

## Model of Proposal for Creating Financial Reports for the Public Sector using International 22 as the Accounting Standard Practical Research in a Selection of Iraqi Government Institutions

Anmar Hassan Ali<sup>1</sup> and Nidhal Mgadmi<sup>2</sup>

### **Abstract**

*By preparing reports and providing financial data about the government public sector in the public units sampled for the study, this research seeks to illustrate the influence of international accounting standards in the public sector (IPSAS), particularly the International Accounting Standard in the Public Sector 22 (IPSAS22). To accomplish the study's goal, financial statements were prepared by the Ministry of Finance for public units at the state level as a whole, as well as for the municipal directorates of the Nineveh Governorate, taking into account both local customs and international accounting standards for the public sector, particularly the IPSAS 22 standard, which aims to improve the quality of financial reports by offering helpful information to support owners' decisions. A suggested model for implementing the standard in public government entities is being prepared by the Department. Several major findings were drawn, the most significant of which is that improved transparency in financial reports in the public units included in the study is a result of applying international accounting standards, particularly the IPSAS 22 standard, to the public sector. Several recommendations were made, the most significant of which is that, in order to improve disclosure in financial reporting, units (the research sample) must be subjected to international accounting standards, particularly IPSAS 22.*

**Keywords:** *Financial Reports, Public Sector, Accounting Standard Practical Research*

### **INTRODUCTION**

The current environment has witnessed many changes as a result of developments in technology and science, which reflected positively on all political, economic and administrative fields, especially accounting through the issuance of international accounting standards for the public and private sectors, which contributed to the development of accounting in all its functions, especially accounting measurement and disclosure for the purpose of improving the preparation of financial reports to provide Useful, high-quality information for stakeholders for the purpose of rationalizing their decisions.

It is known that preparing financial reports under local rules based on traditional accounting systems and the unified accounting system does not provide quality information and thus reflects negatively on decision-making.

In order to improve disclosure in financial reports in the public unit sample of the study, it became necessary to prepare a proposed financial reporting model by adopting international accounting standards in the public sector, particularly the International Public Sector Accounting Standard IPSAS 22 for the disclosure of financial information in the government public sector.

The study was divided into three sections: the first section entitled the study methodology, the second section included previous studies and the importance of the current study, and the theoretical aspect entitled IPSAS22 and a course in improving accounting disclosure in financial reports, as the first section focused on the theoretical foundation of financial reports and dealt with IPSAS 22 also has an impact on improving disclosure in financial reports, for accounting disclosure in financial reports in the research sample units in light of local rules. A proposed model has been prepared for accounting disclosure in financial reports under the IPSAS. The third section includes conclusions and recommendations.

---

<sup>1</sup> PhD student in finance at the Manouba commerce school; Tunisia

<sup>2</sup> Lectuer Quantitative Methods and Economics Department, Faculty of Economics and Management, Mahdia, Tunisia

## **The First Section**

### **FIRST: METHODOLOGY OF STUDY**

This section provides an overview of the approach used to fulfill the requirements of the study, including the problem, significance, objectives, hypotheses, limitations, population, sample, sources of data and information gathering, data analysis techniques, adopted approach, and study procedural plan.

#### **Study Problem**

The problem of the study lies in the fact that the traditional financial reports prepared according to the accounting system applied in Iraqi public units, which is based on the unified government accounting system in light of local accounting rules, there is not sufficient information that is compatible with the developments taking place in developed countries, which reflects negatively on the decisions of stakeholders (the authorities government, especially the Ministries of Finance and Planning), and The following queries can be used to formulate the issue:

1. Is it possible to compile financial reports using IPSAS22, which addresses disclosures of financial information about the public government sector?
2. Do stakeholders' judgments get influenced by the data in financial reports that are generated in compliance with international public sector accounting standards, particularly IPSAS22 concerning financial information disclosures about the public government sector?

#### **Importance of the Study**

The importance of the study at the present time arises from the importance of relying on international accounting standards in the public sector, especially International Public Sector Accounting Standard 22 regarding disclosures of financial information about the general government sector in its financial statements, so that the accounting profession keeps pace with environmental developments so that the government accounting system is able to Providing high-quality information to stakeholders. The application of IPSAS22 in the Nineveh Governorate Municipality Directorate (or at the state level as a whole) has contributed to improving the quality of information contained in financial reports, which leads to rationalizing stakeholder decisions.

#### **Study Objectives**

The following goals are the focus of the study:

1. Get familiar with international accounting standards used in the public sector, particularly IPSAS22, which addresses financial information disclosed in financial statements concerning the public government sector.
2. Describe the significance of creating financial reports in general, particularly when it comes to offering data that aids in decision-making.
3. The IPSAS 22 statement on the financial information disclosed in financial statements concerning the public sector and the degree to which it affects public units' financial statements.

#### **Study Hypothesis**

The following key hypotheses are the focus of the study's testing:

1. The primary hypothesis (first): Financial reports and the international public sector accounting standards, or IPSAS 22, have a substantial link.
2. Main hypothesis (fourth): The IPSAS 22 standard in financial reporting and international accounting standards in the public sector have a substantial impact on each other.
3. Main hypothesis (sixth): Financial transparency and reporting, as well as international accounting standards in the public sector, particularly IPSAS 22 standard, are significantly correlated.

4. The fourth main hypothesis. Select the dependent assumptions that follow:

-The disclosure in financial reports and international public sector accounting standards, or IPSAS 22, have a substantial impact on each other.

-International Public Sector Accounting Standards (IPSAS 22) and financial reports have a strong link.

### **Study Limitations**

It includes the spatial and temporal limits for conducting the study, as follows:

1- Spatial boundaries: The study is limited in its applied aspect to the Iraqi environment by selecting a sample of Iraqi public units, represented by all units whose data is consolidated by the government through the final accounts, in addition to the Nineveh Governorate Municipalities Directorate.

2- Time limits: The annual reports on the activity of Iraqi public units (study sample) for the years 2016 and 2023 were approved, followed by the latest data available to the researcher.

### **Study Population and Sample**

1. Study population: represented by the Iraqi general units.

2. Study sample: The study sample represents some Iraqi public units because the information about these units can be accessed from the administration of these units.

### **Sources Used to Get Information and Data**

The following resources were used to gather the information and data required to finish the study:

1. Rules, guidelines, and directives.
2. Books, journals, studies, dissertations, and theses from universities to complete the theoretical portion of the work.
3. Books and publications published by associations for professionals.
4. The Internet, or the International Information Network.
5. Accounts and financial statements for the research sample units.
6. In-person conversations with some authorities.

### **Methods Of Analyzing Practical Data**

Preparing a proposed model.

### **Study Methodology**

Various scientific methodologies were employed to accomplish the study, such as the descriptive and deductive approaches for the theoretical part and the inductive and analytical methods for the practical part.

## **SECOND: PREVIOUS STUDIES**

### **A- Arabic Studies**

#### **Study (Ali & Dalal, 2019)**

“The importance of preparing and presenting financial statements in accordance with the financial accounting system and international accounting standards - a comparative study between accounting standard No. 1 and the financial accounting system”

Through a comparison of the financial accounting system and Accounting Standard No. 1 regarding the preparation and presentation of financial statements, the study sought to ascertain the degree of financial statement preparation and presentation in accordance with the financial accounting system and international accounting standards. The findings demonstrated that following this standard’s preparation guideline for

Presenting financial statements will improve both their quality and users' confidence in them. Even though it occasionally had flaws, Algeria's financial accounting system offered significant explanations in this field.

This research represents (in addition to existing studies) on how to prepare and present financial statements by shedding light on the practice of what was stated in this regard in the Algerian financial accounting system. The study recommended the necessity of applying International Accounting Standard No. 01 in preparing and presenting the budget or financial position; Table of calculations of results by nature or by function; Statement of cash flows and statement of changes in own funds.

