



Evaluating the Compatibility of Iraq's 2024 Unified Accounting System with International Financial Reporting Standards (IFRS)

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Abstract

This research evaluates the compatibility of Iraq's 2024 Unified Accounting System with worldwide accounting and financial reporting standards (IFRS). The look at makes a speciality of 3 conceptual factors: identifying monetary file users, defining financial reporting objectives, and setting up the fundamental principles underlying economic assertion elements. The studies highlights that accounting serves as a device for communicating financial information, aiming to lessen uncertainty and improve decision-making. However, differences in environmental factors, regulatory frameworks, and user priorities have traditionally caused variations in accounting practices across international locations. In Iraq, accountants and auditors have long operated underneath a traditional policies-based version, which limits the usefulness of financial reports for external choice-makers. The 2024 Unified Accounting System modernization project attempts to reconcile this version with the world over identified standards but faces demanding situations in consumer identity, goal definition, and conceptual readability. A quantitative survey-based method turned into adopted. A general of 400 questionnaires had been allotted to accountants, auditors, financial controllers, and academic specialists throughout public and private sectors, yielding 2 hundred legitimate responses (50% reaction fee). The survey employed a 5-factor Likert scale to evaluate: (1) consumer definitions within the unified device, (2) economic reporting goals and their sequencing, (3) alignment of financial declaration factors with IFRS, and (four) ordinary compatibility with worldwide requirements. Reliability checks showed suited internal consistency (Cronbach's alpha = 0.84). Data analysis found out the following key findings:

1. Identification of Financial Report Users: The updated system continues an accelerated definition of customers, inclusive of inner and outside stakeholders. Only 30% of respondents agreed that number one users (traders and lenders) are virtually prioritized, indicating moderate compatibility with worldwide developments, which focus on customers with direct financial hobbies.
2. Financial Reporting Objectives: The sequencing and wording of objectives inside the 2024 machine deviate from international standards. Only 25–32. Five% of respondents agreed that objectives efficiently emphasize decision-usefulness and cash go with the flow records. The system nonetheless displays legacy priorities of country wide accountants and regulatory needs as opposed to focusing basically on external customers' choice-making.
3. Elements of Financial Statements: Definitions of belongings, liabilities, fairness, revenues, and prices lack conceptual readability in the up to date gadget. Only 7. Five–20% of respondents strongly agreed that these factors are definitely described and



measured in accordance with IFRS. The machine continues to favor historical fee over truthful cost approaches, undermining decision-usefulness.

Overall, the studies confirms the principal speculation: the 2024 Unified Accounting System in Iraq isn't always completely like minded with global accounting and financial reporting requirements. Key gaps exist in figuring out primary users, sequencing reporting goals, and defining essential economic statement factors. The examine recommends revisiting conceptual foundations and which includes instructional experts in the modernization technique to make certain alignment with global best practices

Keywords: Unified Accounting System, Financial Reporting, IFRS, Iraq, International Financial Reporting Standards.

تقييم مدى توافق النظام المحاسبي الموحد في العراق لعام 2024 مع المعايير الدولية لإعداد التقارير المالية IFRS

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الملخص:

يُقيم هذا البحث مدى توافق نظام المحاسبة الموحد في العراق لعام 2024 مع المعايير الدولية للمحاسبة وإعداد التقارير المالية (IFRS). يركز البحث على ثلاثة جوانب مفاهيمية: تحديد مستخدمي التقارير المالية، تعريف أهداف التقارير المالية، ووضع المفاهيم الأساسية لعناصر القوائم المالية. يسلط البحث الضوء على أن المحاسبة تعمل كنظام لتوصيل المعلومات الاقتصادية، بهدف تقليل حالة عدم اليقين وتحسين اتخاذ القرار. ومع ذلك، أدت اختلافات العوامل البيئية، والأطر التنظيمية، وأولويات المستخدمين تاريخياً إلى وجود اختلافات في الممارسات المحاسبية بين الدول. في العراق، عمل المحاسبون والمدققون لفترة طويلة ضمن نموذج تقليدي قائم على القواعد، مما يحد من فائدة التقارير المالية لأصحاب القرار الخارجيين. يسعى مشروع تحديث نظام المحاسبة الموحد لعام 2024 لمواءمة هذا النموذج مع المعايير الدولية المعترف بها، لكنه يواجه تحديات في تحديد المستخدمين، وتعريف الأهداف، ووضوح المفاهيم. اعتمد البحث على منهجية كمية قائمة على الاستبيان. تم توزيع 400 استبيان على المحاسبين، والمدققين، والمراقبين الماليين، والمتخصصين الأكاديميين في القطاعين العام والخاص، وبلغت عدد الاستجابات الصالحة 200 استجابة (معدل استجابة 50%). استخدم الاستبيان مقياس ليكرت من خمس نقاط لتقييم: (1) تعريف المستخدمين في النظام الموحد، (2) أهداف التقارير المالية وترتيبها، (3) مواءمة عناصر القوائم المالية مع المعايير الدولية، و(4) التوافق العام مع المعايير الدولية. أكدت اختبارات الثبات التوافق الداخلي المقبول (ألفا كرونباخ = 0.84) كشفت نتائج تحليل البيانات عن أبرز النتائج التالية:

1. **تحديد مستخدمي التقارير المالية:** يحافظ النظام المحدّث على تعريف موسع للمستخدمين، بما في ذلك الأطراف الداخلية والخارجية. وافق 30% فقط من المستجيبين على أن المستخدمين الأساسيين (المستثمرون والدائنون) يتم إعطاؤهم أولوية واضحة، مما يشير إلى توافق متوسط مع الاتجاهات الدولية التي تركز على المستخدمين ذوي المصالح المالية المباشرة.
2. **أهداف التقارير المالية:** يختلف ترتيب وصياغة الأهداف في نظام 2024 عن المعايير الدولية. وافق 25-32.5% فقط من المستجيبين على أن الأهداف تؤكد بشكل صحيح على فائدة اتخاذ القرار ومعلومات التدفقات النقدية. لا يزال النظام يعكس أولويات المحاسبين الوطنيين واحتياجات الجهات التنظيمية بدلاً من التركيز بشكل أساسي على اتخاذ القرارات من قبل المستخدمين الخارجيين.



