



المؤتمر العلمي الرابع  
الثاني دولياً  
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واقع المحاسبة عن الأصول البيولوجية  
(الزراعية) في البيئة المحلية، دائرة البستنة  
وزارة الزراعة انموذجاً

Asst. Prof. Dr. Ilham M. Wathiq

College of Administration and Economics, Al-Iraqia University

Omar Hamad Nassif

College of Administration and Economics, Al-Iraqia University

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DOMESTIC ACCOUNTING PRACTICES FOR BIOLOGICAL (AGRICULTURAL) ASSETS - AN APPLIED STUDY AT HORTICULTURE OFFICE OF THE MINISTRY OF AGRICULTURE

Asst. Prof. Dr. Ilham M. Wathiq

College of Administration and Economics,

Al-Iraqia University

iiham.ismael@aliraqia.edu.iq

Omar Hamad Nassif

College of Administration and Economics,

Al-Iraqia University

omarhamad198111@gmail.com

**Abstract:** The aim of this research is to highlight the importance of accounting for biological (agricultural) assets within the Horticulture Office of the Iraqi Ministry of Agriculture, in accordance with the government-approved accounting system, in order to demonstrate the Office's accounting processes resulting from its ongoing activities, and to illustrate how these biological assets are disclosed in the financial statements prepared at the end of the fiscal year, as well as to evaluate the department's financial performance. The current government accounting system in Iraq suffers from some problems that have had negative effects on the informational content of government financial reports, as it relies on cash basis accounting which has impacted sufficient disclosure of important and vital sectors such as agriculture, which could affect various important economic decisions. One of the most important conclusions reached by this research through financial statement analysis, vertical and horizontal analysis, and financial ratios, is that the current accounting system adopted by the Horticulture Office does not display information regarding agricultural biological assets in the financial statements, nor does it provide sufficient information to users through its prepared statements. The most important recommendations of this research are that the government accounting system adopted by the Horticulture Office must present all information about current or non-current biological (agricultural) assets, such as permanent plants, in a more detailed manner in its financial statements.

**Keywords:** Government Accounting System, Biological (Agricultural) Assets, Performance evaluation

## 1 Introduction

The issue of accounting for biological (agricultural) assets in the government sector is of great importance due to the significant role this sector plays in the country's economy. The adoption of financial analysis in identifying strengths, weaknesses, and planning is crucial. This can be achieved by establishing modern accounting principles and preparing integrated financial statements that provide reliable information for evaluating performance, planning, and control. The accounting mechanism used for biological (agricultural) assets in the domestic environment should also provide sufficient information to the interested parties, including decision-makers, to improve performance continuously. The research begins by exploring the concept and nature of biological (agricultural) assets and then

moves on to the current accounting practices to evaluate the financial performance of the current accounting system used by the Horticulture Office/Ministry of Agriculture.

## 2 Literature Review

1. Cruijsen (2012) have compared the historical cost approach and the fair value approach for evaluating biological assets, highlighting the advantages and disadvantages of each approach and identifying the significant differences affecting the balance sheet and how to address these differences resulting from the shift from the historical cost approach to the fair value approach.
2. Goncalves (2014) have focused on accounting for biological assets, disclosure, measurement, fair value suitability, and identifying determinants at the company and country levels that can explain mandatory and voluntary disclosure and measurement practices for biological assets under International Accounting Standard 41. This study aims to examine the importance of fair value for biological assets under International Accounting Standard 41 to investigate the effects of market valuation on this standard.
3. Safawi (2016) have emphasized the use of fair value in evaluating biological assets' impact on enhancing financial reporting quality for agricultural sector companies in Iraq. His study aims to determine the appropriate measurement approach for expressing biological assets' value in Iraqi agricultural companies throughout their productive life that meets financial reporting objectives. Furthermore, he analyzes the extent to which International Accounting Standard 41 "Agriculture" can be applied in the domestic environment and tests the effect of adopting fair value approach in evaluating biological assets in Iraqi agricultural companies to enhance financial reporting quality.