## **B- Foreign Studies**

### **(Rudžionienė & Gupior, 2019)**

“Financial Reporting Quality in Lithuanian State-Owned Enterprises”

The goal of the study was to assess the caliber of Lithuanian state-owned enterprises' financial reports. Following the presentation of techniques for evaluating the caliber of financial statements found in academic publications, content analysis of financial statements for the year 2017 was selected as the method of data collection for the study. For every financial statement, qualitative characteristic indicators were computed. The study found that 45.90% of institutions had adequate financial data, and 50.8% of those data are of average quality after examining the qualitative aspects of the data. The information quality is above average, as shown by the maximum and average scores for truthful portrayal, understandability, comparability, and timeliness.

The total assets, sales, and workforce size of the company all have a positive correlation with the overall quality index. One factor that influences the disclosure of information in financial statements is the state-owned company size indicator, which includes assets, revenues, and workforce size. In order to determine the essential information aspects that contribute to the usefulness of financial reports for decision-making, the study suggested that more research be conducted to enhance the conceptual framework for evaluating the quality of financial reports.

### **(Omoregie & Eromosele, 2020)**

“Factors Affecting Financial Reporting Quality in Nigeria Public Sector”

This study examined some of the factors that influence the quality of financial reporting in the Nigerian public sector using (150) versions of a Likert scale questionnaire consisting of fifteen questions. This was given to employees of the Office of the Auditor General of the Federation, academics, professional accountants, representatives of civil society groups, and government workers. Adoption of IPSAS has a substantial positive association with the quality of financial reporting in Nigeria's public sector; strict oversight has a negative link with behavior and financial reporting quality. It is advised that Nigeria's public sector accounting structure include both a functioning public accounts committee and an efficient internal control system. The research suggested incorporating IPSAS rules into the framework for reporting financial statements.

### **(Zhan, 2021)**

“Financial reporting quality and audit quality in England public sector organizations”

The purpose of this thesis was to elucidate the degree of financial report manipulation by public sector organizations as well as the function of auditing firms in mitigating administrative bias in public sector financial reports. In order to examine the effects of audit modifications on the financial statements of English NHS trusts between 2010–2011 and 2014–2015, the thesis first worked on obtaining data prior to the audit. In the case of trusts with a deficit, this study finds evidence that auditors intervene to reverse management bias; however, it finds no evidence to support this claim for trusts with a pre-audit surplus. Regarding excess trust funds, these outcomes are in line with auditors' interests, which are in line with management rather than business managers'.

### **Third: Disclosure Of Financial Reports in The Public Sector**

#### **A- Foreign Studies**

##### **Cirsteaa, (2014)**

“The need for public sector consolidated financial statements”

The purpose of this research is to assess if financial data in the public sector needs to be unified, as well as the actions taken by international regulatory authorities in relation to the release of relevant standards. To accomplish the primary goal of the study, the investigator reviewed relevant scientific literature and followed the actions made by regulatory bodies to create internationally applicable standards for consolidated financial statements. The link between these reports-prepared by private and public sector firms—is also revealed by this study, which highlights the significance of public sector entities entering and presenting consolidated financial statements. The study recommended that public sector entities should prepare standardized reports and that regulators and governments play an important role in adopting and introducing these practices in the public sector.

##### **EPSAS Working Group meeting, 2021**

“To be held by video conference on 28-29 April 2021, Draft EPSAS Screening Report”

This paper aims to clarify the requirements for financial information connected to the general government sector's disclosure for each of the project's qualitative disclosure features in financial reports for the public sector. This document also presents a high-level comparison of various international accounting and financial reporting systems used by public sector organizations with the criteria of IPSAS 22. It was assessed if IPSAS 22 would serve the interests of the European public good in a number of nations, including those with regards to IFRS and EU Accounting Rules, while keeping in mind the objectives of harmonization and lowering implementation and compliance costs.

The investigation found no evidence that the standard has a detrimental effect on financial stability, economic development, or any other aspect of the European economy that would indicate the standard is not in the best interests of the continent's citizens.

The evaluation's findings and the possible advantages of starting with IPSAS 22 requirements when creating a standard or recommendation that is comparable to the iPSAS standards may be taken into account by future standard setters. They should also address any issues raised in the current iPSAS examination report and consider the need for further guidance in certain areas.

##### **(Muhammad, 2023)**

“The Impact of Adopting International Public Sector Accounting Standards (IPSAS) Regarding the Accountability of Financial Reports in India's Public Sector

The purpose of this study was to investigate how the Indian public sector's financial reporting accountability has been affected by the implementation of International Public Sector Accounting Standards (IPSAS). Both primary and secondary data sources were employed to accomplish this goal. Employees of Public Sector Enterprises (PSEs) in India who worked in the accounting department provided primary data using a five-point Likert scale questionnaire. According to the study, as IPSAS use rises, there is a notable positive correlation with the degree of accountability of financial reporting in India's public sector. Ultimately, the research suggested that Indian public sector entities consider implementing International Public Sector Accounting Standards.

##### **(Juanda et. al., 2023)**

“Analysis of local government accounting disclosure based on international public sector accounting standards (IPSAS)”

The purpose of this research is to determine if the degree of local government accounting disclosure based on IPSAS is influenced by factors such as government finance, economic growth, audit opinion, and prior experience with IFRS in the public sector.

The amount of local government accounting disclosure based on IPSAS was shown to be impacted by government openness, prior experience with IFRS in the public sector, and audit opinion. On the other hand, economic expansion and government finances opposed transparency. International Public Sector Accounting Standards were used to prepare the financial accounts. The Government Accounting Standards Committee should endeavor to enhance pertinent standard rules and motivate local governments to put them into effect, the report suggested.

### **Contribution of the Current Study**

After reviewing previous studies, it was found that some studies dealt with financial reports that focused on enhancing and improving financial reports for the purpose of providing useful information to stakeholders. The studies also dealt with international accounting standards in the public sector, especially the International Public Sector Accounting Standard (22), and the extent of its impact in providing useful information.

The current study is similar to previous studies in that it dealt with one of its variables, whether it was disclosure, financial reports, international accounting standards for the public sector, or Standard 22 for the public sector. The current study differs from previous studies in that it analyzes three variables together.

This study was distinguished from previous studies and contributed to providing new knowledge by addressing three variables together in the theoretical and practical aspects, especially after highlighting the practical aspect by preparing financial statements in accordance with Standard 22 for the public sector, which aims to provide information issued by the public sector in accordance with International accounting standards, as well as analyzing the content of these lists after comparing reality and the actual model and the proposed model in accordance with international standards,

## **Second Section**

### **Theoretical Foundation of Financial Reports**

#### **The concept and definition of Financial Reports**

The goal of financial accounting and financial statements, according to Opanyi (2016:162), is to give consumers of the economic unit's information quantitative financial information that is helpful. Aiming to give financial and other information that is balanced with data from other sources, financial reporting plays a larger role in the economy by facilitating the efficient use of capital and aiding in the wise distribution of limited resources.

Financial reporting is the process of providing stakeholders with pertinent information about the economic unit and financial statistics (Petros, 2023:11). Financial reporting's primary objective is to supply trustworthy information about reporting economic units to enable excellent economic decision-making.

The Conceptual Framework's History (2013:31) Financial reports generated in response to requests from users who have the ability to request that financial reports be prepared that disclose information they need for their own purposes are commonly referred to by standard setters as special purpose financial reports. The International Public Sector Accounting Standards Board acknowledges that some special purpose financial reports have been prepared with the standards of International Public Sector Accounting Standards applied successfully and perhaps yet to be applied in the future.

#### **Objectives of Financial Reports**

The following benefits of using International Financial Reporting Standards: (Smith Wang, 2016: 3)

1. Improve the harmonization of disclosures and accounting standards to better serve the demands of the international market.