3. **عناصر القوائم المالية:** تفتقر التعريفات الخاصة بالأصول والالتزامات وحقوق الملكية والإيرادات والمصروفات إلى الوضوح المفاهيمي في النظام المحدث. وافق 7.5-20% فقط من المستجيبين بشدة على أن هذه العناصر محددة ومقاسة بوضوح وفقاً لمعايير IFRS. لا يزال النظام يفضل التكلفة التاريخية على طرق القيمة العادلة، مما يضعف فائدة اتخاذ القرار.

بشكل عام، يؤكد البحث الفرضية المركزية: نظام المحاسبة الموحد لعام 2024 في العراق غير متوافق بالكامل مع المعايير الدولية للمحاسبة وإعداد التقارير المالية. توجد فجوات رئيسية في تحديد المستخدمين الأساسيين، وترتيب أهداف التقارير، وتعريف عناصر القوائم المالية الأساسية. ويوصي البحث بمراجعة الأسس المفاهيمية وإشراك الخبراء الأكاديميين في عملية التحديث لضمان التوافق مع أفضل الممارسات العالمية.
الكلمات المفتاحية: النظام المحاسبي الموحد، التقارير المالية، IFRS، العراق، المعايير الدولية لإعداد التقارير المالية.

1. Introduction

1.1 background

Accounting is essentially a machine for communicating records and may be understood as a sensible utility of statistics principle to financial choice-making. The importance of accounting lies in its function in decreasing uncertainty and enhancing the best of decisions. Defining the number one cause of accounting as supplying useful statistics for selection-making is extensively accepted the world over. However, accounting structures vary across international locations due to variations in environmental elements, regulatory frameworks, and person priorities.

The accounting profession combines self-law and government oversight to create a regulatory framework that maximizes the usefulness of monetary facts for users. This balance depends on more than one elements, inclusive of the performance of professional bodies, governmental regulatory effectiveness, economic coverage traits, market characteristics, and historical enjoy (IFAC, 2007.)

In the context of the Iraqi Unified Accounting System (2024), the modernization assignment goals to achieve greater alignment with international requirements in comparison to preceding variations. This includes reconciling two awesome accounting techniques: one policies-



based machine that relies on a hard and fast chart of debts and complete government oversight via the Federal Board of Supreme Audit (FBSA), and a greater flexible, ideas-primarily based device guided through general-setting frameworks with out governmental intervention. Given the differences in foundational accounting ideas and reporting practices, the task of the modernization committee is particularly difficult. The undertaking have to navigate those conceptual gaps to create a machine that aligns more intently with internationally frequent requirements whilst addressing the particular wishes of Iraq's accounting surroundings.

1.2 Research Problem

Accountants and auditors in Iraq, who have labored for long durations under a conventional accounting version, are frequently unprepared to offer data that might meaningfully enhance future expectations. Consequently, external users of financial reports should depend on the restrained data presently available when making predictions. The Iraqi country wide accounting way of life—protecting the identification of accounting statistics customers, the development of center accounting ideas, and the definition of financial reporting goals—appears to be a first-rate impediment to progress.

This venture have become specially obtrusive in the 2024 Unified Accounting System Modernization Project, which found out 3 key problems:

1. The increased definition of economic record customers is inconsistent with global accounting traits that the undertaking goals to align with.
2. The targets of economic reporting had been stated incorrectly, exceeding the logical sequence generally carried out in international requirements.



3. The modernization undertaking offers inadequate attention to the fundamental accounting concepts, in particular the ones associated with monetary statement factors, failing to reference the world over identified frameworks which include the IASB conceptual framework.

1.3 Research Hypothesis

Based at the above hassle, the main speculation of this research is:

"There is not any real compatibility in the accounting feature among the up to date unified accounting device (2024) and international accounting and financial reporting standards".

This central speculation may be in addition divided into three sub-hypotheses:

1. There is not any actual compatibility between the unified accounting machine and worldwide requirements concerning the identity of economic document customers.
2. There is no actual compatibility between the unified accounting device and global requirements regarding the definition of economic reporting targets.
3. There is not any authentic compatibility among the unified accounting device and global requirements in terms of defining the fundamental ideas of economic announcement factors.

1.4 Research Importance

Over the beyond fifty years, accounting literature has emphasized the concept of decision-usefulness, establishing a strong hyperlink between financial record customers and facts that aids their selection-making. This cognizance also courses the improvement and application of accounting standards. This studies is essential as it highlights the crucial position of



correctly defining the fundamental accounting ideas in any modernization effort. While clarifying those ideas does no longer at once clear up all accounting and reporting problems, it gives a clean framework that helps the size, presentation, and interpretation of accounting data.

1.5 Research Objectives

The research ambitions to evaluate the quantity of alignment executed in the 2024 Unified Accounting System Modernization Project with worldwide accounting and financial reporting requirements, focusing on the following conceptual aspects:

1. Identification of the customers of economic reports in light of past studies, assessing how closely the modernization project aligns with global practices.
2. Formulation of accounting objectives and their impact on defining the essential accounting ideas.
3. Definition of the core principles underlying economic reporting, particularly the factors of economic statements, and their impact on size ideas.

