



THE UNIFIED ACCOUNTING SYSTEM ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS AND FINANCIAL REPORTING, THIRD EDITION 2024

(BOOK REVIEW)

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Received: 28 th June 2025	The book is titled "Unified Accounting System in Accordance with International Accounting Standards and Financial Reporting" and was published by the Iraqi Federal Financial Supervisory Authority. It has 644 pages and is the second updated edition of 2024.
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INTRODUCTION

This book serves as a guide for organizing accounting work in Iraq. The Iraqi Federal Financial Supervisory Authority is responsible for publishing this book, as it is the primary authority concerned with organizing accounting and financial legislation and laws in the Republic of Iraq. This book serves as an accounting guide for classifying and categorizing all types of accounts in accordance with international standards and relevant legislation. The Iraqi Federal Financial Supervisory Authority seeks to maintain consistency and uniformity in accounting within Iraq by standardizing accounting concepts and practices and financial reporting within public, private, and mixed sector institutions.

The Federal Audit Bureau issued the previous version of the book entitled "Unified Accounting System" in 2011, which was limited to some international standards that were adapted to work within the Iraqi accounting environment. After the Federal Audit Bureau approved the plan to transition to "International Accounting and Financial Reporting Standards" in 2019, the Bureau formed a specialized committee comprising a group of academics and professionals, including members and experts from the Bureau, as well as academics and professors specializing in Iraqi universities, in order to update the accounting manual for the unified accounting system in line with the requirements of International Financial Reporting Standards. The committee approved all proposals and opinions submitted by professional experts and

THE BOOK IS DIVIDED INTO EIGHT CHAPTERS:

The first chapter includes an explanation of the unified accounting system manual in accordance with international accounting and financial reporting standards. The chapter is divided into two sections:

The first section includes the accounting manual (the unified accounting system manual in accordance with international accounting standards). One of the most notable features of the new manual is that it has been prepared in accordance with the updated requirements recommended by international accounting standards, whereby some of the names of items in previous financial statements have been replaced with other names, such as replacing "assets" with "fixed assets" and then dividing them into non-current assets and current assets. A new level of numbering has also been added by adding a third level, whereas in the previous version there were only two levels. For example, in the previous version, fixed assets were numbered (11), while the account for assets, property, and machinery in the new, updated version of the book was numbered (111). The same applies to the rest of the numbers in the guide, which were modified in accordance with the presentation requirements contained in the International Financial Reporting Standards in terms of the required presentation sequence.

The second section of the chapter contains a comprehensive and complete explanation of the updated accounting manual. The section begins by pointing out the importance of detailing and explaining the accounts in the accounting manual in order to limit discretion in the interpretation of the accounts contained in the updated manual.



This section began with a detailed explanation of the unified accounting system manual in accordance with international reporting and accounting standards. It included a detailed explanation of each account in the manual, with reference to the presentation method in this version of the manual, which was clearer than the previous version, as the accounts in the manual were presented in the form of detailed tables for each account.

The third section of the chapter included an explanation of the accounting treatments for financial instruments, investments in associates, and joint arrangements under International Financial Reporting Standard (IFRS 10). The section began with a detailed explanation of the requirements of the standard, then addressed the accounting treatments related to the standard, and then addressed the topic of accounting treatments for investments in equity instruments, both according to their degree of impact. The section then addressed the accounting treatments for investments in associates and joint arrangements, providing comprehensive examples and practical cases and a detailed explanation of the requirements of international accounting standards related to investments in associates and joint arrangements. The third section concluded with accounting treatments for mergers and business combinations, providing practical examples and illustrative cases of the merger process, along with explanations and details of the related requirements.

The fourth section of the chapter is devoted to the process of recognition and measurement in financial statements. It includes, first, methods of recognition and measurement of inventory of various types and names, accounting treatments and entries related to ending inventory, and other treatments related to inventory calculations and methods of valuation in accordance with the requirements of international accounting and financial reporting standards. After calculating inventory, the section addresses the calculation of recognition and measurement for income taxes, including practical examples of methods for calculating deferred taxes, ordinary taxes, and other cases of accounting treatments for tax calculations. The section then addresses recognition, measurement, and accounting treatments for lease contracts of both operational and financial types, with examples of various cases related to accounting for these contracts.

The section also addresses the topic of recognition, measurement, and accounting for employee benefits and methods of accounting for them, as well as the topic of accounting for borrowing costs and accounting for revenues from customer contracts, as well as everything related to accounting for contracting activities, including recognition and measurement processes and accounting treatments for contracting contracts of various types. This section concludes with the topic of share-based payments and accounting for grants and government aid. The fifth section was devoted under the title of general cases, which dealt with accounting treatments, methods of recognition and measurement for the topics of central financing, establishment expenses, accounts receivable, accounts payable, notes receivable, current accounts debit, current accounts credit, as well as advances and secondary commitments accounts, non-current activity debtors' accounts and non-current activity creditors, various debit accounts with all their details, as well as the advances account and the accounting treatments related to them and their various types, the deductions account for the account of others and a number of other accounts of the unified accounting guide that were not addressed in the previous sections, i.e. the accounts remaining from the previous guide. The section also addressed the accounts of uses of all kinds, including commodity requirements and service requirements. This section also addressed the topic of accounting policies, changes in accounting estimates and errors. It is worth noting that these topics specifically were not present in the previous version of the guide, especially with regard to issues of presentation, disclosure and statements supplementing the basic financial statements. The section also addressed the topic of provisions, contingent liabilities and contingent assets, which is also Among the topics not covered in the previous guide are changes in foreign exchange rates, which concludes Chapter Two.