2. Establishing an accounting foundation for developing or recently industrialized nations to adhere to when the accounting profession emerges in those nations.
3. Improve conformity with regional and global accounting standards.

According to Muhaisen (2017: 32), financial reports include the following goals:

1. Financial reports offer valuable information that investors and creditors, both present and future, may utilize to make informed decisions about borrowing and investing.
2. In order to make forecasts, comparisons, and assessments of the economic unit's potential to produce revenue in the future, financial reports include a statement of the financial situation and a quarterly income statement.
3. The financial statements offer helpful data for assessing how effectively management uses the financial resources at hand and how well they accomplish the goals of the economic unit.
4. Financial reports offer an account of the social responsibility (or social responsibility actions) that the economic unit has taken; these actions are quantifiable and so reportable.

(Yahya, 2013:65-64) believes that the objectives of financial reports are as follows:

Serving users who have limited authority or limited sources to obtain information, and who rely on financial statements as a main source of information to evaluate the economic activity of the economic unit.

Financial reports provide a list of the financial activities of the economic unit that is useful in forecasting and comparison. This list must mainly provide information about actual and expected operations with important monetary effects. To provide users of financial statements with useful information in the forecasting process, especially information that increases users' ability to trust financial forecasts,

Obligating non-profit organizations and governmental organizations to provide useful information in evaluating their effectiveness in managing resources to achieve the goals of the economic unit.

Reporting on the activities of the economic unit that affect society, which can be identified or measured financially and which plays an important role in its social milieu.

(Sahib & Malik, 2022:243) added the following:

Providing information that is supposed to be useful to current and expected future investors, creditors, lenders, and some government units such as the tax department, the stock market, and other parties interested in the financial statements to help them make decisions.

Providing information that helps concerned parties who have an interest in the affairs of the economic unit to evaluate the amounts and timing of the degree of uncertainty of future cash flows.

Providing information related to economic resources, the obligations associated with these resources, and the changes that have occurred in them.

Objectives of financial reports for general purposes: (Abod, at, el, 2014: 9)

General purpose financial reporting is an essential component of preparing, supporting and promoting transparent financial reporting by governments and other public sector entities. General purpose financial reports are financial reports intended to meet the information needs of users who are unable to request financial reporting tailored to meet their specific information needs.

Some users of financial information may have the authority to request the preparation of reports tailored to meet their specific information needs. While these parties may find the information provided

in general purpose financial reports useful for their purposes, general purpose financial reports have not been developed to specifically respond to their specific information needs.

General purpose financial reporting is likely to include multiple reports, each of which responds more directly to certain aspects of financial reporting objectives and matters within the scope of financial reporting. General purpose financial reports include financial statements including the notes thereto (hereinafter referred to as financial statements, unless otherwise stated), and the presentation of information that enhances, supplements and supplements the financial statements.

The scope of financial reporting defines the boundaries surrounding the transactions, events, and other activities that may be reported in general purpose financial reports. The scope of financial reporting is determined based on the information needs of the primary users of general purpose financial reports and the objectives of financial reporting.

### **The Role of Preliminary Financial Statements in Providing Information**

For the following reasons, users of financial statements focus more on the preliminary financial statements than on the explanations (Abod, at, el2017:33):

A: At the start of the period, the initial financial statements, or financial statements, are often presented.

B. The main financial statements provide a summary of the economic unit's financial status, financial performance, cash flows, and equity changes. These may be used to pinpoint areas that users may want to look into more.

C- Pro forma financial statements are easier to compare between organizations since they are more standardized than notes.

D-Some of the material in the notes, such as press releases and earnings announcements, are occasionally released sooner than the information in the preliminary financial statements. occasionally, the data is released in a condensed version prior to the full financial statements being released.

E-The data gathered and provided by data compilers, as well as the data in the notes, most likely contain the same information as the basic financial statements.

### **Types of Financial Reports**

Information is produced by the accounting information system, and reports are what communicate that information to internal and external users, and therefore it is possible to distinguish between two types of reports, which are:

1. Internal (administrative) reports: These are reports prepared to serve the administration and for internal purposes, including:

A- Performance reports: These express and summarize the results of the work that took place within the economic unit of operations during a specific period of time, for the purpose of monitoring and evaluating performance. Examples of these are monthly or triennial sales and expense reports. These reports are compared with the plan drawn up for the purpose of determining conformity with reality. What is planned, or in order to avoid fundamental deviations, and then analyze them, find out the reasons, and make corrected decisions.

B- Planning reports: These reports include estimated values for a period or periods in the future to help managers make decisions. Examples of these are sales forecasting reports. These reports help in making decisions. Sales forecasting reports can be used, for example, in changing sales prices or entering new markets. (Yahya, 2013:43).

C- Special reports: These are reports related to some problems that the administration needs to make decisions about. They are often related to the future, and the required data is not available in historical records. These reports are characterized by their lack of periodicity and repetition. Examples include reports of machine replacement, leasing, or product abandonment reports. Or add a product.



D- Conformity reports: These conformity reports describe the government's financial position in general, and the results of operations, according to the accounting basis used, and may include information about conformity and performance in general (Kazim et al., 2020: 585)

E- Special financial reports: These are reports specific to the government unit and its financial activities and programmes. These types of reports contain appropriate information based on a set of standards.

2- External reports: These are reports that are directed to people outside the economic unit as they are external users of information, and are considered a means of communication with them, such as current investors, creditors, banks, governmental departments and external oversight bodies. (Al-Saabri, 2019:28)

3- Non-financial reports. (Bezverkhyi & Poddubna, 2023: 85)

Non-financial reporting is a relatively new subject and has not been deemed required for economic units until recently. These studies show how well businesses can control risks, enhance operations, draw in new capital, and become more competitive. The business's social and environmental responsibility is reflected in its non-financial reporting. The economic unit's commitment to social and environmental responsibility is to engage in sustainable economic development with the goal of enhancing the environment and quality of life for the economic unit, the surrounding community, and society at large. It also emphasizes the need to balance the attention given to the economic, social, and environmental aspects of responsibility activities. Businesses that employ natural resources have a commitment to corporate social responsibility. The company's commitment is not only to implement CSR, but also to disclose the implementation of CSR. Disclosure is generally divided into two types, namely voluntary disclosure and mandatory disclosure. (Noviantika, et. al, 2022: 561)

4- Interim financial reports: The need often arises to prepare financial statements for a specific period, which is shorter than a single financial period, such as preparing financial statements for a quarter or half a year. These are called interim or interim financial reports. The interim financial report is a report. Financial for an interim period includes a complete or abbreviated set of financial data for an interim period. The interim period is a period of less than a full fiscal year around which financial reports are submitted. The importance of interim financial reports stems from the fact that they provide an update to the latest set of annual financial statements, as they focus on activities and events. The new conditions do not repeat information that was previously disclosed, and they also improve the ability of investors, creditors, and other parties to understand the institution's ability to achieve profits and cash flows, its financial position, and its liquidity. (Yasmina, Zarfawi: 2018) 323).

5- Sectoral reports: They are the dismantling and dividing of information (Smith & Wang, 2016:3). He defined the total at the level of the economic unit into information about the sections composing this unit in order to provide detailed information about all of these sections in a way that helps the decision maker to make a decision.

The main purpose of providing information about sectors of the economic unit is to provide information about the different forms of economic activities of companies and the economic environments in which they operate. (Mohammad: 2021:214)

In order for managers to be able to carry out their work efficiently, professionally and effectively, they need information about the sectors they manage, more than they need information about the economic unit as a whole, and here detailed and concise information should be available. The manager must be able to exploit opportunities and develop solutions to the problems facing the sector he manages, and thus the ability to develop solutions to the problems facing the economic unit. (Press, 2021:360)

6. Integrated reports: According to Agliata, et al. (2022: 67), this procedure is dependent on integrated thinking. It is described as what is converted into an integrated periodic report that communicates information about the organization's value creation components as well as value creation over time. This succinct statement explains how the organization's strategy and governance enable its performance and expectations to generate value over the short, medium, and long terms within the framework of its external environment.