## 3 Concept and Nature of Biological (Agricultural) Assets

### 3.1 Concept of Biological Assets

Iraq's Accounting and Control Standards Board used the term "biological" assets and expressed them with the living aggregates of animal and plant items held by agricultural businesses, both for production and trading purposes (Domestic Rule 11, 2000, para. 3b). The International Public Sector Accounting Standard 27 also defines "agriculture" as living animals or plants. (IPSAS.27. Para.5, 2021:2)

Agricultural businesses must recognize biological assets and agricultural crop only when (Safawi, 2016, p. 1). 31:(

1. The business controls the origin as a result of previous events.
2. The future economic benefits of the asset are likely to flow to the unit or there are possibilities of an asset-related service.
3. The fair value or cost of an asset can be measured reliably.

The conditions for the recognition of biological assets above show that they are consistent with the concept of assets, where they possess all the elements underlying the concept of

assets, previously referred to as control, past events and potential economic benefits. Biological assets have been classified in several ways according to the criteria adopted in the classification process, beginning with the identification of the IASB's orientation as the competent professional organization (Williams et al., 2006, p. 44). The basis for the distinction between a fixed asset (plant and animal) and another asset is its acquisition; if the acquisition of the asset for the purpose of raising the asset and acquiring its products for the purpose of selling it or acquiring additional assets through its proliferation, this applies to the fixed asset, if the acquisition of the asset for the purpose of holding the asset for a period of time is caused by certain changes leading to the asset's sale and trading, it is called a current asset (Al-Ghabban & Al-Ghabban, 2013, p. 399). Accounting for agricultural activities follows the system used by business organizations to measure their financial performance by recording, compiling and summarizing the organization's financial activities. The accountant summarizes information that makes it possible to evaluate the economic unit's past performance and current conditions, and the outlook for the future (Rachman, 2001, p. 532). Agricultural accounting, as a specialized type of accounting, is "an application of the principles and assumptions of accounting to various processes and activities taking into account all the circumstances in which the agricultural sector is characterized by all its branches". (Al-Rabaie, 2011, p. 21).

### **3.2 Nature of Biological Assets**

Moving on to the nature of biological assets, it can be reviewed by considering the following points:

1. Biological assets (animals and plants) are subject to the laws of life, starting from birth, growth, aging, and death. The value of these assets increases up to a certain level as they grow, then gradually decreases as they age and enter the decay stage.
2. There is a possibility of reclassifying biological assets from fixed assets to current assets or vice versa.
3. Biological assets are often dealt with in groups rather than individually, such as flocks of sheep, breeding cattle, white chickens, olive trees, and others.
4. Biological assets are living organisms that require nourishment and proper housing and need health care such as vaccination or pesticide spraying to maintain their well-being.

It should be noted that biological assets are characterized by their diverse forms, varying sizes and ages, and values, as well as their lengthy production cycles. This necessitates a distinct measurement process that reflects their dynamic nature and has a positive impact on the accuracy and quality of financial reporting.

## **4 Accounting Practices for Biological (Agricultural) Assets**

### **4.1 Horticulture Office's Accounting System**

The accounting system applied in the Horticulture Office is the central government accounting system as a centrally funded economic unit. At the beginning of the financial year of 1935, the Central Government Accounting System was applied in the Horticulture Office at the time of its establishment. On 30 August 1998, the facility was converted into a public company. The certificate of establishment of the State Company for Horticulture and Forestry was issued in accordance with article 6 of the Public Companies Act No. 22 of 1997. In accordance with this decision, the common accounting system has been adopted in the office's work. In 2013, it was decided to merge the State Company for Horticulture and Forestry with the Public Authority for Palms. The unit was named as Horticulture office. According to article 7 of the Ministry of Agriculture Act No. 10, the above the office was obliged to re-adopt the central accounting system again. It is clear from the above that the Central Government Accounting System (CAS) and the Common Accounting System (UAS) were adopted by the office again, and that the recent transfer of the Government's accounting system was unjustified in the view of its managers.