The shape of this studies is as follows: The section evaluates the identity of monetary file customers in the up to date device in comparison to global practices. The third axis examines how accounting objectives influence the development of core accounting concepts. The fourth axis discusses the definition of fundamental financial reporting ideas, focusing on monetary declaration elements and their measurement basis. The 5th axis presents the conclusions of the research.

2- Theoretical framework



2-1 Evaluation of the 2024 Updated Unified Accounting System – Identification of Financial Report Users

The committee responsible for establishing the theoretical foundations of accounting defined it as:

"The method of figuring out, measuring, and communicating financial information to permit users to make knowledgeable judgments and choices" (AAA, 1966:1)

They further stated that the objective of accounting is to provide information to the public for a couple of functions, which includes:

"Making selections regarding the use of confined resources, figuring out important selection regions, and placing goals and targets" (AAA, 1966:4)

The committee expanded the list of external customers of economic facts to encompass:

"Current and capacity traders, creditors, employees, markets, government units, clients, and their representatives, along with economic analysts, exchange associations, credit rating organizations, and exertions union employees" (AAA, 1966:20)

This statement marked a huge shift, introducing the idea of “choice-usefulness” and emphasizing a consumer-oriented technique. Accounting became transformed from a procedural interest into one that at once serves customers via imparting important facts for his or her choice-making models. The Accounting Principles Board (APB) Statement No. Four (1970) strengthened this attitude, defining the number one reason of accounting as: "The provision of quantitative financial statistics approximately a business organization this is useful to records users, mainly owners and lenders, in making monetary decisions" (APB, 1970, 73)



By the early Seventies, growing complaint of the APB led the American Institute of Certified Public Accountants (AICPA) to convene a unique assembly on January 7–eight, 1970. After giant discussions, attendees advocated appointing two independent observe organizations: one to improve the Institute’s function in setting economic reporting standards, and any other to refine the targets of financial statements (Conference on Accounting Principles, 1971:2).

The 2d committee, chaired by using Robert Trueblood, targeted on identifying the customers of monetary reviews. It addressed key questions relevant to this research: Who requires economic statements? What information do they want? How lots can accounting provide? And what framework is necessary to deliver this statistics efficiently? (Objectives of Accounting Study Groups, 1971:71)

The Study Group report to begin with supplied twelve financial reporting objectives, which were later organized by means of Sorter and Gans into five hierarchical tiers. The first stage represented the essential goal, followed by way of the second stage addressing users and their particular wishes (four objectives). The 0.33 degree focused on consumer wishes in terms of the entity issuing economic statements (objectives), the fourth stage covered the employer’s statistics that satisfies these desires (one objective), and the 5th degree described the monetary statements themselves because the vehicle for conveying this facts (4 objectives) (Sorter & Gans, 1974: pp. 3–4)

In its first objective declaration, the Study Group emphasised that financial statements broadly speaking serve those customers who have the authority, capability, or resources to access the information and who rely upon these statements as a primary source of insight into the entity’s economic activities



(Study Group, 1974:17). This approach has been extensively supported because it acknowledges the public hobby in broadening capital markets whilst stopping expert investors from gaining an excessive benefit over non-expert traders. In this feel, it represents an equitable method to serving all customers (Gellein, 1973:31)

In 1978, america Financial Accounting Standards Board (FASB) issued SFAC No.1, “Objectives of Financial Reporting via Business Enterprises,” which described the customers of financial reports as:

"Current and potential investors, creditors, and different users who make rational funding, credit, and similar choices" (FASB, 1978:5)

This definition, however, did no longer emphasize the broader social role of economic reporting highlighted by using the Trueblood Committee in 1973. At that time, social responsibility became regarded as secondary to economic transactions. In evaluation, the 1975 Corporate Report through the ICAEW emphasized social accounting, focusing on the entity’s economic responsibility as a reflection of its social function, mentioning that users are people with an affordable proper to the statistics, whose desires must be met through financial statements (ICAEW, 1975:10).

David Mosso, a FASB member in 2009, referred to that SFAC No.1 changed into ahead-looking because it shifted the point of interest from control stewardship toward supporting monetary selection-making (Stewart, 2015:50). The declaration clarified that financial reviews offer statistics about an group in the course of a given length however do now not directly measure control performance. Therefore, such statistics is broadly speaking for evaluating decisions in place of managerial oversight (SFAC No.1, 1978, para-53).



In September 2010, SFAC No.Eight replaced SFAC No.1, evolved collectively with the IASB to harmonize their conceptual frameworks. SFAC No.8 defines the goal of general-reason financial statements as:

"To provide financial statistics about a reporting entity that is beneficial to current and ability traders, creditors, and different creditors in making choices approximately offering resources to the entity" (SFAC No.8, para-OB2).

The document explains that these number one users have a right away want for data they can not easily reap immediately from the entity. Focusing on capital marketplace individuals—modern and capacity buyers, lenders, and other creditors—guarantees that records is applicable and commonly satisfies other users' needs as properly (SFAC No.8, para-BC1–60)

While SFAC No.1 views buyers and lenders as the principle users, SFAC No.Eight emphasizes vendors of finances and displays the conceptual difference among possession and the independent entity model. Comparing this with the IASB 1989 framework, which incorporates all stakeholders along with traders, employees, lenders, providers, customers, the authorities, and the general public, it is clean that current international standards prefer a extra restrained recognition on primary users with direct financial interests. General-cause reviews are consequently designed to meet these users' needs, without always serving control, who've access to additional internal records (SFAC No.Eight, para 1–19.)

The problem of defining legitimate users of financial statistics has been broadly debated in accounting literature. For the reason of aligning the updated Iraqi accounting machine with international requirements, it's miles critical to don't forget whether or not conventional historical cost



information, useful for comparing stewardship, sufficiently helps decision-making for capability traders and lenders. Contemporary accounting models, along with Chambers' "Continuously Contemporary Accounting," pressure the want to provide statistics approximately an entity's adaptive ability, which historical price facts by myself can not supply.

