

The Impact of Accrual Basis Application in Accordance with International Public Sector Accounting Standards (IPSAS) on the Preparation and Implementation of the Federal Public Budget

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Abstract: This research focuses on examining the impact of adopting the accrual basis according to the International Public Sector Accounting Standards (IPSAS) on the preparation and implementation of the federal budget. The study highlights how the adoption of the accrual basis, in line with IPSAS standards, enhances the accuracy and objectivity of financial data used in federal budget preparation, which serves as a vital tool for assessing financial performance and promoting accountability. The research relies on a review of relevant literature and current practices in this area, aiming to illustrate the effect of the relationship between adopting the accrual basis as per IPSAS and the processes of federal budget preparation and implementation in the Republic of Iraq. To achieve its objective, the study employs a descriptive analytical method and includes a survey questionnaire based on a five-point Likert scale, designed to align with the characteristics of the study population. The target population for this survey consists of professionals employed at the Federal Board of Supreme Audit in Iraq, totaling 204 individuals. A set of statistical methods, including mean, standard deviation, Pearson's correlation coefficient, and multiple regression, was applied to the collected data to analyze the relationship between the study variables. The study found that using the cash basis in public sector financial accounting can lead to inaccuracies in representing revenues and expenditures, which contradicts IPSAS standards. Furthermore, Iraq's current governmental accounting system suffers from a lack of compliance with international standards, leading to incomplete recognition of assets and liabilities. The study recommends transitioning to the accrual basis in public sector financial accounting to produce more accurate and comprehensive financial reports and to comply with international standards. It also emphasizes the need to update the accounting system to align with IPSAS, focusing on accurate asset and liability recognition to facilitate optimal use of public resources.

Key words: Accrual basis, International Public Sector Accounting Standards (IPSAS), federal budget.



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Introduction

The public sector is witnessing continuous advancements in the adoption of International Public Sector Accounting Standards (IPSAS) to enhance the transparency and accuracy of financial reports, particularly regarding the preparation and implementation of the general budget. The application of the accrual basis, a fundamental aspect of these standards, represents a qualitative shift in how financial transactions are recorded and managed compared to the traditional cash basis, which records transactions only upon payment or receipt of funds. Shifting to the accrual basis offers a more accurate and comprehensive depiction of the financial situation by recording all financial obligations and rights as they occur, reflecting a more precise financial position of governments. This study, in this context, examines the impact of applying IPSAS-based accrual accounting on the quality of federal budget preparation and the effectiveness of its implementation. The research aims to explore how this shift contributes to improving financial decision-making processes by increasing transparency and accuracy, clarifying long-term financial obligations, and enhancing financial control. Furthermore, it discusses the challenges public institutions may face when adopting these standards, including the need to develop human and institutional capacities capable of adapting to this shift.

1. Research Problem and Motivation

The Republic of Iraq currently relies on the cash basis for budget preparation and execution, which results in limitations in audit and control processes. This approach records only financial data present in the ledgers, overlooking transactions that occur without actual cash flows, thus compromising the accuracy of available information for decision-making. Consequently, financial information based solely on cash movements can be misleading, as it does not provide a comprehensive view of financial events that impact oversight and planning. This shortcoming weakens the external oversight bodies' ability to verify the effectiveness of spending and encourages wastefulness and randomness in financial planning. Additionally, this approach adversely affects financial management's ability to accurately plan the budget, indicating the need to adopt an accrual-based budget preparation approach. This transition would provide more comprehensive and clear financial information, enhancing the effectiveness of financial decision-making and contributing to improved efficiency in expenditure and financial control. The research problem can be expressed in the following questions:

1. Does the accrual basis according to IPSAS improve the quality of budget planning compared to reliance on the cash basis?
2. Does the accrual basis according to IPSAS enhance the effectiveness of external oversight bodies in budget monitoring more than the cash basis?
3. Is the accrual basis according to IPSAS a better foundation for achieving transparency and credibility in budget preparation and implementation compared to the cash basis?

2. Research Objectives

The research aims to achieve the following:

1. Analyze the impact of using the accrual basis according to IPSAS on the preparation and implementation of the federal budget.

2. Provide recommendations to improve the federal budget preparation process based on the analysis of accrual basis use.
3. Evaluate the effectiveness of the accrual basis according to IPSAS in enhancing the accuracy and comprehensiveness of budget reports.

3. Research Significance

The application of the accrual basis according to IPSAS in federal budget preparation aims to achieve transparency and accuracy in financial information, enhancing the quality of external audit reports. This approach contributes to building trust in the government's financial and accounting system and achieving financial balance and transparency in public resource management.

4. Research Hypotheses

The research is based on the following hypotheses:

1. First Correlation Hypothesis: There is a positive correlation between the accrual basis according to IPSAS and the preparation and implementation of the federal budget.
2. First Impact Hypothesis: There is a positive impact relationship between the accrual basis according to IPSAS and the preparation and implementation of the federal budget.

5. Research Methodology

To achieve the research objectives and reach the best methods for addressing the research problem, the deductive approach was adopted, leveraging existing studies and research to complete the theoretical framework of the study. For the practical aspect, the study employs the inductive, descriptive, and analytical approaches.

6. Research Population and Sample

The research population consists of employees working at the Federal Board of Supreme Audit. The research sample includes a selected group of employees within this institution.

7. Sample Boundaries

1. **Spatial Boundaries:** The spatial boundaries of the research include the Federal Board of Supreme Audit, where the federal budget will be analyzed, and opinions from a sample of professionals, including general managers, assistant general managers, and heads of departments, will be gathered to examine the impact of IPSAS-based accrual basis on budget preparation and implementation.
2. **Temporal Boundaries:** 2023-2024.

8. Data and Information Sources

- **Theoretical Aspect:** The theoretical framework was compiled from Arabic, foreign, and local books, publications from professional organizations, theses, dissertations, research articles, and internet sources.
- **Practical Aspect:** Data for the practical aspect were gathered using a questionnaire designed to survey the opinions of the study sample regarding its variables.

Previous Studies

1. Study by Luqah (2016) - The Use of Full Accrual Basis Instead of Cash Basis in Government Accounting Systems and Its Impact on Financial Reporting

This study indicates that the adoption of the full accrual basis, as opposed to the cash basis, enhances the accuracy of government financial reports by providing a clearer picture of the actual

financial position. This shift contributes to improved transparency and financial accountability, supplying more accurate information to decision-makers in the public sector. The study aimed to examine the effect of using the full accrual basis within the Palestinian government accounting system by assessing its impact on financial reports, particularly regarding the achievement of specific objectives, such as improving the efficiency of resource allocation, achieving equity in the distribution of the tax burden and public service costs, and supporting the requirements for preparing and implementing program and performance-based budgets. The study employed a descriptive-analytical methodology, along with a practical application to test the hypotheses, using a stratified random sample of 109 employees from the Palestinian Ministry of Finance. The study reached several key findings, notably:

1. The full accrual basis provides comprehensive disclosure in governmental financial reports, enhancing the accuracy of government performance measurement.
2. It produces precise and comprehensive financial reports and upholds the principle of fiscal year independence.
3. The full accrual basis facilitates more accurate tax burden distribution calculations compared to the cash basis, ensuring equitable distribution.
4. It supplies the necessary information to achieve societal accountability and fairness in the distribution of public service costs.