#### **4.2 Horticulture Office's Accounting Practices**

The Horticulture Office's accounting work begins in the preparation of the annual budget for next year and is validated by the Board of Directors approximately three months before the end of the current year, and is subject to approval and validation. The system currently adopted by the Horticulture Office is the Government's accounting system for processes based on financial allocations allocated by the Ministry of Finance for expenditures of the Office as employees' salaries or other expenditures and follows the adjusted cash base. The Horticulture Office has more than one bank account. A bank account has been opened for the investment plan in which its own funds are deposited, and another bank account in which the financing of the Horticulture Office is deposited from the Ministry of Finance, which includes salaries and expenditures of its staff.

The law defined the type and forms of accounting records to be adopted and this was not left to the bookkeeper. In practice, the records approved in the accounts of the horticulture office is the general journal as well as the Journal Ledger (accounting/66), the journal of the Fund (accounting/81), the petty cash register (accounting 10a), the journal of funds and advances and the credit record. It is prepared on paper as the entries of daily accounting processes are recorded on paper and according to the general journal classification, and is audited by the Internal Control Department. The financial statements prepared by the Horticulture Office, such as the cash flow statement, the financial position statement and the spreadsheets, are audited by the Federal Board of Supreme Audit. The last year validated for the Horticulture Office's accounts is 2020. As noted, the Office does not disclose the final accounts certified by the Federal Board of Supreme Audit on its website or that of the Ministry of Finance. The

following are some of the accounting practices that are carried out in the Horticulture Office to account for biological assets and methods of disclosing them according to the government accounting system, which were discussed as far as they are related to agricultural activity :

1. Add to approved committees for purchase

xxx debited to advance account/Other temporary advances account

xxx credited to bank expenses investment plan

For crediting the committee formed to purchase materials under annexes

2. Fund receives cash from selling a specific production

xxx debited to cash at fund

xxx credited to Revenue of plant and animal production

Entry of receipt of cash from the sale of a specific production

3. Less to revenue in the bank

xxx from h / cash at banks (investment expenses bank)

xxx to h / cash at the cashier

Entry of depositing the revenue in the bank

4. Upon settling a previously granted advance

xxx debited to insurances received from third parties

xxx credited to advances/Other temporary advances

Entry of settlement of a previously granted advance

5. Selling or granting plants and animals

xxx debited to contra-asset account of plants and animals

xxx credited to contra-asset account of plants and animals

Entry of the corresponding entry of sold assets

Notes from the foregoing that the constraints of the central accounting system adopted by the Horticulture Office in its current form do not lead to the provision of sufficient information that can usefully be reflected in the financial statements because it relies on the cash basis and historical cost when demonstrating its operations and does not recognize gains and losses at the time of sale. This is significantly reflected in the preparation of adequate disclosures in the financial statements.

The Horticulture Office at the Ministry of Agriculture, based on the government accounting system, prepares its financial statements at the end of each fiscal year. Among the most important statements prepared by the Horticulture Office are:

- a. **Statement of financial position.** Statement of financial position includes the division of assets and liabilities into financial assets (current), contra accounts receivable and the equal total financial liabilities and contra accounts payable.

**Table 1. Horticulture Office/Ministry of Agriculture  
Balance Sheet as at 31 December 2022 (Iraqi dinars)**

Accounting Guide No.	Statement	2019	2020
	Financial assets		
3.1.2	Cash (currency)	2226659805	1635528260
3.2	Advances	274018800	297654793
3.3	Other Accounts Receivable	121548865	68558303
	<b>Total financial assets</b>	<b>2622227470</b>	<b>2001741356</b>
3.9	contra accounts receivable		
3.4.9	Fixed assets	37967297740	37842160940
	Total assets	40589525210	39843902296
	Financial liabilities		
4.2	Trusts	193660732	33878387
4.3	Other accounts payable	2234747493	2125638486
	Total financial liabilities	2428408225	2159516873
	Current account of accounting department		
	Balance as at 1/1	(261166400)	193819245
	Credited to: funding during the year	8474753323	7693741277
	Credited to: Income	365635413	233819225
	entered in: Expenditures	(8385403091)	(8279155264)
	Balance at 31/12	193819245	(157775517)
	Total liabilities	2622227470	2001741356
4.9	contra accounts payable		
4.9.4	Fixed assets	37967297740	37842160940
	Total liabilities and contra asset	40589525210	39843902296
	Investment Budget Accounts	12777454384.03	12884354265.03