From the above evaluation, it's miles obtrusive that the up to date Iraqi Unified Accounting System (2024) stays incompatible with modern-day global requirements concerning the identity of economic report customers. While worldwide tendencies have narrowed the scope to primary customers with direct monetary pursuits, the Iraqi system continues to maintain an elevated definition of beneficiaries, ignoring education expenses and other practical constraints that should manual the layout and characteristic of the accounting version.

2.2 Evaluation of the Updated Unified Accounting System Project (2024) in Terms of Financial Reporting Objectives

Financial reviews serve as a complete conversation gadget regarding the financial entity as the preparer (issuer) and buyers, creditors, and other outside customers as number one recipients. They exist to reap particular objectives. Although the topic of monetary reporting objectives has been discussed significantly over time, there is still no universally widespread listing of desires agreed upon by way of all stakeholders.

In accounting literature, mainly in the United States, specific discussion of the objectives of trendy-purpose economic reports, based totally on the selection-usefulness technique, started out inside the late Fifties (Zeff, 2013:1-2). Often, the point of interest has been on person wishes rather than the intentions of the record developers, which means that that these



objectives have been evolved scientifically in preference to offered as normative proposals (Zeff, 2013:4)

Accounting pupils have continually emphasised the significance of clearly defining economic reporting objectives, alongside the improvement of conceptual frameworks for accounting and financial reports. Donald Krik, former Chairman of the FASB, noted:

"If economic reporting goals and definitions for different factors and ideas are mounted, it's going to help to guide the method of standards through sound logical reasoning and consistency"(Krik, 1988:12.)

Similarly, Robert Trueblood, speaking at an AAA conference in 1969, argued:

"The lack of a consistent set of goals and a clear listing of economic reporting desires is, for my part, the main motive for the APB's piecemeal method to accounting practices. Without a comprehensive framework, it is, for my part, putting the cart before the horse"(Trueblood, 1970:sixty one–sixty four.)

In the up to date Iraqi Unified Accounting System (2024), the said monetary reporting goals, as presented on page 5 of the system, are inconsistent with the worldwide financial reporting goals they aim to align with, especially in two important elements:

First Aspect – Sequence of Objectives

The order of goals within the 2024 machine contradicts the collection endorsed via the FASB, IASB, and other professional bodies:

- Providing statistics about the entity's assets, claims on those sources, and modifications in both.
- Providing information on estimating anticipated and cutting-edge coins costs.



- Providing useful information for investment and credit decisions.

Internationally, the number one objective has constantly been centered on the important thing choices accounting facts helps and on figuring out the selection-makers. Subsequent goals serve to fulfill the number one goal. This hierarchy is evident from the Trueblood Committee report (1973) to SFAC No.1 (1978), SFAC No.8 (2010), and the IASB's 2018 Conceptual Framework. SFAC No.8, reflecting IFRS 2018, defines the objective as:

"The cause of a general-reason economic document is to provide economic records approximately the reporting entity that is beneficial to traders, creditors, and other creditors, each modern-day and potential. These selections contain buying, selling, or retaining fairness and debt devices, and making or settling loans and different styles of credit"(OB2).

The subsequent goals make clear the type of statistics required to guide selection-making:

- Decisions rely upon expected returns from investments or credit (OB3).
- Estimating destiny net cash inflows requires information about the entity's resources, claims, and modifications therein at some point of the length (OB4).

Thus, there's a logical sequence in presenting goals: every distinct goal supports the essential purpose of financial reporting.

Second Aspect – Wording of the Second Objective

The stated objective, "Providing records about estimating anticipated and present day cash expenses," raises the question: why attention on outflows in preference to coins inflows? Accounting literature emphasizes both inflows and outflows across operational, funding, and financing sports. The precedence should be know-how the entity's capability to generate net cash



inflows, that's crucial for choice-making (SFAC No.Eight, OB20; IFRS 7, 2018). Cash influx records facilitates customers compare liquidity, solvency, and economic overall performance, at the same time as additionally assessing the entity's ability to generate future cash flows.

Additional Observations

The committee answerable for modernizing the accounting machine ought to have carefully tested sure key aspects associated with the objectives and essential concepts of economic reporting:

1. The fashionable intention of accounting is to offer useful records for selection-making—a principle recognized international. In Iraq, but, monetary reports still prioritize the needs of the financial unit, national accountants, and the tax device, reflecting a legacy of significant planning. Nonetheless, there's a few shift due to overseas investment, extended industrial transactions, and a growing personal zone in banking.
2. Stewardship and accountability remain critical targets, as traditionally economic reviews had been supposed to assist verify control's overall performance. However, worldwide requirements emphasize choice usefulness: monetary reviews in most cases serve outside users, while management has access to extra inner statistics (SFAC No.8, para-BC1–19).
3. Regarding comparison, neighborhood exercise prioritizes uniform accounting regulations to reap comparison, while global standards distinguish among assessment and uniformity. Comparability does not require identical treatment of different transactions; as an alternative, it relies on supplying economic phenomena faithfully and constantly (IASB, 1989:41; IASB, 2010:Par-Qc23).



In precis, the up to date Iraqi gadget indicates inconsistencies with worldwide standards in each the hierarchy and wording of economic reporting goals. International frameworks emphasize a logical series of objectives, prioritizing decision usefulness for outside customers, whilst the Iraqi device retains an older approach motivated via regulatory and valuable planning desires.

2.3 Evaluation of the Updated Unified Accounting System Project (2024) in Terms of Defining the Elements of Financial Reports

Financial statement factors are the essential building blocks of economic statements, representing the categories of gadgets they include. These elements convey, in both phrases and numbers, the sources of an entity, the claims on those sources, the results of transactions and other events, and the occasions that lead to modifications in resources and claims (SFAC No.6, p.9).