Definition (Susana & Jorge, 2013:21) The integrated report is a succinct explanation of how the organization's performance, expectations, governance, and strategy work together to create value over the short, medium, and long terms within the framework of its external environment. It is regarded as a single document that the economic unit created and that contains financial data. Non-financial and containing data on all resources-tangible and intangible-that are crucial to the economic unit's long-term success, it serves as a strategic and forward-looking communication tool for the entity's stakeholders. The "six capitals"-financial, industrial, intellectual, human, social, relational, and natural-have diverse natures and need to work together to produce value, which raises all the capitals. The main goal of the integrated report is to make it clear to providers of capital Financial Money How an economic unit builds value over time and how this value can benefit all stakeholders. (Čičak et, al 2022: 401).

7- Popular reports: Defined by Jorge (2013:15) as a condensed report that, for customers unfamiliar with accounting and financial management difficulties, provides financial information about government agencies and operations in a clear and comprehensive manner. Public reports are often intended for residents, businesses, and the media. Typical government financial statements are too lengthy, complicated, and perplexing for the average public, according to community organizations interested in learning about the workings of government finances. Thus, it's critical to make this information available, enhance accountability and openness by offering more readable financial reports, and aid non-accounting specialists in understanding more conventional financial reporting.

Non-technical qualitative data should be given priority since those with lower levels of education typically have more difficulty interpreting the information offered by common reports (Aglia, 2022:68).

As the researcher pointed out above, there are many different kinds of financial reports, but no matter what kind they are, their primary purpose is to give decision-makers relevant information, whether those decision-makers are internal or external.

### **Objectives of Financial Reporting in the Public Sector**

Public sector financial reports are intended to: (Toudas, & Poutos 2013:48)

1. Create and release budgets, keep thorough financial documentation, offer complete disclosures, and allow independent audits.
2. Keeping an eye on finances, assets, obligations, and outlays.
3. Calculating the financial impact of events and transactions in terms of money and other resources.
4. Assessing the performance and financial status of the government.
5. Issuing easy-to-use financial reports on a regular basis.

He added: The Conceptual Framework for General Purpose, Financial Reporting by Public (Sector Entities, 2014,14)

It is not the goal of financial reports to themselves. Their goal is to give consumers of general purpose financial reports relevant information. As a result, the goals of financial reporting are established based on the information needs and users of general purpose financial reports.

In order to deliver services to citizens and other service receivers, governments and other public sector organizations gather resources from taxpayers, donors, lenders, and other resource suppliers. These organizations are accountable for the way they manage and use the resources they get from their suppliers and for the people who rely on them to use those resources to deliver essential services. Information is necessary as a decision-making input for entities that supply resources, receive, or anticipate receiving services.

Public sector entities' general purpose financial reports are primarily created to meet the information needs of resource providers and service recipients who lack the legal authority to demand that the public sector entity provide the data they require for decision-making and accountability. Primary users

of GPFRs include the legislature (or a body akin to it) and members of parliament (or a body akin to a representative body). These entities utilize GPFRs extensively and continuously in the course of representing the interests of resource producers and service receivers. Therefore, service beneficiaries and their representatives as well as resource suppliers and their representatives are the main consumers of general purpose financial reports for the purposes of the conceptual framework.

People gave resources and services to the government and other public sector organizations. Consequently, the main audience for general purpose financial reports is the general public. Certain service recipients and resource providers may not be citizens; these include residents who pay taxes and/or receive benefits but are not citizens; multilateral or bilateral donor agencies; the numerous lenders and businesses that interact with and provide resources to the government; and those who finance and/or gain from services offered by intergovernmental organizations. These entities rely on general purpose financial reports to obtain the information they need for accountability and decision-making purposes. Governments that fund intergovernmental organizations typically rely on the general purpose financial reports of those organizations to offer information for decision-making and accountability.

General purpose financial reports that are created to address the information requirements of resource providers and service users for decision-making and accountability may also include information that is helpful to other parties and for other reasons. For example, government statisticians, analysts, the media, financial consultants, public interest and lobbyists, and others may find the information provided through general purpose financial reports useful for their own purposes. Organizations with the authority to require financial reporting tailored to meet their specific information needs may also use information provided by general purpose financial reports for their own purposes - for example, regulatory and supervisory bodies, audit firms, subcommittees of the legislature or other board of directors, central agencies, budget controllers, entity management, rating agencies and, in some cases, lending institutions, development assistance providers, etc. While these other parties may find the information provided by general purpose financial reports useful, they are not the primary users of general purpose financial reports. Therefore, general purpose financial reports have not been developed to specifically respond to their specific information needs

The application of international accounting standards by government units in the public sector will be reflected in the financial performance of the government unit, as financial reports are prepared that aim to do the following: (Ahmed, et, al, 2022: 66)

1. Disseminating details on the origins, purposes, and expenditures of funding by government agencies.
2. Giving data to assess how well-equipped government agencies are to meet their financial commitments and carry out their operations.
3. Giving government entities information on the funding sources they drew upon to support their operations as well as the cash required to fulfill their financial commitments.
4. Disseminating details about government agencies' financial standing and recent modifications.
5. Providing data that aids in assessing how well government agencies operate in terms of accomplishment, efficiency, and cost of services rendered.

### **The role of Accounting Standards in Developing Financial Reports**

There are three basic approaches to preparing financial reports in the public sector: (Yasmina and Zawaqawi, 2018:322)

The report approach in general-purpose lists: It is an approach concerned with preparing financial reports that can meet the needs of wide sectors of beneficiaries. Despite the widespread use of this

approach, it raises many criticisms about the extent to which it is possible to provide the diverse needs of different beneficiaries using one set of financial reports.

The approach to expanding the data that is reported: This approach is concerned with increasing the information presented in financial reports, so that it covers the needs of larger sectors. For example, the financial statements include current values and current values of assets in addition to historical values. This approach raises several questions regarding the quality and quantity of information. Which must be added to the financial reports and the appropriate method for testing them, as there are certain limits to the ability of users regarding the possibility of absorbing and using additional information, as it requires evaluating each piece of information proposed to be added to the financial reports in order to determine its suitability for the various beneficiaries.

Approach to developing financial reports: This approach emerged as a result of pressure from scientific bodies interested in accounting in the United States of America, and based on the desire of investors and other beneficiaries to request more additional information that would help them in making their economic decisions. This development appears through the emergence of many lists, most notably the financial statements. Sectoral financial statements, interim financial statements, predictive financial statements, summary financial statements, and financial statements with multiple measurement bases.

### **Benefits of Adopting International Financial Reporting Standards**

IPSAS are expected to do the following (Chytis, 2013:10):

1. Making all past transactions visible in order to increase the dependability, openness, and comparability of financial data from the public sector.
2. Making certain that accounting is independent for accounting periods.
3. Offering improved data regarding the distribution and administration of public funds.
4. Cutting operational expenses in public administration.
5. Assisting in the fair value recognition of public bodies' actual assets.
6. By utilizing contemporary accounting methods and tying revenues and costs together, it promotes logical financial management.
7. Permitting the financial accounts of businesses in the private sector to be compared.
8. Enhancing the management of cash and assets.
9. Increasing market and citizen confidence.
10. Improving the dependability of other consumers of public financial disclosures, such as rating agencies.
11. Making it easier for public sector organizations that use IFRS to consolidate their public financial statements in the future.
11. It lessens the influence of political choices.

