
The IASB'S Conceptual Framework: A Critical View of some Concepts of the Financial Reporting Objectives

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Abstract:

This paper is a critical view aims to give a comprehensive view of the basic concepts in The IASB conceptual framework's. We focused on the validity of these concepts at the international level; this study used an analytical and Critical approach to spotlight the objectives of financial reporting as a pillar of the conceptual framework. Discussed concepts on this paper are stewardship, users of financial reporting, users' needs. The paper concluded that the role of the conceptual framework is to introduce the basic concepts of the accounting system and the implementation of these concepts is based on the business doing in each country. The acceptance of these principles may be on the superficial stage but not according to the true sense of what IASB has suggested.

This study contributes to the accounting literature by revealing the role of understanding the deep meaning of the concepts of The IASB conceptual framework, and that effect on the high application of those basic Concepts entire the nations that adopted this framework.

Keywords: IASB, financial reporting, conceptual framework, financial information, financial statements.

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1. Introduction :

The IASB and FASB agreement focus on uniting efforts to improve the global acceptance of their ideology principles. The conceptual framework is the main support of these ideas. Most of these ideas are not unanimous. For that reason, the conceptual framework has become a more debatable topic in the last two decades. These concepts influence accounting practices. The output of those practices tries to cover the need of their users. However, the General Purpose of Financial Reporting (GPFR) cannot satisfy all the interests of the stakeholders (Sutton & David, 2011). Consequently, a disagreement among the stakeholders leads them to make pressure on the standards setters. Choosing the concepts is dependent on the trending powerful Lobbyists parties (Grinyer & Russell, 1992) (McLeay, Stuart, Ordelheide, Dieter, & Young, 2000).

The Objectives of Financial Reporting is the main topic of discussion. The last edition of The IASB conceptual framework has centered on stewardship as the Objective of Financial Reporting in addition to the users of financial reporting and their decision. As well as, reviewing some principles has a lead influence on the accounting standards-setting. (DAVID B. SUTTON, 2015) Also, this orientation requires more efforts to be useful for the stakeholder Decision-making process. The related efforts with the change of notions need international acceptance because the adjustment requires further effort which could be difficult particularly on the international level.

Several studies have investigated the factors influencing the establishment of the conceptual framework. (Birton, Triyuwono, Mulawarman, & Rahman, 2015) suggested that The Shariah Accounting Committee (KAS) considered theory which they named as "Theory of Shariahization on Conceptual Accounting Framework" As a guide of approval or rejection and adjustment of any features in the Indonesian Accounting Conceptual Framework for the Islamic Banking. (Sori & Muhamad, 2017) pointed out that the Objectives of Financial Reporting between the MASB (The Malaysian Accounting Standards Board) and the AAOIFI (the Accounting and Auditing Organization for Islamic Financial Institutions) indicate a difference. The MASB financial reporting objectives concentrate on existing and potential investors, lenders, and other creditors. In comparison, the AAOIFI listed two objectives. The AAOIFI maintains that the objectives are based on Shariah rules and it emphasizes on determining the stakeholder's interest. Based on economic theories. (Bryer1999 .)concluded that the FASB conceptual framework adapt and use a Marxist viewpoint to develop the accounting practices.

(RICHARD & MACVE, 1999) criticized Breyer's analysis about the FASB conceptual framework that relied on Marx's analysis of capital. In the same vein, (Samuelson & A., 1999) opposed Breyer's analysis. It states that the Financial Accounting Standards Board (FASB) relied mainly on economic value and its study is centered on cumulative flows for the owned assets, while Marx's concept focuses mainly on asset returns that satisfy the

society's needs. However (Bromwich, Macve, & SUNDER, 2010) pointed out that setting of the conceptual framework of the FASB is set around the hicks' definition of income. In addition, the authors emphasized that the reliance on economic theories is positive in the setting accounting standards. However, this reliance should not be a comprehensive view of these theories to avoid misinterpretation or misunderstanding and should be carefully selecting the right elements from these theories .