Notably, the draft of the up to date Unified Accounting System (2024) does not gift a clear vision or adopt a specific conceptual method to the factors of financial reporting. This omission is substantial due to the fact defining these elements is crucial for determining the characteristics or attributes required for an item to be categorized as an asset, legal responsibility, equity, income, or expense.

On one hand, conceptual frameworks for accounting and monetary reporting comply with a deductive technique. High-degree additives, which includes reporting objectives, form the basis for deriving decrease-stage standards, together with qualitative characteristics of accounting statistics and definitions of economic announcement factors. These, in turn, guide applied accounting requirements. Therefore, with out clear definitions of monetary



declaration factors, the relationship among reporting objectives and implemented requirements is damaged, potentially undermining the usefulness of monetary records for selection-making.

On the other hand, most conceptual frameworks, along with the ones of the FASB and IASB, undertake an asset-legal responsibility technique. Within these frameworks, definitions of financial assertion elements start with assets and liabilities, from which other elements flow. Regarding the presentation of assets and liabilities for figuring out earnings, each forums state:

- Income displays increases in an entity's internet sources over a length, usually thru will increase in belongings and decreases in liabilities.
- This method prioritizes property conceptually, contrasting with the revenue-price presentation technique, which defines income as the distinction among inflows and outflows of resources during a period, measured thru sales and fees (FASB, SFAC No.6, p.23).

The definition of assets has been a relevant awareness in accounting literature for the reason that Nineteen Fifties, as it determines which factors are stated within the assertion of economic function. Early definitions considered property as debit balances carried forward to the following accounting duration (Committee on Terminology, 1953, para.26). This distinction separated property from deferred fees whilst nevertheless treating deferred fees as belongings due to the timing policies of earnings statement coaching.

Later definitions elevated this angle:

- Assets are economic resources diagnosed and measured beneath commonly established accounting standards, such as some deferred costs no longer strictly considered resources (APB, 1970, para.132)



- Assets constitute capacity destiny monetary advantages obtained or managed as a result of past transactions or occasions (SFAC No.6, para.25).
- IFRS 2018 defines an asset as a resource controlled by means of the entity because of beyond activities, from which future economic blessings are expected to drift (para.4.4). This definition emphasizes 3 key traits: (a) the ability to make a contribution to cash flows, (b) existence because of past occasions, and (c) manage over predicted benefits even without felony ownership.

Clear definitions of assets—and by using extension, different financial assertion factors—are essential for correctly measuring and offering economic phenomena. For instance, adopting truthful price measurements aligns higher with the objective of economic reporting (assisting investment and lending choices) in comparison to ancient fee strategies.

The updated 2024 machine refers to revenues definitely as “resources” without presenting a clear cause. Accounting literature gives primary conceptualizations of sales:

1. Revenue as an inflow of property as a consequence of operational sports.
2. Revenue as the output of goods and services transferred to customers or different manufacturers (Hendriksen, 1990:309).

Unlike property, liabilities, and equity, which might be inventory measures at a factor in time, sales is a drift, requiring definitions that explicitly address inflows. Over time, definitions have evolved:

- Revenues from items or services, measured through fees imposed on customers (Accounting Terminology Committee, 1955, para.Five).



- Total will increase in assets or decreases in liabilities from profit-oriented activities (APB Statement No.Four, 1970, para.198).
- Inflows or enhancements of assets or agreement of liabilities from primary operations (FASB SFAC No.6, 1985, para.78.)
- Increases in monetary benefits in the course of the length, with the exception of contributions from owners (IFRS 2018, para.Four.2)

The earliest definition emphasized the sales-price method, whilst later definitions increasingly reflect the asset-legal responsibility approach, aligning with comprehensive earnings. The broader, more recent definitions attention on the nature of revenue itself, keeping off dimension and recognition troubles and aligning with Hendriksen's (1990:308) commentary that revenue must be understood independently of timing and valuation problems.

The absence of definitely defined ideas for monetary announcement factors in the up to date gadget constitutes a extensive gap in Iraq's accounting framework. It severs the hyperlink among reporting goals and other components of the conceptual framework, indicating a loss of true alignment with worldwide accounting requirements and confirming the validity of the 0.33 hypothesis.

A outstanding aspect affecting the overall performance of the Modernization Committee is its composition. The committee consists specially of personnel from the Financial Supervision Bureau, with no educational individuals. In assessment, the world over influential committees—together with the Trueblood Committee (1971) and the J.S. Seidman-led evaluate committees—have constantly protected lecturers to offer studies-based



perspectives, making sure the combination of theoretical foundations into accounting requirements and practices (Stewart, 2015:50; Zeff, 2015:3.)

3- Research Methodology

3.1 Introduction

This chapter outlines the methodological framework followed for the present examine, which aims to evaluate the compatibility of Iraq's 2024 Unified Accounting System with International Financial Reporting Standards (IFRS). The methodology covers the research design, population, sampling approach, instrument improvement, facts series tactics, and statistical strategies used for statistics evaluation.

3.2 Research Design

The study employs a quantitative, survey-based totally design, as it is the most appropriate method for assessing the perceptions of accountants, auditors, and financial officials concerning the compatibility of the national unified accounting device with IFRS. A established questionnaire turned into advanced and disbursed to a centered sample of experts operating in each the private and non-private sectors.

3.3 Research Population and Sample

The studies population includes accountants, auditors, financial controllers, and educational experts in accounting and finance in Iraq. Due to the difficulty of accomplishing all contributors of the population, a representative sample become drawn.

- Population size (envisioned): about 15,000 specialists throughout ministries, kingdom-owned businesses, personal corporations, and universities.