The study concluded with several recommendations, most notably the immediate transition to using the full accrual basis, the preparation of a new accounting manual compatible with its application, and the establishment of a new department within the Ministry of Finance dedicated to monitoring tax rates and public service costs.

2. Study by Gabi and Miliani (2017) - The Importance of Transitioning from Cash Basis to Accrual Basis Accounting within Public Accounting Modernization - The Experience of Ramallah Municipality, Palestine

This study illustrates how transitioning to an accrual basis accounting system contributes to enhancing the accuracy and reliability of financial reports and strengthening financial management efficiency within government institutions. The study highlights the actual experience of the Ramallah Municipality in implementing this transition as an example of financial efficiency improvement and the provision of reliable financial information that supports decision-making in the public sector. The study aimed to emphasize the importance of transitioning from cash basis to accrual basis in the public sector and to explore the future challenges of this transition, including its philosophy and tools, to align with the new reality marked by transformative changes impacting global, regional, and local accounting systems. These changes stem from New Public Management (NPM) reforms, making the adoption of the accrual basis in the public sector a critical requirement for advancing accounting practices. The study concludes by underscoring the need to activate the accrual basis as a significant approach to achieving high-quality accounting information and assessing public entity performance.

3. Study by Al-Janabi (2017) - The Role of Accrual Basis Accounting in Preparing and Prioritizing Planning Budgets for Local Governments: An Applied Study in Al-Qadisiyah Province

This study examines how adopting accrual basis accounting can improve the accuracy of financial planning by providing a more comprehensive and realistic view of available financial resources and outstanding obligations. It also investigates how this accounting basis influences the prioritization of expenditures and the effective allocation of resources in local government planning budgets. Through data analysis and practical application in Al-Qadisiyah Province, the study aims to shed light on planning budgets and the fundamentals and methods of their

preparation, as well as to analyze the practical realities of preparing planning budgets based on accrual accounting in local governments. Additionally, it identifies the main challenges facing the process of budget preparation and execution in local governments and offers recommendations to address these issues, highlighting strengths and weaknesses in the budgeting system. The study found that there is a lack of activation of planning budgets in Al-Qadisiyah Province, with a significant decline in assets compared to 2015, decreased cash in the fund, and an increase in creditors and total deposits. The study recommended that local governments adopt zero-based budgeting, which enhances expenditure control and allows for broader employee participation in decision-making, and improve the use of accrual basis in financial planning operations to strengthen public finance management at the local level.

4. Study by Hamadi and Jumaa (2021) - Apparent Reasons for Increased Public Expenditures and Their Impact on the Public Budget Deficit in Iraq (2004-2019)

This study analyzes the factors that contributed to increased public spending in Iraq and its impact on the budget deficit. The study highlights causes such as government expenditure expansion, rising public service costs, increased wages and salaries, and security and defense spending due to political instability. It shows how these expenditure increases have exacerbated the budget deficit, affecting Iraq's financial and economic stability. Additionally, the study reviews the negative economic effects of this deficit and proposes measures to alleviate the financial burden and achieve better fiscal sustainability in the future. The study aimed to identify and analyze the apparent reasons for rising public expenditures in Iraq, as well as to measure and analyze their impact on the budget deficit. Using econometric methods, including the ARDL (Autoregressive Distributed Lag) model, the study emphasized the importance of examining apparent causes, particularly as Iraq's economy follows an expansionary fiscal policy that has generated a budget deficit. The ARDL test results indicated a direct relationship between population growth (LPOP) and the planned deficit, showing that a one-unit increase in population would result in a deficit of 4.462722. However, there was no observed relationship between allocations for the Kurdistan region (LK) and the planned deficit, which has contributed to deficits during periods of high oil prices. The study concluded with recommendations, most notably the need to establish a diversified production base to reduce dependency on crude oil for public budget financing, which would mitigate the issue of persistent planned and actual deficits.

5. Study by Bushdiq et al. (2021) - The Role of Accrual Basis in Improving State Budget Performance: A Field Study on the Ministry of Finance in Al-Bayda

This study focuses on how the application of accrual basis accounting impacts the efficiency and effectiveness of financial resource management in the public sector. Through field data review and financial performance analysis of the Ministry of Finance, the study shows that accrual basis accounting can contribute to producing more accurate and transparent financial reports, thereby enhancing financial decision-making and resource allocation. The study also discusses the challenges facing the implementation of accrual basis accounting and aims to evaluate the accounting measurement bases used in government units. The study concluded that a shift toward results-oriented budgeting and performance-based budgeting is possible and highlighted that the current budget format contributes to some extent to achieving the desired objectives, even though it lacks sufficient data to measure efficiency and effectiveness. The study emphasized that using accrual basis accounting enhances the accuracy of budget measurement and improves governmental unit performance, providing higher-quality information for users. However, it identified challenges, including financial and administrative corruption in Libya and weak systems for oversight and governance.

6. Study by Yahya and Abdullah (2023) - The Impact of Accrual Basis on the Integrative Relationship between the General Budget and Government Accounting System: An Applied Study on a Sample of Academics and Professionals at the University of Mosul

This study focuses on how applying accrual basis accounting can improve the integration between general budget preparation and execution processes and the governmental accounting system, which in turn leads to enhanced accuracy and efficiency in financial resource management. By analyzing the perspectives of academics and professionals, the study provides a deep insight into the potential benefits of using accrual basis accounting, such as improved transparency and alignment between financial reports and budgets. It also reviews potential challenges to achieving this integration and aims to demonstrate the impact of accrual basis on the integrative relationship between the general budget and government accounting system. The study tested three hypotheses suggesting that accrual basis usage improves the effectiveness of the general budget in planning and controlling public resource usage, enhances the government accounting system's ability to monitor the performance of governmental units, and influences the integrative relationship between the general budget and the government accounting system. The study concluded that accrual basis accounting does not universally affect the relationship between the budget and accounting systems, particularly when applied within both systems. However, it noted that the relationship between the components of the accounting system, especially reports and budgetary statements, may be influenced, necessitating a restructuring of reports to reflect the link between the accounting system and general budget.

First Section: Theoretical Framework of the Accrual Basis

1. Definition of Government Accounting Bases and the Accrual Basis

This section introduces the concept of accounting bases, particularly within governmental accounting, focusing on the application of the accrual basis in this context. It aims to clarify the differences among various accounting bases and provide a comprehensive overview of International Public Sector Accounting Standards (IPSAS) and their role in enhancing financial transparency and accountability.