The second group of studies focused on the consistency, the content of the conceptual framework, principles, and concept coherence. (Barker, Richard, Mcgeachin, & Anne, 2015) Investigated that the degree to which International Financial Reporting Standards (IFRS) are going to accounting conservatism. In addition, the authors have suggested that the inconsistency in the IASB conceptual framework is relevant to the conservatism. The latter should be used as a principle; although there are there are various standards claims against it in terms of the measurement, recognition, and disclosure. Furthermore (Cho, Kim, & Lim, 2010) pointed out that the FASB Conceptual Statement N°. 2 and the exposure draft of the IASB/FASB of May 2008 have used two definitions of relevance. The first definition is the selection of the economic phenomenon which impacts users decisions'. The second definition is regarding the relationship between making the decisions and appropriate accounting information. The paper suggested that eliminating the second definition to improve the coherence of the conceptual framework. These studies are necessary to identify the contradictions and the potential inconsistency on the level of concepts which can affect the setting of the standards and their implementation.

The third group of studies have focused on the impact and the implementation feasibility of the conceptual framework on the business environment to response to the renewable needs for all stakeholders. According to (Aruomoaghe & Egabor, 2010) The purpose of financial reporting is changing over time. As consequence, the searching for the goals of financial statement should be an ongoing process to meet the user's needs. Increasing the adoption of the fair value measurement in the conceptual frameworks as a new approach takes the attention of researchers. Therefore, several studies tried to address the user's needs and the fair value measurement and outputs. (WHITTINGTON & GEOFFREY, a 2008) ; (Rayman, 2007); (O'brien & C., 2009).

The last group of studies have focused on the possibility of applying the concepts of the conceptual frameworks of the International Accounting Standards Board in the countries that adopt the IAS/IFRS (JONES, STEWART, WOLNIZER, & W, 2003) have pointed that although Australia has precedence in setting a conceptual framework. However, the adoption of the conceptual frameworks of the IASB in January 2005 might pose a relapse in Australian. Hence, the IASB has to develop an international accepted conceptual framework, instead of the local standards setters develop their own conceptual frameworks. (Whittington & Geoffrey, b2008) has pointed out that the IASB succeeded to extend their standards' adoption. At the same time, these standards facing obstacles related

to the local accounting culture that entrenched in the business doing in countries that adopted these standards. For this cause, there is a discussion about the IASB perspective of the international culture of accounting.

2. The theoretical framework of the study :

This study used an analytical and Critical approach to spotlight the objectives of financial reporting as a pillar of the conceptual framework. Discussed concepts on this paper are stewardship, users of financial reporting, users' needs. Additionally, it seeks to provide an argument about the importance of a clear indication of those objectives in the conceptual framework by the IASB as an international accounting standard-setter.

The organization of the rest of this paper is as follows: The second section historical background about the development of the conceptual framework. The third section addresses the users of financial reporting and lobbying group effects. The fourth section users' needs and financial statements. The fifth section entails the conclusion.

Using the conceptual framework by accounting standards setters is regarded as advancement in the creation of theoretical and practices in the accounting field. Therefore, prior literature discussed the conceptual framework in different ways. It classified into four groups. A group of studies focused on the factors that affect the setting of the conceptual framework. The second group of studies used a content-based approach. The third groups of researchers have focused on the based on operational issues and implementation at the practice level. The last group concentrated on the feasibility of the conceptual framework.

2.1. Historical Background:

The conceptual frameworks were developed in beginning of the last century as a technique (DAVID B. SUTTON, 2015, p. 116); This new technique was adopted firstly by the FASB since the early of 1970's. Then, the IASB issued Framework for the Preparation and Presentation of Financial Statements in 1989 (WHITTINGTON & GEOFFREY, a 2008, p. 141). The first attempt to create conceptual framework can be regarded from the American Accounting Association (AAA) in 1936. Which is "Tentative Statement for Accounting Principles Affecting Corporate Reports" (Alexander, Manh-Béna, & Ramond, 2013, p. 03). In the period between 1940 and 1950, the Committee on Accounting Procedure (CAP) had several proposals to set up the accounting principles, but the Committee did not accept any of them. (Zeff & Stephen, 1999, p. 91) In the 1960s The AICPA (American Institute of Certified Public Accountants) took role in the foundation of accounting principles to facing professional accountants attack's about the financial reporting quality (Alexander, Manh-Béna, & Ramond, 2013, p. 04).

The FASB is another institution that played a major role in accounting history in USA and still does. In the first of July the FASB replaced the APB which ending itself on June 1973 (Sutton & David, 2011, p. 08); In this

period, the International Accounting Standards Committee (IASC) was created at the international level to take a role of an accounting convergence.