### **International Accounting Standard No. 22: Disclosure of Financial Information**

Designed with the public sector in mind, IPSAS 22 is an IPSAS standard. IAS 22 Disclosure of Public Sector Financial Information was consequently released in December 2006 by the International Public Sector Accounting Standards Board (IPSASB). The International Public Sector Accounting Standards Board (IPSASB) initiated a project in 2011 to analyze the discrepancies between the Government Finance Statistics Manual and Revised 2017 and the statements made in the IPSASB's Guide to International Public Sector Accounting Declarations. The project also aims to determine how much more harmonization has been accomplished. Harmonizing statistical reporting guidelines with IPSAS might be feasible.

Along with creating an account chart that will make it easier to compile reports based on International Public Sector Accounting Standards and Statistical Reporting Guidelines, the project will also determine whether

IPSAS 22 Disclosure of Financial Information about the Public Government Sector should be amended. The project is still ongoing, and the illustrated chart of accounts has not yet been established, in light of the modifications to the System of National Accounts 2008 (SNA 2008), the Modernization of Government Finance Statistics, and the European System of Accounts 1995. (IPSAS 22, 2021:5)

IAS 22, Disclosure of Financial Information Related to the Public Government Sector, was issued in December 2006. Since then, IPSAS 22 has been amended by the International Public Sector Accounting Standards as follows: (IPSAS 22, 2021:5)

Improvements to the International Public Sector Accounting Standards 2018 (issued in October 2018).

The possibility of applying international public sector accounting standards (issued in April 2016).

Improvements to the International Public Sector Accounting Standards 2015 (issued in April 2016).

International Public Sector Accounting Standard 35, Consolidated Financial Statements (issued in January 2015).

International Public Sector Standard 33, International Public Sector Accreditation on an Accrual basis for the first time (IPSAS), issued in January 2015.

to the International Public Sector Accounting Standards 2011 (issued in October 2011).

The purpose of IPSAS 22 is to make general government sector information available in financial statements compliant with International Public Sector Standards. Users of financial statements can benefit from disclosure, especially in nations where national governments publish both financial information in compliance with the statistical rules for financial statements and financial statements in accordance with International Public Sector Accounting Standards (IPRAS). Reports are distributed extensively. By acting as a link between IPSAS financial statements and financial data generated in accordance with statistical reporting regulations, disclosures made under IPSAS 22 help users reconcile the data presented in each framework. 58: Barnett (2011).

As a result, providing relevant information in financial statements may strengthen and facilitate the process of making decisions as well as the users' accountability for the data. Because of this, they are pertinent and consistent with improving financial reporting's transparency. They also assist those who use financial statements in comprehending the resources allotted by the general government to support public sector service delivery activities, the government's financial performance in delivering those services, and the relationships between various sectors and businesses and how they affect the overall financial performance.

The objectives of the standard can be clarified according to IPSAS-22 (2021:19) as follows:

1. The disclosure standards outlined in IPSAS 22 will raise the standard of financial reporting in the public sector by supplying consumers with relevant information. The standard's implementation ought to have a reasonable upfront cost and provide preparers with essentially cost-neutral ongoing support.
2. Because the standard will aid in the reconciliation of the financial data from the GPFS with the data from the ESA 2010 reports-a crucial component of the EU budget control mechanism-financial reporting will be enhanced. Changing these rules to fit the EU environment would also be beneficial.

Deciding on the disclosure requirements for governments whose consolidated financial statements include information regarding the general government sector. A greater link between the government's market and non-market operations and the financial statements and statistical guidelines for financial reporting may be achieved by disclosing pertinent information about the government. For governments that decide to include information on the general government sector in their consolidated financial statements, this standard attempts to define disclosure standards. A government's financial reports can be made more transparent by providing relevant information about its general government sector. This can also aid in understanding the relationship between the government's market and non-market activities, the financial statements, and the statistical foundation used to prepare financial reports.

In order to prepare and display the government's consolidated financial statements, accounting regulations pertaining to the public sector must be observed when disclosing financial information. (IPSAS 222021:20)

1. General government sector disclosures have to contain the following information, at the very least:

A: Assets categorized by primary areas, with investments in other industries displayed individually.

B: Main category obligations.

T: Equity and net assets.

D-Increases and declines in total revaluation and other income and expense items recognized directly in net assets/equity.

C- Revenues by main category.

H- Expenditures by main category.

G: Deficit or surplus.

D: Operating activity cash flows broken down into major segments.

Y: The cash received from investing operations.

T: Financing activity cash flows.

2. The government's financial statements, which are prepared in compliance with international public sector accounting standards, should take precedence over the manner in which general government sector disclosures are presented.

3. Disclosure of any changes to significant regulated entities from the prior period that are included in the general government sector is required, in addition to explaining the reasons for including any of these entities that were previously listed in the general government sector that are no longer listed.

4- The general government sector's disclosures must be reconciled with the government's consolidated financial statements, with the adjustment amount for each equivalent item in those financial statements shown separately.

The intellectual policy on consolidation of financial statements was issued in October 2018 and identified three main types of issues:

A. Determine the level at which consolidated financial statements should be prepared.

B. Determine the scope of standardization.

C. The cost and complexity associated with preparing consolidated financial statements.

April 2018 saw the publication of The Intellectual Property on Principled Approach to Disclosures. Since some disclosure requirements are viewed as burdensome by preparers, it covered the most significant requirements under the current international financial reporting frameworks with the goal of developing a principled approach to improving the need for disclosures, against the backdrop of the conceptual concepts of IPSAS framework or nationally accepted accounting principles in the public sector.

The following are the primary categories of difficulties related to the EPSAS IP's principled approach to disclosures:

1. Benefits vs. setup costs and complexity.

2. Evaluating the significance and relative relevance.

3. Giving consumers clarification.

4. Ensuring that financial data from the government is comparable.

The following is a rough summary provided by IPSAS 22 2021:20:

The ESA 2010's financial accounting and reporting frameworks needed to be reconciled. To this end, IPSAS 22, or updated versions of it, may prove invaluable, especially when it comes to balancing the aggregates from the ESA 2010 and the government accounts. It has been shown that it is possible to reconcile all government accounts with the 2010 ESA totals through examples from many nations.

In some countries, the central government may be controlled by local governments, and therefore, the financial statements of the central government consolidate the different levels of government. If the financial statements consolidate different levels of government, further disaggregation of the consolidated financial statements may occur in accordance with IPSAS 22 to separately disclose information about overall governance at each level of government (IPSAS 22, para. 33). Although it is not necessary, this extra information could be included to help users better understand how the financial statements relate to the statistical guidelines for financial reporting and how each consolidated level of government's central government activities relate to each other. in such areas of jurisdiction. (IPSAS 22 2021:20)

Assessment of IPSAS 22 in comparison to the criteria developed in the proposed EPSAS framework. The research did not find any inconsistencies between IPSAS 22 and the draft IPSAS framework, nor did it point to any significant conceptual problems with IPSAS 22 Disclosure of Financial Information about the Government Public Sector. analysis following screening Future standard setters may want to take into account the following conclusions from this report's summary. Information derived from IPSAS 22 application:

It will provide relevant, reliable, complete, prudent, neutral, verifiable, economically objective, understandable, timely and comparable information needed to make economic decisions and achieve the necessary level of financial transparency and comparability of financial reporting:

It will not violate the principles of reliability and fair disclosure.

International public sector accounting standards prefer a unified format for financial statements. This presentation format presupposes the presence or presentation of the government as a whole and its presentation to users. IPSAS 22 seeks to define the relationship between the government as the entity for which financial statements are prepared and the general government sector for which financial statements are prepared and government finance statistics are reported. (Izedonmi & Ibadin, 2013:20)

If the financial statements consolidate levels of government that are different from each other, further detailing of the consolidated financial statements may occur in accordance with IPSAS 22 to separately disclose information about overall governance at each level of consolidated government in the financial statements (IPSAS 22, paragraph 33). This will serve as a useful bridge between IPSAS financial statements and financial information prepared under the statistical rules of reporting.