Source: Prepared by the researcher based on horticultural statements 2020

- b. **Statement of cash flows.** All cash collections collected by the office in cash and cash payments made in cash during the fiscal year are shown in this statement.

**Table 2. Horticulture Office/Ministry of Agriculture  
Cash flow statement as at 31 December 2020 (Iraqi dinars)**

Account	2019	2020
Cash balance as at 1/1/	1967760164	2226659805
Credited to: Sources	8840388736	7927560502
Funding from the Accounting department	8474753323	7693741277
actual revenue	365635413	233819225
Debited to: Uses		
Actual expenditures	(8385403091)	(8279155264)
Change in Accounts receivable and accounts payable	(196086004)	(239536783)
Sources		

Decrease in advances	(189859610)	(23635993)
Increase in creditors	86148529	0
Increase in trusts	(55892647)	(159782345)
Total	(159603728)	(183418338)
<b>Uses</b>		
Increase in debtors	(36482276)	52990562
Decrease in creditors		(109109007)
Total	(36482276)	(56118445)
Cash balance as at 31/12/	2226659805	1635528260

Source: Prepared by the researcher based on horticultural statements 2020

## 5 Evaluating the financial performance of the existing accounting system of Horticulture

### Office/Ministry of Agriculture:

The financial performance of the Horticulture Office can be assessed through the information disclosed in the financial statements of financial position and financial performance through the use of vertical and horizontal analysis methods and some financial ratios applicable to the Horticulture Office's financial statements. This is done to identify strengths and weaknesses and to implement appropriate measures to address any weaknesses as follows:

### 5.1 Vertical and horizontal analyses: This type of analysis depends on the financial statements to convert them into financial ratios in such a way as to enable us to evaluate the performance of the Horticulture Office as follows:

#### 1. Analysis of financial position statement

A. The vertical analysis of the statement of financial position of the Horticulture Office for 2019 2020 - according to the percentages where the balance sheet figures are compared in the form of financial ratios through the percentage distribution of the total budget and the percentage distribution of the subtotal.

Table 3. Horticulture Office/Ministry of Agriculture

Vertical Analysis of the statement of financial position to reflect the relative importance of items as at 31 December 2020

(Iraqi dinars)

Statement	Percentage Distribution of Total Budget		Percentage Distribution of Subtotal (%) 2020
	2019 (%)	2020 (%)	
Financial assets			
Cash (currency)	5.49	4.10	81.71
Advances	0.68	0.75	14.87
Other Accounts Receivable	0.30	0.17	3.42
Total financial assets	6.46	5.02	100
contra accounts receivable			
Fixed assets	93.54	94.98	100
Total assets	100	100	100
Financial liabilities			
Trusts	0.48	0.09	1.69



Other accounts payable	5.51	5.33	106.19
Total financial liabilities	5.99	5.42	107.88
Current account of accounting department			
Balance as at 1/1	(0.64)	0.49	9.68
Credited to: funding during the year	20.88	19.30	384.35
Credited to: Income	0.90	0.59	11.68
Debited to: Expenditures	(20.66)	(20.78)	(413.60)
Balance at 31/12	0.48	(0.40)	(7.88)
Total liabilities	6.47	5.02	100
Contra Accounts Payable			
Fixed assets	93.53	94.98	100
Total liabilities and contra assets	100	100	100

Source: Prepared by the researcher.