The two organizations established their conceptual frameworks. In the 1970s, the FASB issued seven separate fundamental concepts statements. In 1989, the IASB published their conceptual framework. (WHITTINGTON & GEOFFREY, a 2008, p. 141) The two boards joined an agreement in October 2002 (the Norwalk Agreement). This agreement is expending over time. To include short- and long-term convergence projects. One of the most important topics in this process is the conceptual framework project. Earlier in 2004, The IASB and FASB initiated integration projects on the conceptual framework. The project has undergone many stages. The project was completed and the final revised version was published on 29 March 2018. (Deloitte, 2020) The IASB stated that the former Conceptual Framework is imperfect and requires improvement for the following purpose: (IASB, 2018, p. 03)

- Priority: identified as a priority by stakeholders in the 2011 Agenda Consultation.
- Complete the deficiencies as an example, a measurement guidance.
- Updating some of the concepts 's definition for an example ; the asset...
- Making some issues clear and Less ambiguous.

The IASB defines the conceptual framework as a group of a notions and principles to preparing financial reporting. (IASB, 2018, p. 02) Conceptual frameworks founded the ideology of supervising the accounting standards. (DAVID B. SUTTON, 2015, p. 117)

2.2 Users of Financial Reporting and lobbying:

(Stenka & Jaworska, 2019) point out that the absence of the users in the process of setting accounting standard offers a chance to other stakeholders to monitor this process, which does not serve their interests. Sutton (1984) has investigated about the lobbying strategy on the process of the standards setting and confirmed that the lobbying can start at any of standard's setting stages by IASB (Georgiou & George, 2010, p. 105). Similarly, (McLeay, Stuart, Ordelheide, Dieter, Young, & Steven, Constituent lobbying and its impact on the development of financial reporting regulations: evidence from Germany) have Indicated that the representatives of the preparers which are the industry lobby community has a significant influence on the German Accounting Regulators. (Chircop, Justin, & Kiosse, 2015) examines preparers' lobbying against the IASB's pension accounting proposals as well as the results show that the preparers are more likely to be interested in lobbying are the self-interest. (Mellado & Parte, 2017) Find that Leading companies in the level of size and profit are more possibility to engage in lobbying process. The evidences above pose the problem of meeting the needs of users of financial statements.

Controlling the standards setting by the lobbying process controlled the preparers, influential companies, and accounting firms allows no chance to users of financial statements to realize their investment objective and their achievement is a just allowed achievement by the lobbying groups. This lead a questioned about the objective of financial reporting. What IASB claimed that *"To provide financial information that is useful to users in making decisions relating to providing resources to the entity"*. (IASB, 2018, p. 05) Equally important (Nurnberg & Hugo, 2015, p. 78) claimed that the real role of standard setters is to defending the interest of stakeholders and the community and safeguard them from Wall Street, big enterprises and the accounting firms. However, the opposite happened. Furthermore, the standard setters serve their interests.

2.3 Users needs and Financial Statements:

Providing financial information about an entity is the main objective of financial reporting as pointed out by the conceptual framework. (Elizabeth A. Gordon, et al., 2015, p. 73) The firms around the world offer the preparation and a presentation of financial statements for external users (IASB, 2010) the prediction of the future earning of the firm covered the efforts of Almost all external users of financial information. (Zeff & Stephen, 1999, p. 96) It provides information about the economic resources, Liabilities, transactions, the events, the conditions and their effects on these elements (IASB, 2010, p. 16)

In 2009, The CNC (Conseil National de la Comptabilité) and the European Financial Reporting Advisory Group (EFRAG) carried out a survey to assess the needs of users of financial information. Related to phase one of the Framework projects of the two boards (IASB/FASB), the survey spotlighted useful financial information to make a decision; the survey found : (CNC & EFRAG, 2009, p. 09;10)

- Most users preferred the financial reports and the report of the Board of Directors for the decision-making. Comparatively to the press reports, market analysis, and information about the market.
- The survey confirms that the board comment is more important to the some users in comparison to the financial reporting. But the survey notice that some users understand that the board comment means the communication of the board.
- There is a total agreement about the usefulness balance sheet and income statement. However; some of them prefer the income statement more.
- Despite, there is no mandatory disclosure about the operation activities results and the IFRSs do not define this concept. The user believes that the operating income is the most useful which signalize the orientation to the principles-based standards to define the concept of operating income. Although, it is widely used in practice.

The standard-setter takes responsibility to protect users' interests. The stakeholder conflict threatens this

responsibility. The lobbying against any improvement or a new issue of standards is the most threatens to the loser lobbying community. In the other hand, the diversity of the user's interest is an obstacle to meet their needs with the lobbying.