This additional detail is not necessary because it is unclear whether the benefits of disclosing this information to financial statement users will outweigh the costs, and in some local governments, it may put additional strain on the accounting system and those in charge of gathering and compiling data. These kinds of disclosures are not, however, forbidden. In developing a standard or recommendation for EPSAS standards, future standard setters may take into account the findings of this evaluation and the possible advantages of starting with the requirements of IPSAS 22. They may also take into account the need for additional guidance in particular areas and addressing issues that were found in the current EPSAS examination report. (2021:13 – IPSAS 22)

**A brief overview of the municipality of Nineveh:** As for the municipality of Nineveh, it was established in 1969 under the aforementioned Municipal Administration Law (No. 165 of 1964). It is considered one of the oldest municipalities in Iraq, as since its founding it has been composed of a staff of the mayor, the mayor's assistant, and six members representing the municipal council. One of the duties of the municipal council is to set a budget. In addition to many duties, the Mosul Municipality continued its growth and development, reaching The number of its employees reached approximately (3,000) permanent employees and (2,000) contract employees, as the municipality's work expanded to include the allocation of residential and industrial lands, as well as the tourism and entertainment sector through the establishment of a modern tourist village

and a city of games and entertainment for citizens. In the seventies, the municipality was linked to the Mosul Governorate after its administrative transformation from District to governorate, and after 2003, the Nineveh Municipalities Directorate was formed, affiliated with the Ministry's General Municipalities Directorate, and included the Nineveh Municipality and the municipalities of its affiliated districts and districts. After that, the financial, administrative, and technical connection to the Nineveh Municipality was dismantled in accordance with the letter of the Ministry of Municipalities and Public Works (No. 1246 on 26/ 6/2008), and it became a directorate directly linked to the Directorate of General Municipalities in the Ministry to grant more independence due to its importance as a result of the size of its participation, its cadres, its mechanisms, the services it provides, and the geographical area it covers.

**Scope of work:** The responsibility of the Nineveh Municipality Directorate is to provide services related to the governorate center. As for the districts and districts affiliated with the Nineveh Governorate, they are the responsibility of the Nineveh Municipalities Directorate according to the district or district. To distribute the scope of services provided, the Nineveh Municipality Directorate was divided into eleven sectors, namely (Al-Hadbaa Sector, Turkal sector, Al-Zuhur sector, Al-Salam sector, Tahrir sector, Al-Rabie sector, Old City sector, Mosul Al-Hadbaa sector, New Mosul sector, Al-Ghazlani sector sector, Industrial City sector), as each sector covers specific areas of the governorate center according to the number of people and housing units. Governmental and non-governmental departments and institutions and shops.

### **Financial statements for the Nineveh Governorate Municipalities Directorate**

**The financial data of the study sample units can be clarified through the following**

- 1- Statement of financial position (budget)



بلديات محافظة ننوى  
أداة العامة كما  
٢٠٢٢/١٢/٣١

رقم الكشف	رقم الدليل المحاسبي	اسم الحساب	٢٠٢٢ دينار	٢٠٢١ دينار
	١	<u>الموجودات</u>		
		أ. ذات الثابتة		
	١١	الموجودات الثابتة (بالقيمة التقديرية)	٥.٦٩٨٦٥٩٣٩٤	٤٢٢٨٥.٣٥٣٦٩
	١١٨	نفقات إيراده مؤجلة	٣١٤٤٩٢٦٥	٣٢٧٧٨.١٩
	١٢	مشتروعت تحت التنفيذ	٦٤٦٣.٠٠٠	٢٨٢٢٤٥.٠٠
		مجموع الموجودات الثابتة	٥.٧٣٦٥٧١٦٥٩	٤٣٣٤٦.٣٧٨٨٨
		ب. ذات المتداولة		
	١٣	المخزون (بالكلفة)	٦٣.٨٨٥٩٩٤٩٩	١٣٤١.٤٦٤٣٨٥
	١٦	المدنيون	٢٩٤٣٥٢١٧٤.٠	١٨.٢٢٣١٢٨٦
	١٨	التقود	١٦٨٣٧٢٢٢٨٤٦	٣٥٥٥.٧٥٦٥.٩
		مجموع الموجودات المتداولة	٨٢٨٦٩٧٤٤.٨٥	٤.٧٦٣٤٥٢١٨.٠
		مجموع الموجودات	١٣٦٥٧٤٤.٦٣٦	٨٤١.٩٤٩.٠٦٨
	١٩	الحسابات المتقابلة	٤٧٢٢٥٨٩٢٣	٤٦٨٣٧٨٧٦.٠
	٢	<u>مصادر التمويل</u>		
		مصادر الآجل		
	٢١	رأس المال التشغيلي	٩٤٨٥٦٤٧٧١٩٦	٤١٣٧٤٨٢٣٧٨
	٢٢	الاحتياطيات	٣٤١٧٤٤٨٨١٢٦	٢٥٥٤٣٦٤٣٨٤.٠
	٢٢٥	العجز المتراكم	(١٨٤١٣.٤٦٦٨)	(١٨٩٩٥١٣.٠٨)
		مجموع مصادر التمويل طويلة الآجل	١٢٧١٨٩٦٦١١٥٤	٦٥.١٨٩٩٣٢١.٠
		مصادر الآجل		
	٢٦	الدائرون	٦٤١٦٦٥٤٥٩.٠	١٩.٩.٤٩٦٨٥٨
		مجموع مصادر قصيرة الآجل	٦٤١٦٦٥٤٥٩.٠	١٩.٩.٤٩٦٨٥٨
		مجموع مصادر	١٣٢٦.١٣١٥٧٤٤	٨٤١.٩٤٩.٠٦٨
	٢٩	الحسابات المتقابلة الدائنة	٤٧٢٢٥٨٩٢٣	٤٦٨٣٧٨٧٦.٠

رعد علي نجم الحيد  
مدير بلديات مح

والمؤرخ في / ١٤٤٥هـ /  
٢٠٢٣م / ٥ / ٤

محمد مسر داود  
مدير المالية

خضوعاً لتقريرنا المرقم (ب/١٨/٥/١٣) /

المحاسب القانوني  
معاون المدير العام

سعد عبوش سلطان  
عبد الاله فتحي محمود

ع. ديوان الرقابة المالية الاتحادي

مفوضية بلديات محافظة نينوى  
حساب الإيرادات والمصروفات للثقة المالية المنتهية في ٣١ كانون الأول/٢٠٢٢

رقم الكشوف	رقم التذييل المحاسبي	اسم الحساب	٢٠٢٢ دينار	٢٠٢١ دينار
	٤	<b>الإيرادات</b>		
	٤١	إيرادات نشاط الإنتاج المصلي	١٧٥٠٠٠	
١١	٤٢	إيرادات النشاط التجاري	١٦٦٠٢٠٠٣٣١	٦٢٦٧٢٨٠١٢
١١	٤٣	إيرادات النشاط الخدمي	٢٩١٢٦١٠٧٦٧	٢٥٦٤٤٧٩١٨٥
١٢	٤٦	قوائد دائنة وأجارات الأراضي	٢١٨٩٩٢٠٠٧١	١٤٥١٩٠٤٢٠٤
١٢	٤٨	الإيرادات التحويلية	٢٨٦١٤٠٣٠٧٨٠	١٧١١١٢٨٢٥٣٨
١٢	٤٩	الإيرادات الأخرى	٢٦٦٨٥٣٢١٢٧	٢٨٩٦٣٤١٦٥٦
		مجموع الإيرادات	٣٨٠٤٥٤٦٩٠٧٦	٢٤٦٥٠٧٣٥٥٩٥
	٣	<b>تتزل: المصروفات</b>		
٨	٣١	الرواتب والأجور	٢٤٤٠٣٠٦٢٩٣٠	١٥٨٩٩١١١٩٧٤
٩	٣٢	المستلزمات السلعية	١٨٧٤٣٦٨٣١٩	١٤١٨٢٧٠٥٦٧
١٠	٣٣	المستلزمات الخدمية	٥٢٥٢٦٦٨٤٤٨	٤٣٠٧٣٠٦٥٨٠
٢١	٣٧	الانتقارات	٣٩٧١٢١٠١٥٠	٣٥٥٩٥٠٨٧٦٦
	٣٨	المصروفات التحويلية	١٤٦١٢٦٩٠٣٦	٥٠٠٠٠٠٠
	٣٩	المصروفات الأخرى	٨٤٨٣١٣٣٤	٤٩٢٦١٩٢٠٠
		مجموع المصروفات	٣٧٠٥١١١٠٢١٧	٢٥٧٤١٨١٧٠٨٧
		زيادة/نقص الإيرادات على المصروفات	٩٩٤٣٥٨٨٦٠	(١٠٩٦٠٨١٤٩٣)

The aforementioned statements make clear that they have been produced in compliance with local accounting rules that are appropriate for internal use. For this reason, they have to be created in compliance with public sector international accounting standards, particularly the IPSSS22 standard.