The ratios in the above table shall be extracted according to the following equations:

Asset ratio = fixed or current asset/total asset

Liability Ratio = Account Payable/Total Liabilities

#### Percentage Distribution of the Subtotal

Fixed asset ratio = fixed asset/total fixed asset

Ratio of current assets = current asset/total current asset

Liability ratio = Account Payable /total sub-liabilities

Note from table 3 - Vertical analysis of the statement of financial position of the Horticulture Office for the years 2019-2020 as follows:

- The significant decline in cash in the Treasury from 5.49% in 2019 to 4.10% in 2020 shows that there is insufficient liquidity to meet 2020 liabilities of 5.42%. This reflects that there is a problem in financial management that caused a 0.40% year-end deficit.
- The Horticulture Office's focus on the acquisition of different assets in the two years 2019-2020 is on non-current assets (fixed assets). Non-current assets accounted for 54.93% in 2019 and 98.94% in 2020. This is an unreal change resulting from the reduction of fixed assets by sales of unjustifiably current biological assets and the lack of recording of the value of permanent plant assets, which is the Horticulture Office's main activity.
- The funding of the Horticulture Office decreased from 20.88% in 2019 to 19.30% in 2020 as a result of the failure to approve the budget for this year and reliance on the power to exchange according to the Ministry of Finance bulletin at 1/12 of the actual exchange for the previous year. This limits the Office's ability to operate and develop its projects.
- The Horticulture Office relies on financing its operations from its internal sources and central funding. Revenues were 0.90% in 2019 and 0.59% in 2020. This indicates that the Horticulture Office suffers from a decline in income and there is no information to explain why such

revenues are so low. This is a deficiency in the Horticulture Office's accounting system, which does not provide adequate disclosures of information, as well as a significant weakness in the revenue generated. This is not a good indication that the Horticulture Office relies heavily on central funding.

- Disclosing contra accounts payable at 53.93% in 2019 and 80.94% in 2020 does not provide adequate information on the details of the sources of these ratios.

B. Horizontal analysis of the statement of financial position of the Horticulture Office for 2019 2020 - by percentages

**Table 4. Horticulture Office/Ministry of Agriculture**

**Horizontal analysis of the statement of financial position to show the Percentage change of items as of December 31, 2020 (Iraqi dinars)**

Statement	2019	2020	2019 (%)	2020 *(%)	Percentage Change
Financial assets					
Cash (currency)	2226659805	1635528260	100	73.45	-26.55
Advances	274018800	297654793	100	108.6	8.6
Other Accounts Receivable	121548865	68558303	100	56.40	-53.60
Total financial assets	<b>2622227470</b>	<b>2001741356</b>	100	<b>76.34</b>	<b>-23.66</b>
contra accounts payable					
Fixed assets	<b>37967297740</b>	<b>37842160940</b>	100	<b>99.67</b>	<b>-0.33</b>
Total assets	<b>40589525210</b>	<b>39843902296</b>	100	<b>98.16</b>	<b>-1.84</b>
Financial liabilities					
Trusts	193660732	33878387	100	17.49	-82.51
Other accounts payable	2234747493	2125638486	100	95.12	-4.88
Total financial liabilities	<b>2428408225</b>	<b>2159516873</b>	100	<b>88.93</b>	<b>-11.07</b>
Current account of accounting department					
Balance as at 1/1	(261166400)	193819245	100	74.21	-25.79
Credited to: funding during the year	8474753323	7693741277	100	90.78	-9.22
Credited to: Income	365635413	233819225	100	63.95	-36.05
Debited to: Expenditures	8385403091	8279155264	100	98.73	-1.27
Balance at 31/12	193819245	(157775517)	100	81.40	-18.40
Total liabilities	<b>2622227470</b>	<b>2001741356</b>	100	<b>76.34</b>	<b>-23.66</b>
Contra Accounts Payable					
Fixed assets	<b>37967297740</b>	<b>37842160940</b>	100	<b>99.67</b>	<b>-0.33</b>
Total liabilities and contra assets	<b>40589525210</b>	<b>39843902296</b>	100	<b>98.16</b>	<b>-1.84</b>

Source: Prepared by the researcher) Applied Study Data 2020)

The following can be observed from Table 4, which represents the horizontal analysis of the financial statement of the Horticulture Office for the years 2019 and 2020:

- This decrease in the ratio of current assets by 23.66% is not an actual indicator of the decrease in the represented current assets. It does not include biological current assets, but only cash and other accounts that have little impact on biological current assets, which are the primary source of Horticulture Office activity.

