international public sector accounting standards on an accrual basis to the general government sector)
- stage (total financial reports at the state level)

There are seven survey questions for seven stages including in the sample form distributed to the specialists as a part of the exploratory study as shown in table (1).

Table 1. questions in the form of the exploratory study.

Part	Stage	Survey question	Symbol
1	Gap assessment (financial statements are prepared on a cash-to-accrual basis and improvements are made within a strategic framework and timetable).	Comparing where you are in preparing financial statements to enhance convergence and assurance. Comparing accountability and transparency of financial information versus where you want to be (preparing financial statements on an accrual basis) by aligning its local accounting standards with international public sector accounting standards.	X1
2	Capacity building (training at all levels) to implement the stages of transformation	Capacity building and training programs are needed to ensure that IPSAS is effectively implemented, address challenges, and promote the adoption and successful implementation of IPSAS.	X2
3	Implementation of Part 1 of cash-based IPSAS for central government	A list of cash receipts and payments and the budget are prepared for the actual comparison lists for all government economic units financed from the budget and outside the budget.	X3
4	Expanding coverage of financial assets and liabilities	Each phase gradually implements the relevant parts of Part 3 of the cash-based IPSAS to include a shift from cash accounting to accrual accounting.	X4
5	Expanding coverage to all government institutions	Government economic units must follow the same reporting practices as the government, conduct audits, and enforce compliance with accounting standards. As is the case in the private sector	X5
6	Applying international public sector accounting standards on an accrual basis to the general government sector:	Coverage is extended to all levels of government, whether the Ministry of Finance or public sector structure. They can support public sector efforts in applying international accounting standards.	X6
7	Total financial reports at the state level	Preparing a unified list to reflect all government financial transactions at the state level	X7

Statistical Analysis of The Research Sample Data

The analysis of exploratory study was done by using SPSS version 24. The collected data was analyzed by polling the opinions of the research exploratory sample about adopting the IPSAS stages in reforming the Iraqi public sector accounting system.

The results of the exploratory study show the arithmetic means, standard deviations, and the direction of the specialists' opinions about the adopting of the stages of applying the modified method for adopting the international accounting standards IPSAS for the public sector in Iraq as listed in Table (2).

Table 2. Results of the exploratory study regarding using modified method of adoption IPSAS for reforming the Iraqi public sector accounting system

Seq.	Symbol	The answers										Arithmetic mean	Standard deviation	Direction opinion
		Strongly agree		Agree		Neutral		Disagree		Not agree at all				
		5		4		3		2		1				
		No.	%	No.	%	No.	%	No.	%	No	%			
1	X ₁	27	33.8	52	65	1	1.2	0	0	0	0	4.3250	0.49746	Strongly agree
2	X ₂	72	90.0	8	10	0	0	0	0	0	0	4.9000	0.30189	Strongly agree
3	X ₃	48	60	29	36.2	3	3.8	0	0	0	0	4.5625	0.57023	Strongly agree
4	X ₄	32	40	47	58.8	1	1.2	0	0	0	0	4.3875	0.51543	Strongly agree
5	X ₅	25	31.2	46	57.5	9	11.3	0	0	0	0	4.2000	0.62440	Strongly agree
6	X ₆	50	62.5	24	30	6	7.5	0	0	0	0	4.5500	0.63445	Strongly agree
7	X ₇	25	31.3	51	63.7	4	5	0	0	0	0	4.2625	0.54526	Strongly agree
The arithmetic means and standard deviation of all answers of the research sample members regarding adoption of the stages of using the modified method for adoption of IPSAS for reforming the Iraqi public sector accounting system												4.4554	0.27754	Strongly agree

Also, to examine the extent to which the specialists participating in the exploratory study prefer implement each stage of the IPSAS, a (t) test of the sub-hypotheses for each stage of applying the IPSAS, in addition to testing the basic hypothesis of the research, has been calculated for one population only compared to the highest hypothetical mean for the (neutral) option, which is 3.39, according to the following hypothesis:

$$H_0: \mu_{\text{stage}} = 3.39, \quad H_1: \mu_{\text{stage}} > 3.39$$

The following formulation was used to calculate the (t) value:

$$t = (\bar{X}_{\text{stage}} - 3.39) / (\text{Sd}_{\text{stage}} / \sqrt{80})$$

Table (3) shows the results of the t-tests to test the significance of the opinions of participants in the exploratory study about the importance of the presence of each stage of the modified method of adopting IPSAS in reforming the public sector in Iraq and the adoption of all stages.