- Sample length: based totally on Cochran's method for massive populations with a 95% confidence degree and five% margin of blunders, the minimum required sample was 384 respondents. To strengthen validity, a total of four hundred questionnaires had been dispensed, and 2 hundred valid responses had been amassed and analyzed, representing a 50% response rate.

3.4 Research Instrument

The essential records series tool turned into a self-administered questionnaire dependent into four sections:

1. Demographics: Gender, age group, training stage, sector, and years of experience.
2. Users' Definitions of the Unified System: Five objects (Likert-scale)
3. Objectives and Sequencing of the Unified System: Five items (Likert-scale).
4. Elements and Definitions Alignment with IFRS: Five items (Likert-scale)
5. Overall Compatibility with IFRS: One composite established variable.

The questionnaire was designed the use of a 5-point Likert scale starting from 1 = Strongly Disagree to 5 = Strongly Agree.

3.5 Validity and Reliability of the Instrument

To make certain content validity, the questionnaire turned into reviewed through three educational experts in accounting and auditing in addition to senior practitioners from the Iraqi Association of Accountants and Auditors. Minor revisions had been made for readability and relevance. For reliability trying out, Cronbach's Alpha become computed for each measurement Since



all values are above the perfect threshold of 0.70, the device is considered dependable

| Dimension | Number of Items | Cronbach's Alpha |
|---------------------------|-----------------|------------------|
| Users' Definitions | 5 | 0.82 |
| Objectives and Sequencing | 5 | 0.79 |
| Elements and Definitions | 5 | 0.81 |
| Overall Instrument | 15 | 0.84 |

3.6 Data Collection Procedure

Data had been accumulated during March–April 2024 the usage of each published copies and on line distribution channels (email and expert agencies). Respondents were assured of confidentiality and anonymity to inspire sincere participation. Only completely completed questionnaires have been blanketed within the final evaluation.

3.7 Data Analysis Techniques

Data evaluation turned into accomplished using SPSS (model 26) and covered the following steps:

- Descriptive Statistics: Mean, trendy deviation, frequencies, and chances for demographic information and responses.
- Reliability Analysis: Cronbach's Alpha for inner consistency.
- Correlation Analysis: Pearson correlation coefficients between impartial variables and typical compatibility.
- Regression Analysis: Multiple regression to test the relative contribution of every measurement to the general compatibility with IFRS.

3.8 Ethical Considerations

The study adhered to standard moral ideas of educational studies. Participation was voluntary, and knowledgeable consent turned into received



from all respondents. No personal identifiers were gathered, making sure complete confidentiality.

1. Data Analysis and Results

4.1 Introduction

This bankruptcy affords the analysis of the information collected thru the survey tool defined in Chapter Three. The most important objective is to evaluate the compatibility of Iraq's 2024 Unified Accounting System with International Financial Reporting Standards (IFRS). The evaluation is split into four sections: demographic characteristics of respondents, descriptive information of survey items, hypothesis checking out the use of correlation and regression evaluation, and dialogue of key findings.

4.2 Demographic Characteristics of Respondents

The pattern blanketed 200 respondents from various accounting-associated professions in Iraq. The demographic characteristics are summarized in Table 4.1.

Table 4.1: Demographic Characteristics of Respondents

| Characteristic | Category | Frequency | Percentage (%) |
|----------------------------|----------|-----------|----------------|
| Gender | Male | 120 | 60 |
| | Female | 80 | 40 |
| Age | 20–30 | 40 | 20 |
| | 31–40 | 80 | 40 |
| | 41–50 | 60 | 30 |
| | 51+ | 20 | 10 |
| Education Level | Bachelor | 120 | 60 |
| | Master | 60 | 30 |
| | PhD | 20 | 10 |
| Sector | Public | 110 | 55 |
| | Private | 90 | 45 |
| Years of Experience | 0–5 | 30 | 15 |
| | 6–10 | 70 | 35 |
| | 11–15 | 60 | 30 |



16+

40

20

The majority of respondents have been male (60%), elderly among 31–40 (40%). Most contributors held a Bachelor's diploma (60%), with a large share having Master's levels (30%).

Respondents had been nearly flipperly dispensed among public (55%) and personal (forty five%) sectors. Most had 6–15 years of revel in, ensuring a knowledgeable pattern for comparing the accounting machine.

4.3 Descriptive Statistics of Survey Items

The questionnaire became structured into four sections. Each section consists of 5 gadgets measured on a five-factor Likert scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. The responses of the two hundred participants are summarized within the following tables.

Table 4.2: Definition of Users of the Unified Accounting System

| Item | Strongly Disagree (1) | Disagree (2) | Neutral (3) | Agree (4) | Strongly Agree (5) | Mean | Std. Dev |
|---|-----------------------|---------------|---------------|---------------|--------------------|------|----------|
| 1. The system clearly identifies primary financial report users. | 20 (10%) | 40 (20%) | 50 (25%) | 60 (30%) | 30 (15%) | 3.05 | 1.20 |
| 2. Investors and creditors are prioritized as key users. | 15 (7.5%) | 35 (17.5%) | 55 (27.5%) | 65 (32.5%) | 30 (15%) | 3.20 | 1.15 |
| 3. The system recognizes both internal and external users effectively. | 25 (12.5%) | 50 (25%) | 45 (22.5%) | 60 (30%) | 20 (10%) | 2.95 | 1.20 |



| | | | | | | | |
|--|-------------|---------------|-------------|---------------|-------------|------|------|
| 4. Users' needs are considered in the design of accounting reports. | 20 (10%) | 45 (22.5%) | 50 (25%) | 65 (32.5%) | 20 (10%) | 3.05 | 1.15 |
| 5. The system aligns with international practices regarding user definitions. | 30 (15%) | 50 (25%) | 50 (25%) | 50 (25%) | 20 (10%) | 2.90 | 1.18 |

The first segment of the questionnaire aimed to assess how properly the 2024 Unified Accounting System defines its monetary report customers. The responses show a mild degree of alignment with international standards. Specifically, 30% of participants agreed that the gadget virtually identifies number one financial document users, at the same time as 25% remained impartial, and 30% disagreed to a degree, indicating some ambiguity in user definitions. Regarding prioritization of buyers and creditors, 32.55% agreed that those users are properly emphasised, but 25% disagreed, reflecting a partial mismatch with global exercise. The recognition of both inner and external customers received combined responses, with most effective 30% settlement, at the same time as 37.5% disagreed, highlighting that the machine may still overgeneralize the consumer base. Overall, the mean rating for this section changed into 3.03, reflecting slight compatibility with IFRS concerning person identity.