1.1. Definition of Government Accounting, Its Objectives, and Characteristics of the Government Accounting System

a. Definition of Government Accounting: Government accounting is a branch of accounting based on a set of scientific principles and foundations aimed at recording, classifying, and summarizing financial transactions related to governmental activities. Its primary purpose is to enforce financial and legal control over state revenues and expenditures and support decision-making.

b. Objectives of Government Accounting: Government accounting seeks to achieve the following (Granof et al., 2021):

1. Financial and legal control over state revenues by monitoring revenue collection processes and ensuring all revenues due to the state are collected in accordance with laws and regulations.
2. Financial and legal control over state expenditures by recording spending transactions promptly, allowing for expenditure tracking to ensure that expenses do not exceed authorized appropriations and are used for their intended purposes.
3. Decision-making support through the provision of essential analytical data.

c. Characteristics of the Government Accounting System: Key characteristics of the government accounting system include the following (Chan & Zhang, 2013):

1. It is not profit-oriented; instead, it focuses on providing services to the public, often at a nominal or no charge, such as the Ministries of Education, Health, Interior, and Defense.
2. Government entities are categorized into:
 - ✓ Revenue-generating entities, such as the Ministry of Oil.

- ✓ Non-revenue-generating entities, such as the Ministry of Higher Education.
- 3. There is no direct link between state revenues and expenditures; expenditures do not generate revenues.
- 4. Government entities do not have capital (the difference between assets and liabilities). Government activities are based on annual budget allocations covering a 12-month period.

2.1. Differences between the Cash Basis and the Accrual Basis in Public Sector Accounting

The cash basis of accounting records expenditures and revenues in the period when payments are made or received. In contrast, the accrual basis records revenues in the period they are earned (regardless of actual receipt) and expenses in the period they are incurred (regardless of payment). The deeper distinction between these systems lies in the timing of transaction recognition. For example, under the cash basis, revenue is only recorded when actually received, whereas under the accrual basis, it is recorded when earned, even if not received. Similarly, expenses are not recorded under the cash basis until paid, while under the accrual basis, they are recorded when incurred, even if unpaid (Hana, 2017).

3.1. International Accounting Standards According to the Accrual Basis

International Public Sector Accounting Standards (IPSAS) allow managers to use a new set of standards to aid decision-making by mitigating the tendency to justify budgets through arbitrary measures. Thanks to the accrual basis, it is possible to verify outcomes and compare them with prior years. The accrual basis, in contrast to the cash basis, can determine over the long term whether positive cash flows will cover negative flows, taking into account all public sector obligations (Jacques Colibert, 2010).

The accrual basis, according to international standards for the public sector, is a significant topic. It refers to the method by which revenues and expenses are recognized in governmental organizations and public institutions. The accrual basis is based on a set of globally recognized standards, such as the International Public Sector Accounting Standards (IPSAS), which serve as guidance for accounting and financial reporting in the public sector. These standards aim to ensure transparency and credibility in the presentation of financial statements for government organizations and enhance financial and administrative disclosures.

The accrual basis, according to IPSAS, is an accounting approach aimed at improving the quality of financial reporting and transparency in governmental organizations and public institutions. This approach is grounded in the International Public Sector Accounting Standards (IPSAS), developed by the International Public Sector Accounting Standards Board (IPSASB, 2020).

The principles of the accrual basis include several key points, such as recognizing financial transactions based on their occurrence dates, recording financial transactions and events accurately, and disclosing them in financial reports. It also includes allocating resources and expenses to each financial period based on the approved budget. IPSAS provides clear guidance for preparing financial reports and improving the quality of financial information presented. By adopting international public sector accounting standards, governmental organizations and public institutions can achieve best accounting practices, enhance transparency, and build trust between the public and investors.

The accrual basis, as per IPSAS, is defined as the fundamental principle governing the application of accounting standards in the public sector. It is outlined and clarified in the guide known as the "International Public Sector Accounting Guide," published by the International Federation of Accountants (IFAC, 2015).

2. The State's General Budget and Its Accounting Concepts

2.1. Definition of the State's General Budget and Its Basic Concepts

The state's general budget is a vital tool for managing the government's financial and economic resources. It serves as a comprehensive framework that outlines how to balance financial revenues and public expenditures throughout the year. The budgeting process involves making prudent financial decisions to support development, provide public services to citizens, and enhance the national economy. Additionally, the general budget aims to achieve a balance between revenues and expenditures, ensuring the financial stability of the state.

Furthermore, the preparation and execution of the general budget contribute to achieving sustainable development, providing public services to citizens, and ensuring the sustainability of the state's public finances. It helps balance the state's financial needs and capabilities, thereby enhancing transparency and credibility in managing the state's financial resources and supporting the national economy's growth for the well-being of society.

2.2. Definition of the State's General Budget

The general budget is defined as the plan based on a studied forecast of the state's expenditures and revenues, reflecting the state's various policies in terms of setting spending priorities and choosing programs and projects that achieve public goals, with the participation of numerous government agencies and the involvement of many social groups in the escalation of budgetary decisions at different administrative levels (Lemara, 2004).

According to Freeman and Shoulcters (2004), the budget is: "A monetary plan containing information about the types and amounts of proposed expenditures for the purpose for which it was created and how to finance them for a specified period of time. The budget plays a significant role in planning, control, and evaluating government operations."

Coples and Engstrom (2007) defined the budget as: "A financial plan for the state, including estimates of public expenditures and revenues for a specific fiscal year and all areas of expenditure, issued by law by the legislative authority before its implementation. It reflects the economic and social objectives adopted by the government as it includes programs and projects."

The budget is also defined as a pre-determined plan for management policy during a specific period and is considered a standard for comparison with the actual results achieved (Eghunike & Unamma, 2017).

The state's general budget is one of the essential tools for achieving balance between the resources available to the state, the revenues it generates from various sources, and the various expenditures the state incurs in pursuit of the objectives it seeks to achieve. By examining the different sections of the general budget, both investment and operational, one can understand the goals the state is trying to achieve, how these goals will be accomplished, and the challenges faced in their execution (Siddhkan, 2019).

The budget is considered an estimate of government expenditures and revenues for the upcoming fiscal year. As is well-known, it requires approval from the legislative authority of the country in question, and it must be balanced between revenues and expenditures, even in the case of a financial deficit. The term "balance," in both its linguistic definition and in various Arabic dictionaries, refers to achieving equilibrium between two elements by considering and attempting to balance them (Al-Hakeem, 2019).

2.3. The History of the Development of the State's General Budget

The state's general budget is a vital tool in managing a country's financial affairs, and it has undergone significant development throughout history. From its early origins as a simple

document used to determine government expenditures, the general budget has evolved into a complex and multifaceted tool that reflects the economic and social directions of the state.