The board interest and stakeholder relationships are based on agency problems. The board prefer accounting practices that allow them more flexibility to control income and their performance. However, the board bound to protect the interests of the shareholder. Financial reporting was one of the most important channels to prove management performance. The accounting practice choice by the board lobbying can lead to misrepresentation covered by the accounting standards agreed by the standard-setter.

Entire the world a lot of entities preparing financial reporting and presenting it to external users. (IASB, 2010) Approximately, all the users of a firm's financial reporting rely on predicting the profits of those firms in the future periods. (Zeff & Stephen, 1999, p. 96) The Board finds that the objective of preparing the financial reporting serves common needs of almost all of the users. Because they use it in the decisions making. For example: (IASB, 2010, p. 5)

- To assess and take the right action about the shares.
- To evaluate the administration performance and stewardship.
- To evaluate the firm's ability of payment their obligation to its employees.
- Evaluating the company's ability to pay its debts.
- To define the taxes policy.
- To define and forecasting of the earnings and dividends can gets in future period.
- To define and exploiting macroeconomics indicators.
- To legalize the activities of entities.
- To organize origination activities.

The IASB pointed out that financial report cannot meet all needs of users, and there is a gap of information needs that can be satisfied by other resources. *"general purpose financial reports do not and cannot provide all of the information that existing and potential investors, lenders and other creditors need"* (IASB, 2010, p. 10 ; OB6) In addition, the IASB refer that the user needs other sources to make the decisions mentioned above. *"Those users need to consider pertinent information from other sources, for example, general economic conditions and expectations, political events and political climate, and industry and company outlooks."* (IASB, 2018, p. 10; OB6)

The uncertainty relies in the degree to which to which the financial reports satisfies the needs of the users in comparison with the other sources. In another way. How deep the gap between the financial reports and these sources to satisfy the needs of the users. The diversity of the decision-making and the decision-maker using the

same sources seems illogical. The shares value assessment requires a complex package of information. The data in the financial statements focuses on direct information about the phenomena impact on the firms. However, the investor requires the information to give a panoramic (comprehensive) view about the firm. The firm's value and their performance assessment are influenced by several factors on the macro and micro levels.

On the macro-level, accounting information was influenced by a number of factors. The accounting standards are designed to treat the impact of various phenomena on the financial position of the enterprise. However, The user Compares and weighted the impact among the accounting information and the phenomena to make the decisions. (Heimonen & Kari, 2010, p. 166) find that inflation has affected negatively on the distribution of profits and their forecasting of values returns. The inflation as a macroeconomic factor determines the firm's behavior on investment contracting and financial structure which affects directly on the performance and the reflection on the stakeholder behavior. In the same vein, (Opare, Solomon, Houque, Nurul, & Zijl, 2020) find that a strict implementation of IFRS has a weak effect on stock performance which is related to the level of enforcement of the country. Hence, the valuation of stocks is based on a robust financial reporting infrastructure.

On the micro-level, there is a combination of factors that influence the performance evaluation. These considerations are related to the governance of enterprise in one hand . On the other hand, certain factors are related to the accounting policies and practices. The users use diverse information about the enterprise that extends to several internal sides. The user makes a decision with the complex process as a result of interaction among this information, but their effect on users varies. Enterprise governance – as internal factor - guarantees good performance of the board. (Bae, Kee-Hong, & Goyal, 2010) Indicate that there is a positive relationship between good governance and the share's valuation after the market liberalization. In addition, a good governance enterprise has a high foreign acquisition in comparison with the weak governance enterprise. The enterprise governance is used as a criterion for valuation shares and the board reliability. Also, it is used to estimate performance. Likewise, the governance committees ensure various aspects as internal control and risks. The efficiency of committees use as an indicator to evaluate performance. (Ames, Daniel, Hines, S., & Sankara, 2018, p. 143) find that the high financial rating of insurers firms was linked to the existence of a board risk committee even if the firm's realization of the performance needs five years average.

Accounting policies and practices play a significant role to shape the financial statements. The financial report contains information that is used in the decision-making process. The quality of the information changes according to the accounting policies and practices that influence the decision-maker. (Adwan, Alhaj-Ismael, & Girardone, 2020) find that the value of net income lowering with the fair value accounting on the other hand equity book increase in the financial crisis period. This phenomenon is shifting the investors valuation the book

value against net income. Furthermore (Sacer, Malis, & Pavic, 2016) find that the accounting estimation plays a major role on the effect on a firm's performance and their financial condition as well as the (LEOW & ONG BOON HWEE, 2017) volatility on these situations. Also (Kim & B., 2016) report that the high accounting flexibility gives the manager chance to monitor the forecasting and makes good decisions for the secondary equity offering. Additionally, the accounting flexibility determines the disposition between the risk of litigation and a facultative disclosure. The financial indicators are also influenced by the accounting numbers which affect investors' accuracy forecasting.