- The ratio of change in fixed assets decreased by 0.33%. This change is the result of a reduction in the number of sales of fixed assets. This demonstrates that the Government's accounting system does not provide adequate information and that this decrease is not real because no sale of fixed assets was actually carried out.

The decrease is not real because no sale of fixed assets was actually carried out.

2. **Analysis of cash flow statement.** This cash flow statement does not provide sufficient information to effectively assess the system's performance by financial ratios such as the asset return index because it depends on the net operating cash flow as well as the return on equity index as well as the return on sales and other indicators because the analysis by financial ratios depends on the division of the cash flow statement based on an operating, financing and investment activity. That is, this statement in its current form does not enable the financial analyst to extract sufficient information for the users of the information, and the horizontal analysis will be relied upon because it can be conducted on the current organization of the statement as follows:

- A. Horizontal analysis of the statement of financial position of the Horticulture Office for 2019 2020 - by percentages

**Table 5. Horticulture Office/Ministry of Agriculture**

**Analysis of cash flow statement to show percentage change of items as at 31 December 2020 (Iraqi dinars)**

Account	2019	2020	2019%	2020%	Percentage Change
Cash balance as at 1/1/	1967760164	2226659805	100	113.157	13.15707
Credited to: Sources	8840388736	7927560502	100	89.6743	-10.3257
Funding from the Accounting department	8474753323	7693741277	100	90.7843	-9.21575
actual revenue	365635413	233819225	100	63.9487	-36.0513
Debited to: Uses					
Actual expenditures	(8385403091)	(8279155264)	100	98.7329	-1.26706
Change in Accounts receivable and accounts payable	(196086004)	(239536783)	100	122.159	22.15904
Sources					
Decrease in advances	(189859610)	23635993	100	12.4492	-87.5508
Increase in creditors	86148529	0	100	0	-100
Increase in trusts	55892647	(159782345)	100	285.874	185.8736
Total	(159603728)	(183418338)	100	114.921	14.92109
Uses					
Increase in debtors	(36482276)	52990562	100	-145.25	-245.25
Decrease in creditors		(109109007)			0
Total	(36482276)	(56118445)	100	153.824	53.82386
Cash balance as at 31/12/	2226659805	1635528260	100	73.4521	-26.5479

Source: Researcher's preparation based on horticultural statements 2020

\*Financial statements (financial position statement and cash flow statement) for the two years (2019 - 2020) were obtained from the field visit to the financial section of the Horticulture office on 12/1/2023, and this was only possible.

Table 5 indicates the following:

- There is a marked change in cash inflows as all sources of flows both from financing and from actual revenue have decreased significantly despite an increase in the first-term balance.
- Actual expenditures decreased, but less than the decline in revenue.
- The cash balance at the end of the period decreased significantly as a result of the decrease in revenues that was greater than the decrease in expenses, which greatly affected the cash balance.

5.2 **Analysis of financial ratios.** This method is one of the most popular in the field of enterprises. This method is used in the process of evaluating the performance of enterprises, as well as in the most important indicators showing the success or financial failure of enterprises. In this study, a set of financial ratios such as liquidity ratios, leverage indices and asset return indices were used for the horticulture office for 2019 2020:

### 1. Liquidity indicators

There are some financial ratios and indicators that can be applied at the level of government economic units that are included in the calculation of current and fixed assets and liabilities and are calculated as follows:

$$\text{Current Ratio} = \text{current assets}/\text{current obligations}$$

$$\text{Current Ratio 2019} = 2622227470/2428408225 = 1.08$$

$$\text{Current Ratio 2020} = 2001741356/2159516873 = 0.93$$

These ratios demonstrate the ability of government economic units to pay short-term liabilities through the use of their current assets. According to these ratios, 2019 was 1.08, which means that they have an unsatisfactory capacity to pay, but better than 2020, when capacity to pay decreased to

$$\text{Quick Ratio} = \text{current assets-inventory}/\text{current liabilities}$$

0.93.

$$\text{Current Ratio 2019} = 2622227470 -0/2428408225 = 1.08$$

$$\text{Current Ratio 2020} = 2001741356 -0/2159516873 = 0.93$$

Note that the current ratio is the same as the quick ratio of the lack of stock shown in the financial statements

### 2. Leverage indicators

These are important indicators at the level of government economic units and are calculated as

$$\text{Debt Ratio} = \text{Total Liabilities}/\text{Total Assets}$$

follows:

Debt ratio 2019 =  $2428408225/40589525210 = 0.06$

Debt ratio 2020 =  $2159516873/39843902296 = 0.054$

The results show that this percentage was in 2019 (0.06) and in 2020 it fell to (0.054). This is a good indicator that the owners have the bulk of the money and this indicates their ability to pay their liabilities.

### 3. Indicators or rates of return on assets

These are important indicators at the level of government economic units and are calculated as

$$\text{Rate of return on assets} = \text{surplus (deficit)/asset}$$

follows:

Rate of return on assets 2019 =  $193819245/40589525210 = 0.0048$

Rate of return on assets 2020 =  $(157775517)/39843902296 = 0.0039$

This return measures the effectiveness of the Office's policies in using its allocations. This higher indicator indicates the efficiency of management in increasing its investment growth. This indicates that 2019 (0.0048) is better than the lower return in 2020 (0.0039).

## 6 Findings

1. By analysing the financial position statement through vertical and horizontal analysis and financial ratios, it is clear that the current accounting system adopted by the horticulture office does not present information on agrobiological assets in the financial position statement and does not provide sufficient information to users through the statements it prepares.
2. The financial information contained in the Statement of Financial Position and the Cash Flow Statement prepared on the basis of the Government's accounting system does not facilitate the performance appraisal process of the Horticulture office and does not provide the information required under the International Accounting Standard 2.1.
3. The Government's accounting system adopted by the Horticulture office does not provide in its financial statements any information on current or non-current biological (agricultural) assets of permanent plants in detail.
4. The reliance of the Government's accounting system on the modified cash basis does not help to assess the financial performance of the horticulture office well, as the adoption of the financial analysis to evaluate performance will depend on non-integrated information.

## 7 Recommendations

1. The Government's accounting system adopted by the Horticulture Office shall present in its financial statements any information on current or non-current biological assets such as permanent plants in a more detailed manner.

2. The government accounting system must be based on accrual basis to ensure that the financial performance of the Horticulture Office is well assessed because the adoption of the financial analysis of the performance appraisal will be based on integrated information and contain an honest representation of the office's realities.
3. The adoption of the historical cost in making the accounting operations for fixed and current assets of the Horticulture Office reflects information that is far from the actual reality of the values of those assets and therefore does not provide information that helps in the evaluation of performance and decision-making.
4. Attention needs to be paid to IPSAS adoption or adaptation to Iraq's environment. Adoption timelines should be set and public awareness of the importance of IPSAS implementation and education should be raised. This is done on the basis of the establishment of a central committee of academics and professionals in the field of accounting and auditing. Subcommittees are associated with this committee to initiate the process of application and identify problems, constraints and queries requiring external consultations.

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## المؤتمر العلمي الرابع الثاني دولياً

نحو تحولات اقتصادية ونوعية  
لتحقيق اهداف التنمية المستدامة

كلية الادارة والاقتصاد - الجامعة العراقية

وقائع المؤتمر العلمي الرابع والثاني دولياً لكلية الادارة والاقتصاد – الجامعة العراقية  
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