The historical development of the state's general budget can be summarized in the following points (Romenska et al, 2023):

1. **First Stage: Primitive Budgets:** In ancient times, budgets were prepared informally and were limited to determining basic expenses such as employee salaries and administrative costs. Revenues and expenditures were collected in a simple and undetailed manner.
2. **Second Stage: Beginning of Organization:** During the medieval period, financial organization became more defined with the emergence of tax systems and methods for revenue collection. Budgets were prepared in greater detail, but still lacked transparency and strategic planning.
3. **Third Stage: Foundation and Development:** In the 17th and 18th centuries, European countries began to develop more complex budgeting systems, with the establishment of specialized financial offices and the introduction of new concepts such as allocation and financial analysis. The general budget emerged as a primary planning tool, with greater emphasis on the analysis of revenues and expenditures.
4. **Fourth Stage: Modernization and Professionalization:** In the early 20th century, general budgets underwent significant development with the introduction of modern concepts in financial planning and accounting. New budgeting methods such as zero-based budgeting and performance-based budgeting were developed, allowing countries to manage resources more effectively and transparently.
5. **Fifth Stage: Contemporary Trends:** In recent decades, the importance of general budgets has grown as a tool for managing the macroeconomy and achieving the state's strategic objectives. Emphasis has been placed on concepts such as fiscal sustainability, transparency, and accountability. International standards for budget preparation have also been adopted, helping to improve alignment and consistency between countries.

3.2 Types of General Budgets:

General budgets can be classified into several main types, each contributing differently to the organization and management of public funds. The following are explanations of each type (Yousef, 2015; Nagy & Abdel, 2023):

1. **Line-Item Budget (Traditional Budget):** Also known as the traditional budget, this budget is structured in terms of items according to the purpose of the expenditures. Numerical expressions are assigned to the items necessary for the operation of an administrative unit, such as rent, salaries, wages, office supplies, and others. The line-item budget focuses on accounting and expenditure control rather than the quantity of services provided. It helps the accounting system establish control mechanisms before and after spending to ensure that allocations are not exceeded (Al-Hakeem, 2019). As pointed out by Nagy & Abdel (2023), this is the oldest form of budgeting, characterized by its simplicity and ease of preparation, execution, and control. It focuses more on oversight, ensuring that spending does not exceed the allocated budget and is used for the intended purposes. However, it does not address whether the spending achieved its intended goals, only whether the expenses were paid and completed. This system cannot follow or evaluate government programs and activities and struggles to adapt to unstable and future conditions.
2. **Program and Performance Budget:** To overcome the shortcomings of the line-item budget, the program and performance budget was created, focusing on the achievements that are to be realized when the budget is approved, aiming for specific goals, not just the purchase of goods and services. This type of budget focuses on the activities and work of government agencies

more than the spending itself. It emphasizes the work completed or services rendered, ensuring that the results match the planned objectives. The costs of services or labor are assessed to determine whether they are appropriate or excessive. This method increases performance, rationalizes spending, and prevents waste, evaluating results by comparing them to plans (Nambirajan & Prabhu, 2011).

3. **Planning and Programming Budget:** This method emerged due to the need to link government programs to the national development plan. The purpose of this budget is to connect allocations with the achievement of planned goals. It is a decision-making tool that differentiates between alternative programs competing to achieve specific objectives, prioritizing planning over expenditure management or government activity through programs. Thus, it combines the three dimensions of budgeting: planning, implementation, and control (Briston, 1985).
4. **Zero-Based Budgeting:** Zero-based budgeting is a type of budget that assumes there are no expenditures or services at the start of the period. The goal is to achieve a set of results with minimum cost, evaluating the effectiveness of spending. All programs are reviewed at the beginning of each fiscal period to develop a new allocation plan, without giving any program priority over others. This method requires each organizational unit to re-submit its projects, including programs and activities, based on a comparison of benefits achieved against costs incurred. This helps managers and officials solve problems by providing historical cost data, performance indicators, and comparisons of similar activities. A modern trend in budgeting focuses on how to achieve objectives and evaluate the effects of funding levels. Zero-based budgeting can be defined as an organized administrative approach that ensures all expected activities and programs are considered, aiming to achieve the specific objectives for each management level during planning. The alternative is the implementation of these objectives with different proposals to rationalize resource allocation and public spending, achieving the best results.
5. **Contractual Budget:** This type of budget is designed as a system for contracting agreements between the executing agency and the government. In this system, the government presents its future projects and programs to the private or public sectors, with the goal of selecting contractors to implement these projects at the lowest possible cost and within the designated time frame, provided they meet the goals of the assigned programs and projects.

4.2. Objectives of the Public Budget:

The public budget aims to achieve a variety of goals, including the following (Wilson & Kattelus, 2004) (Mohammad & Kamel, 2017):

1. **Planning Objectives:** These include estimating the revenues and expenditures of government units for the upcoming period, coordinating between economic and social development plans, and aligning them with the budget as an annual program, along with setting a timeline for budget implementation.
2. **Social Objectives:** The public budget serves as a tool for redistributing national income by imposing direct taxes, then channeling these revenues towards funding expenditures that benefit lower-income groups.
3. **Control Objectives:** These involve measuring actual performance, monitoring government programs and activities, and evaluating performance by comparing actual revenues and expenditures with those estimated in the budget, along with overseeing the assets of government units to ensure their preservation.
4. **Behavioral Objectives:** These aim to foster trust between superiors and subordinates by providing a fair and stable basis for rewards and penalties, as well as political objectives that

involve identifying the government's goals and its direction toward ensuring the welfare of the population.

5. **Economic Objectives:** The goal here is to achieve economic balance by managing budget surpluses and deficits, either by withdrawing purchasing power to reduce increasing demand and curb inflation or by using financing to inject purchasing power into the economy to counter or reduce a recession.

5.2. Importance of the Public Budget:

The importance of the public budget can be summarized from several perspectives as follows (Hanan, 2016):

1. **Economic Importance:** The public budget is instrumental in achieving economic stability. Modern economic analysis has concluded that public finance, particularly budget surpluses and deficits, is used as a tool to balance the national economy at full employment. In cases of inflation, surpluses are used to withdraw purchasing power to curb rising demand, while in recessions, deficits are used to increase purchasing power to boost national income. The budget is also used as a tool to protect national industries by imposing high tariffs on imports, exempting local industries from taxes, and offering loans to support local production.
2. **Financial Importance:** The budget serves as a mirror reflecting the financial position of the state. It is a financial document that details all sources of public revenue for the fiscal year, outlines specific public expenditures, and specifies the purposes for which these funds are allocated. Thus, it reveals the true financial condition of the state.
3. **Social Importance:** The budget is the most important tool for implementing structural reforms with social impacts, particularly in terms of wealth redistribution. This is achieved through progressive taxation, especially direct taxes, and using the proceeds to fund expenditures that assist lower-income groups, such as social security benefits, subsidies on consumer goods, and free education and health services. Additionally, the budget can guide social policy by taxing undesirable consumer goods.
4. **Political Importance:** The public budget is no longer just an accounting document for the state's revenues and expenditures; it has become of great political significance, especially in parliamentary systems. For the budget to be implemented, it must be approved by parliament, which is viewed as the people's representatives endorsing the government's work plan and financial policy. Therefore, the budget reflects the government's policy direction.