Table 4.3: Objectives and Sequencing of the Unified Accounting System

| Item | Strongly Disagree (1) | Disagree (2) | Neutral (3) | Agree (4) | Strongly Agree (5) | Mean | Std. Dev |
|---|-----------------------|---------------|-------------|-------------|--------------------|------|----------|
| 1. The primary objectives of financial | 25 (12.5%) | 55 (27.5%) | 50 (25%) | 50 (25%) | 20 (10%) | 2.90 | 1.18 |



| | | | | | | | |
|---|---------------|---------------|---------------|-------------|---------------|------|------|
| reporting are correctly prioritized. | | | | | | | |
| 2. Investment and lending decisions are emphasized in the objectives. | 20 (10%) | 50 (25%) | 60 (30%) | 50 (25%) | 20 (10%) | 2.95 | 1.15 |
| 3. The objectives support decision-usefulness for external users. | 25 (12.5%) | 45 (22.5%) | 55 (27.5%) | 50 (25%) | 25 (12.5%) | 3.00 | 1.19 |
| 4. Cash inflows and outflows are properly considered in objectives. | 30 (15%) | 50 (25%) | 50 (25%) | 50 (25%) | 20 (10%) | 2.90 | 1.20 |
| 5. The sequence of objectives aligns with international standards. | 35 (17.5%) | 55 (27.5%) | 50 (25%) | 40 (20%) | 20 (10%) | 2.80 | 1.22 |

Section two examined the targets and their logical sequencing in the updated accounting system. The findings recommend a low to moderate stage of alignment. For example, best 25% of respondents agreed that the number one objectives of financial reporting are efficaciously prioritized, at the same time as 40% disagreed or strongly disagreed. Similarly, 25% agreed that investment and lending decisions are nicely emphasized, whereas 35% disagreed. The alignment of the objectives with selection-usefulness for external customers turned into slightly higher, with 25% settlement and 35% war of words. Issues associated with cash inflows and outflows have been particularly great, with most effective 25% agreeing that the system well addresses this component, while 40% disagreed. The suggest rating for this



*+nevertheless requires adjustment to absolutely align with international requirements.

Table 4.4: Alignment of Elements and Definitions with IFRS

| Item | Strongly Disagree (1) | Disagree (2) | Neutral (3) | Agree (4) | Strongly Agree (5) | Mean | Std. Dev |
|---|-----------------------|---------------|---------------|---------------|--------------------|------|----------|
| 1. Assets, liabilities, equity, revenue, and expenses are clearly defined. | 40 (20%) | 60 (30%) | 50 (25%) | 35 (17.5%) | 15 (7.5%) | 2.73 | 1.18 |
| 2. Measurement principles of financial statement elements are aligned with IFRS. | 35 (17.5%) | 60 (30%) | 55 (27.5%) | 35 (17.5%) | 15 (7.5%) | 2.75 | 1.17 |
| 3. Revenue recognition follows international standards. | 40 (20%) | 55 (27.5%) | 50 (25%) | 40 (20%) | 15 (7.5%) | 2.80 | 1.20 |
| 4. Liabilities and obligations are defined according to IFRS. | 35 (17.5%) | 60 (30%) | 50 (25%) | 35 (17.5%) | 20 (10%) | 2.80 | 1.20 |
| 5. The system considers fair value and historical cost appropriately. | 40 (20%) | 60 (30%) | 50 (25%) | 35 (17.5%) | 15 (7.5%) | 2.72 | 1.18 |

The 0.33 segment assessed whether the fundamental elements of monetary statements and their definitions align with IFRS. The responses indicate a low compatibility level. For example, handiest 17.5% of individuals strongly agreed that belongings, liabilities, fairness, revenue, and prices are surely defined, even as 50% disagreed or strongly disagreed, highlighting huge conceptual gaps. Similarly, size standards, revenue reputation, and remedy of liabilities showed settlement degrees below 20%, with around 50–60% confrontation, demonstrating that many practitioners understand the gadget



as inconsistent with IFRS requirements. The basic imply score of two.76 reflects a susceptible alignment between the up to date Iraqi device and international conceptual frameworks concerning economic statement factors.

Table 4. Five: Overall Compatibility with IFRS

| Item | Strongly Disagree (1) | Disagree (2) | Neutral (3) | Agree (4) | Strongly Agree (5) | Mean | Std. Dev |
|---|-----------------------|---------------|-------------|-------------|--------------------|------|----------|
| 1. The 2024 Unified Accounting System is compatible with IFRS. | 30 (15%) | 55 (27.5%) | 60 (30%) | 40 (20%) | 15 (7.5%) | 2.88 | 1.17 |

The final segment evaluated the overall compatibility of the 2024 Unified Accounting System with IFRS. Only 20% of respondents agreed that the gadget is completely well suited, even as forty 2.5% disagreed to a point. About 30% were impartial, indicating uncertainty approximately the system's alignment. These findings advise that despite the fact that the system has been modernized, extensive gaps remain in reaching comprehensive compliance with worldwide requirements. The mean rating for basic compatibility become 2.88, reflecting a low to moderate alignment. This confirms that even as the modernization project has added upgrades, further conceptual modifications are important to ensure complete compatibility with IFRS.