Second: A financial position statement for the public sector

A statement of the general government sector's financial situation as of December 31, 2022, expressed in thousands of units of currency

	General government sector	publicly traded financial and non-publicly traded businesses	Deletions	The Total
	2022	2022	2022	2022
<b>For assets</b>				
Assets	120	50		170
Cash and cash equivalent	80	30		110
Receivables	90	40		130
Inventory	70	20		90
advance payments	150	30		180
Investment	170	50		220
Other traded assets				
Total assets	880	220		1100

<b>Uncirculated access</b>				
Receivables	70	40		110
Investments	300	30		330
Investing in other sectors	200	30		200
Other financial assets	130	480		160
Infrastructure, factories and equipment	500	50		980
Lands and buildings	700	30		750
Intangible assets	400	20		430
Other non-financial assets	240			260
	2550	680		3230
<b>Total assets</b>	<b>3430</b>	<b>880</b>		<b>3410</b>
<b>Commitments</b>				
Current liabilities	300	30		330
Accounts payable	200	10		210
Short-term borrowings	50	20		70
Current ratios of borrowings	70	10		80
Allotments	80	20		100
Employee benefits	50	30		80
Other current liabilities				
<b>Total current liabilities</b>	<b>750</b>	<b>120</b>		<b>870</b>
<b>Non-current liabilities</b>				
Accounts payable	30	20		50
Borrowings	400	30		430
Allotments	50	10		60
Employee benefits	30	10		40
Other obligations				
<b>Total liabilities</b>	<b>560</b>	<b>320</b>		<b>880</b>
<b>Net assets</b>	<b>1310</b>	<b>440</b>		<b>1750</b>
Net assets/owner's equity	1900	220		
Precautions	90	100		190
Accumulated surplus/ (deficit)	130	120		250
<b>Total net property rights</b>	<b>2120</b>	<b>440</b>		<b>2560</b>
<b>Total liabilities and equity</b>	<b>3430</b>	<b>880</b>		<b>4310</b>

An account of the general government sector's financial performance for the year that ended on December 31, 2022

Government employment classification (in thousands of units of money)

	General government sector	publicly traded financial and non-publicly traded businesses	Deletions	The Total
	2022	2022	2022	2022
Revenues				
Taxes	200			200
Fees, fines, penalties	200	200		400
Revenues from other sectors	170	170		340
Transfers from other governments	130	180		310
Other operating revenues	100	50		150
Total revenues	800	600		1400
Expenses				
Public sector services	100			100
Defense	80			80
Public order and safety	50	100		150
Economic affairs	70			70
environment protection	50	70		120
Housing and community facilities	60	80		140
education	90	100		190
Social protection	80	50		130
	80	80		160
Total expenses	670	480		1150
surplus/(deficit)	130	120		250

Financial performance statement of the general government sector for the year ended December 31, 2022  
 Classification of costs according to their economics Another way to show the information (in thousands of units of money)

	General government sector	publicly traded financial and non-publicly traded businesses	Deletions	The Total
	2022	2022	2022	2022
Revenues				
Taxes	200			200
Fees, fines, penalties	200	200		400
Revenues from other sectors	170	170		340
Transfers from other governments	130	180		310
Other operating revenues	100	50		150

*Model of Proposal for Creating Financial Reports for the Public Sector using International 22 as the Accounting Standard Practical Research in a Selection of Iraqi Government Institutions*

Total revenues	800	600		1500
<b>Expenses</b>	200	90		290
Employee compensation	190	100		290
Use of goods and services	80	80		160
Consumption of fixed capital	60	60		120
Benefit Aid	50	40		90
Social benefits	70	50		120
Other expenses	20	60		80
Total expenses	670	480		1150
surplus/(deficit)	130	120		250

Statement of changes in the general government sector's equity and net assets for the year ending December 31, 2022. (In thousands of units of money)

	Deletions	publicly traded financial and non-publicly traded businesses	General government sector			The Total
			Accumulated surplus / deficit	Transfer reserve	Revaluation reserve	
Balance on December 31, 2020		150			1850	2000
Surplus from property revaluation		80			70	150
Inability to re-evaluate investments		(30)			(50)	(80)
Currency conversion differences						
Net gains and losses not recognized in the statement of financial performance		20			30	50
Net surplus for the period balance at September 31, 2021		220			1900	2120
Net surplus for the period The balance at September 31 is a deficit from the property valuation processing		120			130	250
Surplus from revaluation of investments		100			90	190
Currency translation differences in net profits and characteristics are not recognized in the statement of financial performance						

Net deficit for the period balance at December 31, 2020		440			2120	2560
---	--	-----	--	--	------	------

Statement of cash flow for the general government sector for the year ending December 31, 2021 (in thousands of currency units)

	The sector of general government	Both publicly traded financial and non-publicly traded businesses	Deletions	The Total
	20 21 20 22	20 21 20 22	20 21 20 22	20 ×1 20×2
Cash flows from operating activities				
Receivables				
Taxes				
Sales of goods and services				
the product Interest received				
Dividends from other sectors to the government				
Other handles				
Payments				
Staff costs				
Retirement benefits				
Suppliers				
Interest paid				
Dividends on shares in other sectors				
Other payments				
Net cash flows from operating activities				
Cash flow from investment activities				
Purchasing plants and equipment				
Returns from the sale of plants and equipment				
Returns from the sale of investments				
Purchase of foreign currency bonds				
Net cash flows from investment activities				
Cash flows from catering activities				
Returns from assumptions				
Repayment of borrowings				

Net financial flows from financing activities Net increase and decrease in cash and cash equivalents Cash and cash equivalents at the beginning of the period				
Cash and cash equivalents in End of period				

**The Third Section**

**CONCLUSIONS AND RECOMMENDATIONS**

**Conclusions**

1. The Nineveh Governorate Municipalities Directorate's financial filings offer few and inadequate data to support judgments.
2. The compilation of the Republic of Iraq's 2022 financial statements in compliance with international accounting standards, and by default if approved, provides comprehensive, high-quality information about all government activities (the public government sector and public companies).
- 3- Financial reports prepared under traditional systems are unable to rationalize decisions in light of current developments.
4. The International Public Sector Accounting Standards (IPSAS) offer thorough spending data that facilitates policy comparisons with other options.
5. The accrual basis serves as the foundation for the public sector's IPSAS accounting rules, which show the genuine efforts, performance, and financial status of the unit.
6. Better utilization of public resources is encouraged by international accounting standards in the public sector.
7. In the public sector, international accounting standards mandate the presentation and disclosure of several things in financial reports that are not covered by the government accounting system.
- 8- The public sector's international accounting standards comprise many specific standards that define what has to be disclosed in order to disclose financial reporting items.
- 9- The IPSAS standards associated with the accounting presentation function provide an integrated framework for government financial reports to meet the needs of decision makers.
- 10- The application of IPSAS 22 standards leads to increasing the predictive ability of users of reports regarding future results.