6.2. Factors Influencing the Preparation of the Public Budget:

The public budget plays a crucial role in planning and executing the country's financial and economic policies. However, the process of preparing the budget is complex and influenced by several interrelated factors. Understanding these factors helps achieve a better balance between revenues and expenditures and ensures effective resource allocation in support of the state's strategic objectives (Al-Hajri, 2013):

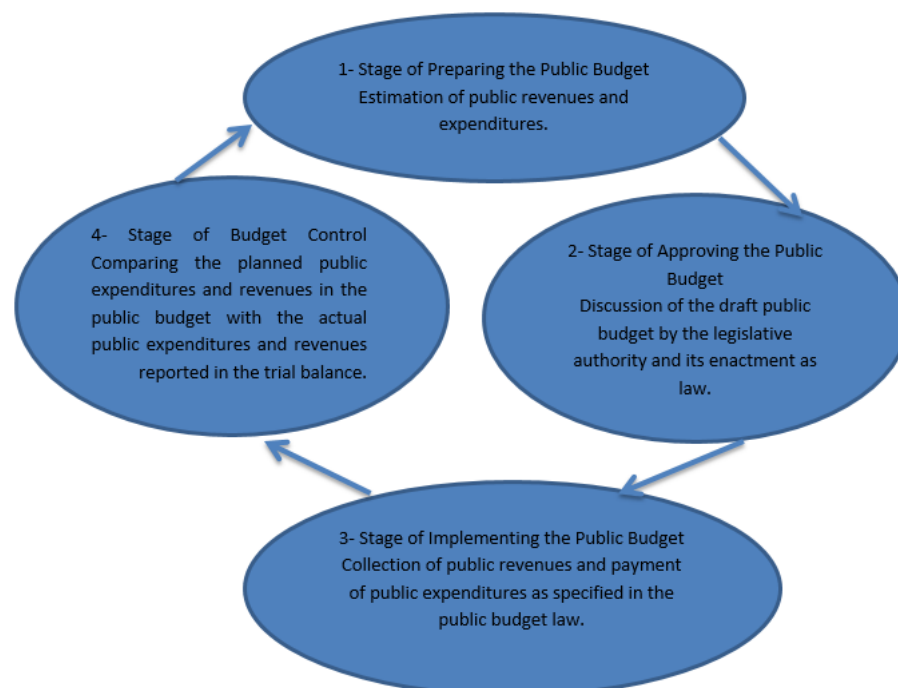
1. **Heavy Reliance on Estimation:** Budgets are essentially forecasts of the organization's activities in the upcoming year. They are not definitive and, if a critical budget (such as the procurement budget) fails, its effects are felt across the organization's other activities.
2. **Time and Effort Required:** The process of preparing, discussing, and reviewing the budget, especially when participatory methods are used, is time-consuming and requires considerable effort. Since top management plays a significant role in the discussion and approval process, it can divert their attention from long-term goal-setting and strategic planning.
3. **Securing Minimum Allocations:** Some departments use the budget as a way to secure minimum annual allocations based on actual productive justifications.

4. **Lack of Effort in Preparation:** Some budget preparers intentionally put little effort into creating accurate and well-studied figures that reflect their true needs. Instead, they may submit unrealistic or unfounded requirements.
5. **Overestimation of Requirements:** In some cases, budget preparers may carry over figures from the previous year's budget, using this process to avoid leaving out important items or actions that were omitted in the past.
6. **Unscientific Methods:** The preparation process may rely on individuals in the central ministry who prepare the budget without coordinating with other departments. This may result in overlooking the real needs of the departments involved.
7. **Lack of a Specialized Team:** There may be no permanent specialized team or committee dedicated to overseeing budget preparation, leading to insufficient review and coordination of the steps involved.
8. **Non-Compliance by Departments:** Some or all departments may fail to submit their requirements to the central budget preparation team or disregard repeated requests, especially when they believe that there is no administrative accountability.
9. **Changes in Assignment:** The task of preparing the budget may be reassigned to different individuals without continuity, leading to inconsistency in preparation.
10. **Training Deficiency:** There may be a lack of organized training sessions for budget preparers, resulting in inadequately trained personnel who are not familiar with the technical and procedural aspects of budget preparation.

7.2. Stages of Public Budget Implementation in Iraq:

The process of preparing the public budget in any country, whether developed or developing, is a precise operation that requires a high level of technical planning and follow-up. This is particularly true for Iraq, where numerous government units and significant amounts of money are involved. The public budget in Iraq, like most countries, consists of several stages in what is called the "budget cycle." Typically, the process is divided into four main phases. These stages are outlined in Figure 1, as follows:

The figure (1) shows the stages of the implementation of the public budget in the Republic of Iraq



Source: (Abdullah & Yassin, 2019)

Third Axis: The Relationship Between the Study Variables

First: The Accrual Basis of Accounting and Its Role in Budget Preparation

The accrual basis of accounting, as defined by the International Federation of Accountants, is the basis upon which transactions and other events are recognized when they occur (not when cash is received). Transactions and events are recorded in the accounting records and recognized in the financial statements for a specified period (International Federation of Accountants, 2007).

Many governments around the world have placed significant focus on budgeting systems as a key tool to improve and monitor operational activities. These governments, according to principles established during the emergence of New Public Management, began shifting from a cash-based budget system to a new basis that reflects the operations of businesses in competitive markets. Terms such as accrual budgeting, output-based budgeting, results-based budgeting, performance-based budgeting, and budgeting for outcomes have all emerged in the public sector as a result of these transformations. Although these terms may carry slight differences, they all aim to deliver value for money.

Accrual budgeting is a financial management approach that aligns with accrual accounting principles. This approach focuses on recognizing and recording revenues and expenses when they occur, irrespective of the actual cash flows. Unlike traditional cash-based budgeting, which only considers cash transactions, accrual budgeting takes into account both cash and non-cash transactions, providing a more comprehensive view of an entity's financial position (Rkein, 2008).

In accrual budgeting, expenses are matched with the associated revenues that contribute to their generation, offering a clearer picture of the costs related to delivering goods and services. This approach allows decision-makers to assess the true financial impact of their choices and allocate resources more effectively. Accrual budgeting also supports long-term planning and analysis, considering the entire life cycle of financial transactions.

However, implementing accrual budgeting can present challenges, especially in government institutions and the public sector. It requires careful consideration of timing, estimates, and uncertainty factors, along with a strong understanding of accrual accounting principles. Despite the complexities, accrual budgeting provides a more accurate representation of the financial reality and supports informed decision-making for sustainable financial management (Rkein, 2008).

From the above, it is clear that the accrual basis relies on allocating expenses and revenues to the relevant fiscal year, regardless of the cash receipt. All economic resources (both financial and non-financial) and any changes in them are recognized. The elements of the financial statements include revenues and expenses, including depreciation, financial and non-financial assets, liabilities, and net assets (Al-Janabi, 2018).