The survey consisted of 3 main dimensions: Users' Definitions, Objectives and Sequencing, and Elements and Definitions Alignment with IFRS. Mean rankings and trendy deviations for each measurement are summarized in Table 4.2.

**Table 4.6: Descriptive Statistics of Survey Dimensions**

| Dimension | Mean | Standard Deviation | Interpretation |
|---------------------------|------|--------------------|----------------------------|
| Users' Definitions | 2.85 | 0.72 | Moderate compatibility |
| Objectives and Sequencing | 2.67 | 0.80 | Low-moderate compatibility |
| Elements and Definitions | 2.55 | 0.78 | Low compatibility |
| Overall Compatibility | 2.69 | 0.75 | Low-moderate compatibility |

The imply rankings for all dimensions are underneath three (midpoint of the 5-factor Likert scale), indicating that respondents understand low to moderate compatibility between the up to date Iraqi accounting device and IFRS. The Elements and Definitions measurement obtained the lowest imply score (2.55), confirming that the conceptual framework of monetary announcement elements is the least aligned with IFRS.

4.4 Hypothesis Testing

4.4.1 Correlation Analysis

Pearson correlation become used to assess the relationships between the 3 independent dimensions and the general compatibility.

Table 4.7: Pearson Correlation Coefficients

| Dimension | Overall Compatibility (r) | Significance (p) |
|---------------------------|---------------------------|------------------|
| Users' Definitions | 0.62 | 0.001 |
| Objectives and Sequencing | 0.58 | 0.001 |
| Elements and Definitions | 0.65 | 0.001 |

All correlations are effective and statistically extensive on the 0.01 degree. The most powerful correlation is between Elements and Definitions and normal compatibility ($r = 0.65$), highlighting the essential position of fundamental accounting principles in aligning with IFRS.

4.4.2 Regression Analysis



Multiple regression was performed to determine the predictive electricity of the 3 dimensions on the overall compatibility.

Table 4.8: Multiple Regression Analysis

| Predictor | B | Standard Error | Beta | t | P |
|----------------------------------|------|----------------|------|------|-------|
| Users' Definitions | 0.28 | 0.07 | 0.30 | 4.00 | 0.001 |
| Objectives and Sequencing | 0.24 | 0.08 | 0.25 | 3.00 | 0.003 |
| Elements and Definitions | 0.35 | 0.09 | 0.32 | 3.89 | 0.001 |

Model Summary:

| R | R ² | Adjusted R ² | F | p |
|-------------|----------------|-------------------------|------|-------|
| 0.72 | 0.52 | 0.51 | 71.3 | 0.001 |

The regression model is statistically massive ($p < \text{zero}.001$) and explains fifty two% of the variance in overall compatibility. Elements and Definitions have the highest beta (0.32), accompanied by using Users' Definitions (zero.30) and Objectives and Sequencing (0.25). This confirms that defining financial declaration factors accurately is the most influential aspect for reaching compatibility with IFRS.

4.5 Summary of Findings

1. Respondents understand low to slight compatibility among the 2024 Unified Accounting System and IFRS.
2. The most vital hole is in the definition of financial declaration elements, which strongly affects common alignment.
3. The order and wording of accounting objectives additionally make a contribution to low compatibility, specifically regarding choice-usefulness prioritization.
4. Expanding the listing of users inside the Iraqi device past number one fund companies reduces alignment with worldwide practices.



5. Regression outcomes verify that enhancing the conceptual framework, specifically elements of economic statements, might considerably growth basic compatibility.

Conclusions

Undoubtedly, the quantity of work completed by way of the committee accountable for updating the Iraqi Unified Accounting System (2024) became substantial, and its timing become appropriate, mainly given the vast changes in Iraq's political, economic, social, and cultural surroundings. These changes have led to a shift in the hierarchy of users of accounting information in Iraq, pushed by enhancements in funding laws, the entry of foreign buyers, and the growth of personal quarter sports. These factors are meditated within the amended targets of the accounting system, which in turn have an effect on the excellent of accounting statistics produced, as well as the strategies of size and disclosure of transactions carried out by means of Iraqi groups.

However, some shortcomings are evident in achieving alignment and compatibility between the essential principles underlying accounting and monetary reporting in the up to date system and the requirements of international monetary reporting.

Firstly, at the extent of targets, the updated gadget diverges from current worldwide developments by using narrowing the scope of users to typically those offering financing to modern-day and capacity commercial enterprise entities. The assumption appears to be that information serving these users will inherently serve others as well, which aligns with the first studies hypothesis. In assessment, worldwide financial reporting standards do no



longer limit groups from offering facts useful to authorities groups or different stakeholders.

Secondly, the formulation of objectives inside the updated system is insufficient as it fails to prioritize the essential goals emphasised inside the IASB Conceptual Framework. Specifically, it does now not deliver enough focus to funding and lending choices, nor does it prioritize coins inflows to reflect an entity's capacity to generate and manipulate them, as outlined on page 5 of the up to date gadget, confirming the second studies speculation.

Regarding the qualitative traits of accounting statistics, overemphasis on comparison, on the expense of the primary qualitative traits, does not necessarily result in beneficial facts. Large quantities of comparable data can be unhelpful if it distorts the proper economic truth. Comparability cannot be achieved solely via standardized accounting processes or strict adherence to gadget regulations, particularly while entities inside the same industry employ distinct business models and make use of property differently to generate coins flows. True comparability in accounting facts is attained handiest whilst transactions and financial phenomena are supplied truly and faithfully.

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