Chapter Three of the book is devoted to financial reporting disclosures. This chapter covers in detail all disclosure requirements in accordance with International Financial Reporting and Accounting Standards (IFRS) related to the guide's accounts mentioned in previous chapters. It begins with property, plant, and equipment, then living assets for display and production purposes, then impairment of non-current assets held for sale, disclosure of investment properties, disclosure of inventory, disclosure of revenue, disclosure of related parties, earnings per share, and operating segments. It also addresses investments in associates and joint ventures and related disclosures, as well as disclosures and requirements related to financial instruments in terms of classification and measurement. It also addresses measurement at fair value, which is one of the most important modern topics that is a requirement for adopting International Financial Reporting Standards. It should be noted that the measurement basis used in the previous guide was solely based on the historical cost principle. The chapter also covers the remaining disclosures contained in the International Financial Reporting Standards. It should be noted here that this chapter is one of the completely new chapters in this updated version, as it was not present in the previous version, as the previous version was not prepared in accordance with the requirements for adopting and implementing International Financial Reporting Standards.



Chapter Four of the book was titled "Financial Statements and Consolidated Financial Statements." The chapter was divided into two sections:

The first section was devoted to the topic of financial statements and analytical statements. It initially addressed the structure and content of financial statements, followed by a presentation of the financial statements and their contents, beginning with the statement of financial position, with a detailed explanation of the presentation method for each item. It then reviewed the form of the statement of financial position and its presentation in accordance with the requirements of International Financial Reporting Standards. After the statement of financial position, the section addressed a second list of financial statements, namely the statement of comprehensive income. It addressed the contents of the statement, its presentation method, its most important items, and the related presentation requirements in accordance with international standards. The form of the statement of comprehensive income was also presented, both for commercial and industrial companies. The third statement addressed was the statement of changes in equity, where the form of the statement and its presentation requirements were addressed, noting that this statement was not included in the previous version of the guide. The fourth statement, the statement of cash flows in accordance with International Accounting Standard No. (7), was then presented. It addressed the details and presentation methods of the statement in accordance with the aforementioned standard, followed by the form of the statement. The section then addressed the remainder of the statement. Other analytical disclosures related to financial statement analysis include the national accounts statement, the current operations statement, the assets statement, the debit balances statement, and other related disclosures. The second section of the chapter is devoted to the consolidation of financial statements, including procedures, preparation methods, and presentation in accordance with the requirements of International Financial Reporting Standard (IFRS 10). It then addresses business combinations and their accounting, including measuring non-controlling interests, measuring goodwill, and other related topics.

Chapter Five of the book is devoted to presenting the documentary and book collection in the unified accounting system. This remains unchanged from the previous version of the guide, which reviews everything related to the documentary and book collection used in the unified accounting system in Iraq.

Chapter Six of the book, titled "Planning Budgets," covers everything related to planning budgets, including their types, statements, and preparation methods. It differs only from the previous version of the guide in that the chapter number was replaced. In the previous version, it was in Chapter Eight, but in the updated version, it is now in Chapter Six.

Chapter Seven of the book is devoted to the topic of costs under the unified accounting system. This chapter remains unchanged from the previous version, detailing all accounts related to cost accounting and systems under the unified accounting system.

The eighth and final chapter of the book is titled "National Accounts." This chapter concludes the book, which remains unchanged from the previous version of the book or the previous guide, with its contents related to all concepts related to national accounts within economic sectors. It should be noted that this version of the book has excluded two topics that were included in the previous version: depreciation rates and the mechanization of the unified accounting system.

BOOK COMMENTARY

After the previous presentation and detailed review of the book's contents, we would like to highlight some observations, as follows:

One of the positives of the updated version of the book is that this current version of the Unified Accounting System in Accordance with International Accounting and Financial Reporting Standards is an updated guide that aligns with the directions of the bodies regulating the accounting profession in Iraq, led by the Federal Board of Supreme Audit, which aim to fully implement International Financial Reporting Standards. The guide has been updated to serve as a launch pad for implementing international standards across all government sectors, both public and private. This represents an important development in the accounting and financial environment in Iraq, while noting some of the difficulties that may accompany the implementation process. However, it is an important step in the right direction.

Certainly, every development process may be accompanied by some obstacles in the application and knowledge process. The most prominent of these obstacles is the provision of trained and qualified personnel to apply these standards in a sound and flexible manner. This requires accelerating the adoption of this updated version of the book in the specialized departments in Iraqi colleges and universities. There is no doubt that this may take some time. It is also worth noting that the updated version of the book in its current state may face difficulty in completing it as a curriculum in colleges and specialized departments for one academic year or one course, noting that, as a previous version, it is studied in the third stage in the accounting and finance departments of the colleges of management and economics and the rest of the specialized colleges. Therefore, we suggest that the book be divided into two parts to be studied in two stages: the



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third stage and the fourth stage, and that it be completed as a course for two academic stages in the specialized departments mentioned above.