Second: The Complementary Relationship Between the State's General Budget and the Governmental Accounting System

The complementary relationship between the state's general budget and the governmental accounting system, with the use of accrual accounting in government finance, is reflected in how these elements cooperate to ensure effective and accurate financial management. The state's general budget is the primary tool for planning and allocating financial resources to achieve public policies. To be effective, this budget requires accurate and reliable financial data, which is provided by the governmental accounting system.

When accrual accounting is applied in the government sector, the accounting system can record revenues and expenses when they are earned or incurred, irrespective of the timing of cash flows.

This improves the accuracy of financial data, as all obligations and financial rights are recorded as they occur, providing a complete and comprehensive view of the state's financial position.

The integration between the general budget, the governmental accounting system, and accrual accounting enhances financial policy planning and execution. Decision-makers can rely on financial data that truly reflects the state's financial situation. It also promotes transparency and accountability by providing accurate and reliable financial reports, which helps in achieving financial and economic objectives more effectively.

Axis Four: Description and Analysis of the Relationship Between Study Variables and Testing Hypotheses / Practical Approach

1.4 Descriptive Data Analysis

First: Variable of the Use of the Accrual Basis According to International Public Sector Accounting Standards (X)

This variable in the questionnaire consists of four dimensions and twenty-four (20) items (1-20) measuring **the use of the accrual basis according to international public sector accounting standards**. Based on the results in Table (1), the general arithmetic mean of the variable reached **(4.32)**, within the theoretical range of **(4.2 – 5)**, and with a relative importance of **86.49%**, indicating a high evaluation level. This result is further confirmed by the standard deviation and the coefficient of variation for the entire variable, which were **(0.37)** and **(8.66)**, respectively. These figures suggest low dispersion, which is less than one, indicating that there is agreement and consistency in the opinions of the individuals surveyed in the study sample. This result reinforces the importance of using the accrual basis in accordance with international public sector accounting standards in the operations of the organization under study.

Table (1): Statistical Indicators for the Variable of the Use of the Accrual Basis According to International Public Sector Accounting Standards

t	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality
	Use of the accrual basis in accordance with the International Public Sector Accounting Standards	4.32	0.37	8.66	86.49

Source: Researcher preparation based on SPSS V.25 program outputs

1. After recognition of income and expenses (X1)

Table (2) Statistical Indicators for the Dimension of Recognition of Revenues and Expenses X1								
T	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality %	t	%	Trade-off
1	Accrual recognition of revenues and expenditures helps to provide a more accurate picture of the financial situation and the general budget of the state.	4.45	0.54	12.06	88.92	95	46.57	2
2	Recognition of expenses and	4.52	0.54	11.92	90.39	110	53.92	1

	revenues improves the quality of presentation of financial statements and follow-up of cash flows.							
3	The adoption of the monetary basis in financial transactions leads to the failure to present revenues and expenses appropriately in accordance with the International Public Sector Standards and the approved accounting policies .	4.30	0.68	15.91	86.08	82	40.20	5
4	Following the accrual basis in financial transactions allows better control over expenses and revenues and ensures control over them, and this leads to raising the quality of the reports of the Federal Financial Audit Office..	4.40	0.56	12.66	88.04	89	43.63	3
5	Recording and auditing revenues and expenditures on an accrual basis would provide reliable information that helps in making the most quality financial decisions, which enhances the effectiveness of the preparation and implementation of the federal general budget .	4.39	0.53	12.02	87.75	83	40.69	4
	Recognition of income and expenditure	4.41	0.41	9.37	88.24			

Source: Researcher preparation based on **SPSS V.25** program outputs

2. After recognition of assets and liabilities (X2)

Table (3) Statistical Indicators for the Dimension of Recognition of Assets and Liabilities X2								
t	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality %	t	%	Trade-off
6	Accrual recognition of assets and liabilities is helpful in improving transparency	4.37	0.56	12.81	87.45	84	41.18	2
7	Accrual recognition of assets and liabilities helps enhance the credibility of financial reporting .	4.39	0.55	12.64	87.75	86	42.16	1
8	The use of accrual basis leads to regular valuation of assets in accordance with international standards and approved accounting principles.	4.32	0.61	14.21	86.47	82	40.20	3
9	The government accounting system in Iraq does not meet the requirements of compliance with international standards in the recognition of assets and liabilities.	4.26	0.77	18.01	85.29	88	43.14	5
10	The use of the accrual basis helps to implement better control over the assets and liabilities of the centrally funded government unit, which enhances the quality of the reports of the Federal Audit Office..	4.31	0.59	13.58	86.18	76	37.25	4

Recognition of assets and liabilities	4.33	0.43	9.96	86.63		
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Source: Researcher preparation based on **SPSS V.25** program outputs

3- Dimension of measurement (**X3**)

Table (4) Statistical indicators for the measurement dimension X3								
t	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality %	t	%	Trade-off
11	The use of IPSAS in the preparation and implementation of the federal general budget helps in standardizing accounting practices and thus leads to improving the quality of measurement of financial information .	4.38	0.59	13.41	87.55	88	43.14	1
12	The use of the cash basis does not lead to the provision of reliable financial information to the decision maker..	4.21	0.67	15.81	84.22	71	34.80	4
13	Failure to apply the accrual basis in the approved financial transactions in accordance with the government accounting system adopted in Iraq.	4.17	0.77	18.35	83.43	101	49.51	5
14	Accrual measurement helps to achieve better control over financial transactions,	4.32	0.55	12.83	86.37	74	36.27	3

	which further enhances the reports of the Federal Financial Audit Office..							
15	The monetary basis is adopted in measuring financial actions when implementing the general budget of the state in the Republic of Iraq.	4.35	0.58	13.34	86.96	82	40.20	2
Size X3		4.29	0.43	10.04	85.71			

Source: Researcher preparation based on **SPSS V.25** program outputs

4- After presentation and disclosure (x4))

Table (5) Statistical indicators for the dimension of presentation and disclosure X4								
t	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality %	t	%	Trade-off
16	The accrual basis helps to provide sufficient disclosures to enable users to understand the financial statements well .	4.32	0.55	12.64	86.47	74	36.27	2
17	Financial disclosures provided on a cash basis are insufficient to enable the decision-maker to make informed decisions. .	4.19	0.73	17.53	83.82	103	50.49	5
18	Accounting information based on the use of accrual basis is more transparent and accurately reflects financial	4.29	0.58	13.49	85.78	72	35.29	3

	activities and liabilities. .							
19	Insufficient disclosures approved in accordance with the government accounting system in accordance with the requirements of the International Public Sector Standards .	4.21	0.66	15.60	84.12	63	30.88	4
20	The accrual presentation and disclosure of financial statements helps in a better understanding of the auditor of the financial statements, which is reflected in the quality of the audit procedures followed..	4.34	0.57	13.11	86.76	79	38.73	1
	Presentation and Disclosure X4	4.27	0.45	10.60	85.39			

Source: Researcher preparation based on SPSS V.25 program outputs

Second: The variable of preparing and implementing the federal general budget (Z)

This variable in the questionnaire consisted of four dimensions, and twenty (20) paragraph (21-40) to measure (preparation and implementation of the federal general budget), and we note from the results of the phenomenon in Table () that the general arithmetic mean of the variable amounted to (4.30), between the hypothetical weight (4.2-5), and relative importance (85.99), at a very good evaluation level, and what confirms this result is the standard deviation and coefficient of variation of the variable as a whole, as it reached (0.41), (9.59) respectively, which indicates the low dispersion less than one true, i.e. there is convergence and homogeneity in the views of the individuals surveyed from the study sample, and this result confirms the importance of preparing and implementing the federal general budget in the work of the organization under study.