**Recommendations**

The researcher suggests the following actions in light of the findings in the preceding section:

1. Government accounting systems should be developed by public entities in order to give decision-makers enough information.
2. When creating financial reports, public entities shouldn't rely on conventional methods.
3. To improve accountability and transparency, public entities must to depend on the International Public Sector Accounting Standards (IPSAS).
4. Using the International Public Sector Accounting Standards (IPSAS) to give detailed spending data so that various approaches may be compared.
5. A number of specialized standards were established by international public sector accounting standards to make the requirements for financial reporting item disclosure more clear.



6. Using IPSAS standards in the accounting presentation function to give government financial reports an integrated framework that satisfies the demands of decision-makers.
- 7- Implementing the IPSAS 22 standard in the research sample's public units to improve financial information disclosure and boost openness about the public sector.

## REFERENCES

### Arabic Sources

#### Arab Research

- Ali and Dalal, 2019, Bin Qutayb and Hattab (The importance of preparing and presenting financial statements in accordance with the financial accounting system and international accounting standards - a comparative study between Accounting Standard No. 01 and the financial accounting system), *Journal of Research in Financial and Accounting Sciences*. Volume 4, Issue 1- 2019. pp. 1-23.
- Kazem et al., 2020, Tayseer Jawad Kazem, Haider Karim Kazem, Abdul Zahra Salman Al-Rawazaq. (Accounting disclosure in government financial statements and reports is a proposed modern model for government units in Iraq. Issue No. 59, December 2020.
- Yasmina and Zarqawi, 2018, Amamra and Abdel Karim (The effect of disclosure according to international accounting standards on the quality of accounting information). *Journal of Business Research and Studies*. The fourth issue .2018.
- Arabic Letters And Dissertations
- Ben Yahia, 2013, Naji, Master's Thesis (The role of the quality of accounting information in improving accounting disclosure in Sokra, GM SUD, a case study of the Grand Mills Company of the South). Mohamed Khidr University of Biskra, Faculty of Economic, Commercial and Management Sciences. Department of Management Sciences.
- Muhaisen, 2017, Sabreen Sobhi Hussein, master's thesis. (The suitability of the accounting profession to the e-commerce environment in accordance with the requirements of International Accounting Standard 18 Revenue Recognition - A field study on local banks operating in Palestine) The Islamic University - Gaza.
- Al-Saabari, 2019, Montazer Rasoul Abd, Master's Thesis (The role of Basel III disclosure requirements in improving the quality of financial reports and the extent of their compatibility with international financial reporting standards). University of Kufa.

### Foreign sources

#### Foreign Research

- Rudzionienė, & Guptor, 2019 Kristina, Marina (Financial Reporting Quality in Lithuanian State-Owned Enterprises), *eISSN 2351-5597*. 2019, vol. 13, no 1: 38-46.
- Omoregie, Eromosele, 2020, A. E Nosa, Usifo, John (FACTORS Affecting Financial Reporting Quality in Nigeria Public Sector), *international Journal of Social Science and Economic Research* ISSN: 2455-8834 Volume: 05, Issue: 05 May 2020.
- Cirsteaa, 2014, Andreea, (The need for public sector consolidated financial statements) *Emerging Markets Queries in Finance and Business, Procedia Economics and Finance* 15 (2014) 1289-1296.
- Mohammad, 2021, Aqeel Salim (International Accounting Standards Its Impact on Disclosures) *Normas Internacionales De Contabilidad Su Impacto En Las Divulgacio*.
- Juanda at, el, 2023 Ahmad Juanda, Setu Setyawan, and Lia Candra Inata (Analysis of local government accounting disclosure based on international public sector accounting standards (IPSAS) *Journal of Accounting and Investment* Vol. 24 No. 2, May 2023.
- O. Opanyi, 2016, Robert, (The Effect of Adoption of International Public Sector Accounting Standards on Quality of Financial Reports in Public Sector in Kenya) doi: 10.19044/esj. 2016. v12. n28. p161.
- Smith & Wang 2016, Murphy, Kun, (Going International: Accounting and Auditing Standards,) *Internal Auditing*, Vol. 23, No. 4, pp. 3-12, July 2008
- Abad, at, al. 2017 Cristina Abad, Elisabetta Barone, Benita Gullkvist – (Disclosure Initiative-Principles of Disclosure 2017, 2 October 2017.
- Noviantika, et,al, 2022 Lessy Noviantika1, Erlina, Abdhy Aulia Adnans, (The Effect of Good Corporate Governance And Corporate Social Responsibility Disclosure On Firm Value Through Financial Performance As Mediation Variables In Palm Oil Plantation Companies Listed On Indonesia Stock Exchange) *Accounting Study Program, Faculty of Economics and Business, University of North Sumatra-* Volume 2 No.4 2022) *International Journal of Economic, Business, Accounting, Agriculture Management and Sharia Administration IJEBAS*.
- Agliata, et,ai, 2022, Francesco Agliata, Maria Rita Filocamo Andrea Rey, (The new frontiers of reporting for governmental financial sustainability,) *Corporate Ownership & Control/* Volume 19, Issue 3, Spring 2022.
- Čičak, et, ai, 2022 Martina Dragija Kostić, Josip Čičak, Matko Ljubić, MEcon (Non-Financial Reporting and Elements of Performance - Analysis of State Owned Enterprises in Croatia, Slovenia and Hungary) *Ekon. Misao I Praksa Dbk. God Xxxi. (2022.) Br. 2. (397-420) M. Dragija Kostić Et Al: Non-Financial*.
- Poutos & Toudas, 2013, Balios, Kanellos (Department of Economic Sciences, National and, Kapodistrian University of Athens, Evangelos Poutos Department of Economic Sciences, National and, Kapodistrian University of thens, Dimitrios Balios, (Corresponding Author), Department of Economic Sciences, National and Kapodistrian University of Athens,

Ahmed, et, el, 2022, Hatif, Rasool Asmaa, Mahdi Al-Hashimi, (Using sustainable intellectual capital to enhancing financial reporting of public sector companies in Iraq: An applied comparative study between Karbala and Kufa cement factories) International Conference on Achieving the Sustainable Development Goals AIP Conf. Proc. 2776, 100004-1–100004-13.

Chytis, et, al, 2020, Evangelos Chytis, Ioannis Georgopoulos, Stergios Tasios, Ioanna Vrodou, (Accounting Reform and IPSAS Adoption in Greece) Submitted 05/07/20, 1st revision 13/08/20, 2nd revision 16/09/20, accepted 05/10/20.

Theses and dissertations

Zhan 2021, Ruijia (Financial Reporting Quality and Audit Quality in England Public Sector Organisations) A Thesis Submitted for The Degree of Doctor of Philosophy, Awarding Institution: University of Bath.

Petros, 2021, Haregemar, (Assessment of International Public Sector Accounting Standards (Ipsas) Implementation Challenges and Opportunities in The Case of Local Ngos in Addis Ababa), St. Mary's University School of Graduate Studies.

Reports

EPSAS 22, 2021, EPSAS Working Group Meeting to be held by videoconference on 28-29 April 2021, starting at 10:00 Draft EPSAS Screening Report IPSAS22–Disclosure of financial information about the General Government sector.

The Conceptual Framework for General Purpose, Financial Reporting by Public Sector Entities, 2014,

EPSAS 22, 2021, EPSAS Working Group Meeting to be held by videoconference on 28-29 April 2021, starting at 10:00 Draft EPSAS Screening Report IPSAS 22 – Disclosure of financial information about the General Government sector.

Books:

Jorge, 2013, Susana (Chapter 4 Scope of General Purpose Financial Reporting: an Accountability Perspective) ORCID: <https://orcid.org/0000-0003-4850-2387>.