Table 3. Results of t test about the importance of the presence of each stage of the modified method of adopting IPSAS in reforming international accounting standards for the public sector in Iraq

Seq.	Stage name	Question code	Computed t value	P-value	Statistical resolution
1	Gap assessment (financial statements are prepared on a cash-to-accrual basis and improvements are made within a strategic framework and timetable).	X1	16.811	0.000	significant
2	Capacity building (training at all levels) to implement the transformation stages	X2	44.737	0.000	significant
3	Implementing the first phase of international public sector accounting standards according to the central government's cash basis	X3	18.391	0.000	significant
4	Expanding coverage of financial assets and liabilities	X4	17.310	0.000	significant
5	Expanding coverage to all government institutions	X5	11.603	0.000	significant
6	Applying international public sector accounting standards on an accrual basis to the general government sector:	X6	16.353	0.000	significant
7	Total financial reports at the state level	X7	14.312	0.000	significant
Stages of applying the amended international public sector accounting standards in Iraq			34.333	0.000	

It is noted from the results shown in table (2), which included some descriptive statistics that the trend of opinion of the members of the research sample is with the adoption of the application of the amended international accounting standards AIPSAS to reform the public sector accounting in Iraq. We also find in general, that the average values of the answers of the members of the research sample for each of the seven stages fall within the values of (strongly agree) (4.20 - 5). There is a clear indication shows that the modified method of adopting IPSAS was correct and appropriate to Iraqi environment, so the direction of opinion (strongly agree) for the modified stage, capacity building stage (training at all stages) with

an arithmetic average of 4.9. This high value for this stage indicates the agreement of the research sample members on the importance and necessity of continuous training for employees in the Iraqi public sector accountants before applying accounting standards in the Iraqi public sector and after its implementation. In addition to the importance and necessity of implementation of the other stages included in the proposed approach, we clearly find from the direction of the opinion of the research sample members and their agreement with the answer option (strongly agree) with an arithmetic average of 4.455 that, presented paper approach strongly suitable for reforming the governmental accounting system in Iraq

To confirm the results, it is noted in Table (3), which includes the results of testing the basic research hypothesis and the sub-hypotheses emerging from it, that the null hypothesis was rejected. The alternative hypothesis was accepted, meaning that the members of the research sample had their opinions about the importance and necessity of each stage of the program, especially the added (modified) stage, which is capacity building (training at all stages) with a t value of (44.737) and significance value of 0.000. According to the values, in reforming the governmental accounting system in Iraq, we found that the value of the calculated t-test is (34.333) and has a moral significance of 0.000, which indicates that the opinions of the research sample members agree on accepting the basic research hypothesis and adopting of the modified standards proposed approach to reform the governmental accounting system in Iraq.

The adoption of international governmental accounting standards on the accrual basis will lead to the development of the governmental accounting system in Iraq, and thus raise its efficiency and effectiveness in monitoring and evaluating the performance of governmental units and measuring the their services cost. We believe that, the implementation and transition phases require at least five years (sometimes longer), and during this period time there will be a shift to era of preparing financial statements on an accrual basis.

It is necessary to involve oversight and auditing bodies in providing support to the public sector in developing mechanisms to ensure compliance with international accounting standards and monitor financial statement preparation practices in the public sector for ensuring the reliability and integrity of governmental financial information.

Conclusion

1. This research was prepared to adopt of intentional governmental accounting standards in response to the government desire to enhance transparency and financial accountability.
2. The continuance efforts of the Public Sector Accounting Standards Board in developing the conceptual framework for international accounting standards in the public sector make governmental accounting a specialized accounting information system that processes governmental data and provides information to various users to assist them to manage the public economic resources efficiently and effectively.
3. Following international government accounting standards and preparing financial statements using them achieves credibility among economic and financial decision-makers and enhances the international community's confidence in the financial statements especially from donor countries.

4. The necessity of transformation from the cash basis to the accrual basis through a gradual approach that begins with studying the current state of the government accounting system and determining the government reporting unit by the government's goals and programs.
5. Holding regular conferences and workshops is an opportunity for countries, including Iraq, to learn from each other's experiences by cooperating with international organizations to guide and support the adoption and implementation of international public sector accounting standards.
6. It is necessary to pay attention to capacity building and training programs to apply these standards effectively because the transformation process requires developing human resources to spread accounting awareness and raise the professional level of workers in the sector through preparing training programs.

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