Table (6) Statistical Indicators for the Variable of Preparation and Implementation of the Federal General Budget

t	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality
	Preparation and implementation of the federal general budget	4.30	0.41	9.59	85.99

Source: Researcher preparation based on **SPSS V.25** program outputs

1 - The Financial Planning Dimension (**Z1**)

Table (7) Statistical indicators for the financial plan dimension Z1								
t	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality %	t	%	Trade-off
21	The use of the accrual basis according to (IPSAS) in the preparation and implementation of the federal general budget contributes to improving the planning and implementation of fiscal policies in the federal government.	4.35	0.58	13.34	86.96	82	40.20	1
22	The use of the accrual basis according to (IPSAS) in the preparation and implementation of the federal general budget contributes to improving the follow-up of the implementation of the state budget.	4.29	0.61	14.28	85.88	76	37.25	4
23	Adopting the use of the accrual basis according to (IPSAS) in the preparation of the federal general budget enhances the compatibility of financial information in the budget with the actual financial position of the state.	4.32	0.60	14.01	86.37	80	39.22	3

24	The implementation of the use of IPSAS in the preparation of the federal budget is a useful tool to enhance public understanding of the financial reports and general budgets of the federal government. .	4.26	0.63	14.85	85.20	73	35.78	5
25	The application of the use of the accrual basis according to (IPSAS) in the preparation of the federal general budget contributes to improving efficiency in the allocation of resources, enhancing confidence between stakeholders, as well as improving the accuracy of financial statements, and increasing transparency in financial disclosure.	4.32	0.59	13.63	86.37	78	38.24	2
Financial Planning		4.31	0.47	10.86	86.16			

Source: Researcher preparation based on **SPSS** V.25 program outputs

2 After customization (**Z2**)

Table (8) Statistical indicators for the allocation dimension Z2								
t	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality %	t	%	Trade-off
26	The application of the use of the accrual	4.34	0.55	12.70	86.76	76	37.25	1

	basis according to (IPSAS) in financial transactions improves the ability to predict future financial needs, and thus reflects positively on the efficiency of the allocation of funds. .							
27	The use of IPSAS in the preparation and implementation of the federal budget increases the efficiency of the use and management of public financial resources .	4.22	0.57	13.41	84.41	57	27.94	4
28	Effective preparation of the general budget and highlighting aspects of financial performance clearly in addition to improving the accuracy of the financial statements used contributes to enhancing the quality of the reports of the Federal Financial Audit Office.	4.20	0.73	17.26	84.02	70	34.31	5
29	The application of IPSAS leads to more efficient resource allocation and transparency, which contributes to the development of the financial performance of the government sector.	4.32	0.64	14.74	86.37	81	39.71	2
30	The efficiency of the allocation of funds is positively reflected in the effectiveness of the audit process on the federal general budget.	4.25	0.71	16.72	85.10	75	36.76	3

Customization	4.27	0.45	10.66	85.33				

Source: Researcher preparation based on **SPSS V.25** program outputs

3 After financial control (**Z3**)

Table (9) Statistical indicators for the financial control dimension Z3								
t	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality %	t	%	Trade-off
31	The implementation of the use of International Public Sector Accounting Standards in the preparation of the federal budget enhances the effectiveness of monitoring and evaluating the financial performance of the federal government.	4.36	0.59	13.56	87.16	84	41.18	1
32	Using IPSAS in Federal Budget Preparation Helps Improve Monitoring and Monitoring.	4.34	0.61	14.07	86.76	83	40.69	2
33	The use of the accrual basis according to (IPSAS) in the preparation and implementation of the federal general budget enhances the ability of the control to detect errors and abuses in the budget preparation process.	4.32	0.60	14.01	86.37	80	39.22	4
34	Using the accrual basis according to (IPSAS) in the preparation and	4.20	0.68	16.09	84.02	68	33.33	5

	implementation of the federal general budget to reduce the manipulation of financial statements in the budget preparation process.							
35	The use of the accrual method in preparing the state's general budget leads to the recording of all the state's financial actions and thus enhances the process of controlling funds..	4.32	0.58	13.45	86.47	78	38.24	3
Financial Control Z3		4.31	0.47	10.85	86.16			

Source: Researcher preparation based on **SPSS V.25** program outputs

4 After Evaluation (**Z4**)

Table (10) Statistical indicators for the Z4 evaluation dimension								
t	Paragraphs	Arithmetic mean	Standard deviation	Coefficient of variation	Materiality %	t	%	Trade-off
36	The use of IPSAS in the preparation and implementation of the federal budget enhances the ability of SAIs to monitor and evaluate the financial performance of the federal government further .	4.33	0.58	13.29	86.67	79	38.73	3
37	The use of IPSAS in the preparation and implementation of the federal budget helps improve the	4.25	0.58	13.64	85.00	66	32.35	4

	federal government's ability to better analyze and evaluate its financial performance..							
38	The use of the accrual basis according to (IPSAS) in the preparation and implementation of the federal budget contributes to improving the level of financial accountability within the federal government.	4.22	0.75	17.68	84.41	76	37.25	5
39	The federal budget of the state is one of the important and main tools in evaluating the financial and economic performance of the state, which requires its preparation with high efficiency in accordance with relevant international standards and practices, to ensure the achievement of the quality of the reports of the Federal Financial Audit Office. .	4.43	0.62	13.99	88.63	102	50.00	1
40	Traditional methods are adopted in monitoring the implementation of the state	4.34	0.68	15.66	86.76	91	44.61	2

	budget in Iraq.							
	Evaluation	4.31	0.46	10.63	86.29			

Source: Researcher preparation based on **SPSS V.25** program outputs

Third: Correlation and impact test between study variables

A- The main correlation hypothesis: There is a positive correlation between the use of the accrual basis in accordance with International Public Sector Accounting Standards X, and the preparation and implementation of the federal general budget Z

We note from the results of Table (25) that there is a positive correlation between the use of accrual basis in accordance with the International Public Sector Accounting Standards and the preparation and implementation of the federal general budget. .

1 - The first sub-correlation hypothesis: There is a positive correlation between the recognition of revenues and expenses X1, and the preparation and implementation of the federal general budget Z

We note from the results of Table (25) that there is a positive correlation between the recognition of revenues and expenditures and the preparation and implementation of the federal general budget. .

2 - The second sub-correlation hypothesis: There is a positive correlation between the recognition of assets and liabilities X2, and the preparation and implementation of the federal general budget Z

We note from the results of Table (25) that there is a positive correlation between the recognition of assets and liabilities and the preparation and implementation of the federal general budget. .

3 - The third sub-correlation hypothesis: (There is a positive correlation between measurement X3, and the preparation and implementation of the federal general budget Z)

We note from the results of Table (25) that there is a positive correlation between measurement and the preparation and implementation of the federal general budget..

4 - The fourth sub-correlation hypothesis: (There is a positive correlation between presentation and disclosure X4, and the preparation and implementation of the federal general budget Z)

We note from the results of Table (25) that there is a positive correlation between presentation and disclosure and the preparation and implementation of the federal general budget. ,

Table 11. Correlation between X use of accrual basis according to IPSAS, and preparation and implementation of the federal budget Z

	Financial Planning Z1	Z2 customization	Financial Control Z3	Rating Z4	Preparation and implementation of the federal general budget Z
Revenue and expense recognition X1	.602**	.582**	.573**	.589**	.658**
Recognition of assets and liabilities X2	.660**	.674**	.675**	.746**	.772**
Size X3	.685**	.706**	.631**	.709**	.765**
Presentation and Disclosure X4	.651**	.672**	.663**	.678**	.747**

Use of IPSAS accrual basis X	.750**	.760**	.734**	.786**	.849**
** . Correlation is significant at the 0.01 level (2-tailed).					

Source: Researcher preparation based on SPSS V.25 program outputs

Fourth: Testing the hypotheses of influence between the variables of the study.

In order to answer the hypotheses related to the effect relationship, the researcher used the simple linear regression test (Simple Regression Analysis) to show the effect between the axes and their direction, and the positive effect between two variables represents that the increase in one axis is offset by an increase in the other axis, while the negative effect refers to the increase in one axis offset by a decrease in the other axis.

Table (12) Statistical Indicators			
t	Indicator or Test	description	Standard
1	F	Test the significance of the model in general	The arithmetic value is compared with the tabular value of accepting or rejecting the hypothesis
2	T	Test the significance of the parameter (fixed slope) or (marginal slope)	The arithmetic value is compared with the tabular value of accepting or rejecting the hypothesis
3	β	The influential power of the independent variable or dimension in the dependent variable	The impact force of the dimension or variable depends on the test (t)
4	R²	The ability of the independent variable to interpret the dependent variable	From 0-1 The closer it is to 1, the better the explanatory power

Source: Researcher preparation based on SPSS V.25 program outputs

Third: Testing the impact of the use of accrual basis in accordance with International Public Sector Accounting Standards X in the preparation and implementation of the federal general budget Z :

The main impact hypothesis of the research stems from the text (there is a positive impact relationship for the use of the accrual basis in accordance with the International Public Sector Accounting Standards in the preparation and implementation of the federal general budget)

It was found that there is a positive impact relationship for the use of the accrual basis in accordance with the International Public Sector Accounting Standards in the preparation and implementation of the federal general budget, with a significant level of (0.000), which is less than the significance level (0.01), and in terms of the calculated value (F) (522.728), as it exceeds its scheduled value (6.83), and two degrees of freedom (1,202), while the value of the interpretation coefficient (R² = 0.721).) of the model, which refers to the interpretation of the use of the accrual basis in accordance with the International Public Sector Accounting Standards (72.1) of the changes that occur in the preparation and implementation of the federal general budget in the organization under study, while the remaining percentage (27.9) of the interpretation model is attributed to other variables that were not included in the tested model.

While the value of the standard marginal inclination was (0.935 β =), that is, the change for one unit in the use of the accrual basis according to the International Public Sector Accounting

Standards in the organization under study, will occur spontaneously in the preparation and implementation of the federal general budget by (93.5), and the value of the constant (α) was recorded in the equation (0.257), which is statistically significant as the value of (t) calculated for it (4.449) is greater than the tabular value (t) at the level of significance (1%) of (2.36), meaning when the use of accrual basis according to the International Public Sector Accounting Standards is equal to zero, the preparation and implementation of the federal general budget will not be less than this value.

These results provide sufficient support to reject the third major impact hypothesis and accept the alternative hypothesis that states (there is a statistically significant effect relationship for the use of accrual basis in accordance with the International Public Sector Accounting Standards in the preparation and implementation of the federal general budget).

Fifth Theme: Conclusions and Recommendations

First: Conclusions

1. The use of International Public Sector Accounting Standards (IPSAS) in the preparation of the public budget is a pivotal tool to enhance transparency and financial accountability in the government sector.
2. The results showed that the non-application of the accrual basis in the Iraqi government accounting system, which led to a lack of clarity of financial reports. The current system relies on a cash basis, which reflects the financial position and performance of government agencies inaccurately..
3. The results showed that the application of the International Public Sector Accounting Standards (IPSAS) in the preparation of the federal general budget enhances the transparency and clarity of financial reports and increases the public's understanding of the general budget. This application contributes to clarifying the financial performance of the federal government, which enhances trust between the public and government institutions.
4. The statistical results showed that the use of the accrual basis in accordance with the International Public Sector Accounting Standards (IPSAS) in the preparation and implementation of the federal general budget contributes to reducing the chances of manipulating financial statements, by recording financial operations when they occur instead of when collecting or paying cash.
5. The results showed that the use of the accrual basis in accordance with the International Public Sector Accounting Standards (IPSAS) in the preparation and implementation of the federal general budget contributes significantly to improving the level of financial accountability within the federal government. This basis provides a more clear view of the financial situation and enhances the ability to accurately track financial operations.

Second: Recommendations

1. The government should periodically train financial officers and accountants on IPSAS standards to enable them to apply them effectively.
2. It is essential that the government switch to the accrual basis to provide more accurate financial information and comply with International Standards (IPSAS). This requires the development of accounting systems to ensure effective and transparent implementation.
3. The government should fully adopt the International Public Sector Accounting Standards in the preparation of the federal budget, with a focus on educating the public on how to read and understand these financial reports. Government programs should include awareness and

guidance campaigns that explain financial details to the public in a simplified manner to improve transparency and accountability.

4. The accrual basis should be fully applied at all stages of the preparation and implementation of the federal budget. Internal control and financial auditing must be strengthened to ensure transparency of financial statements, reducing opportunities for manipulation and increasing confidence in government financial reporting.
5. The government shall apply the accrual basis in accordance with IPSAS standards in the preparation and implementation of the general budget to enhance financial accountability within the federal government. Control and audit mechanisms should be strengthened to ensure transparency and effective accountability in all financial operations.

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