(AlaaAlhaj-Ismaïl, Adwan, & Stittle, 2019) provide evidence that the relationship between the expense of Share-Option Based Compensation and shareholder returns are positive. This relationship is obvious in the case of the concentration of ownership. In addition, the investors focus more on the contracts of the features related expenses of Share-Option Based compensation. Although, it is related to errors of measurement and management estimates. (Magnan, Michel, Menini, & Parbonetti, 2015) Find that the fair value accounting decrease the financial reporting reliability, as well as it creates artificial volatility which is related to the level of information content for a fair value measurement in financial reporting of the banks. In the other hand the analysts forecasted that using fair value accounting gives relevant information about the future performance of cash flow for the firms on the equity markets. The financial indicators also affected by the accounting numbers. which influencing investors' accuracy forecasting. (Gavera & Paterson, 2004) provide evidence that to avoid the volatility of some bounds ratio test which used by regulators to assess the solvency. The insurance firms manage loss reserves. The findings show that around a third of the sample had succeeded to handle four or more ratios to pass reporting about the portability of the regulator's intervention if the violations are more than four. However, a choice of accounting policies did not rely on earnings management.

2.4 The stewardship and Decision-Usefulness relationships:

The stewardship is an ancient practice historically signaled in 4000 years ago in Hammurabi code. However, the first time the term "steward" has been used was in the 17th century. (LEOW & ONG BOON HWEE, 2017, p. 38)(Stewardship as an objective of Financial Reporting presented on discussion paper (DP) N°1260-001. The IASB and FASB issued DP " Preliminary views on an improved conceptual framework for Financial Reporting" in July 2006; The DP discuss a Common Conceptual Framework for Financial Reporting among the two organization. The stewardship took 78 percent of comment and discussion of the DP. (council, 2007, p. 03) Due to the translation problem of the concept "stewardship", The IASB deleted this concept form the conceptual Framework in 2010. (IASB, 2010, p. 08). However, numerous stakeholders did not accept the omission of stewardship as part of the financial reporting objective which allows evaluation of the management's performance. Due to the importance of management estimate The IASB confirmed that the decision-maker uses financial reporting to assessing

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information and forecasting about the cash flow. In addition, the user assess management's performance (IASB, 2010, p. 50). In the 2015 Exposure Draft many stakeholders agree with reintegration of the stewardship principle due to its importance (IASB, 2018, p. 08). Furthermore, several stakeholders propose that stewardship have to be considered as a supplementary objective of financial reporting which may be helpful to make a decision about the resource's allocation (IASB, 2018, p. 08). In the last version of the conceptual framework of IASB in 2018, the board provided obviously discussion about the required information to evaluate the stewardship of management as a response to the 2015 exposure draft comments. Moreover, the clarification is given about the information for cash-flow forecasts and the management decisions of allocation of the economic resources (IASB, 2018).

There is a relationship between ownership and accountability. The Agency Theory explains this relationship. The owner needs information about his fortune. This necessity is innate in order to measure and evaluate any change that happens to it. The board of directors is responsible for this change. The owner worries about the impact of the board behaviors on his fortune. The financial reporting includes details that would be helpful to determine the board effects. Even though the IASB's conceptual framework overlooked the stewardship. The user can't ignore the risk of Less monitoring over the board of directors. As a result, the user bears more costs in order to cover the gap of information among the innate need and the ignored information on the IASB's conceptual framework. Furthermore, as mentioned above. The users need other sources of information to make a decision, because of the range of the responsibility of stewardship that includes several areas as technological challenges, economic condition, the social and legal environment, and all the factors that affect the firm's financial situation which is influenced by the management performance (FASB, 2006, p. 08). (Bushman & Indjejikian, 1993) provide evidence that the diversity of activities selected by the manager leads to providing diverse information. That diversity provides unintentionally deformed information. This challenge has faced the standards setters to issue suitable standards for these varieties of activities. As a result of this distorted information, the users fail to realize the objective of stewardship.

As mentioned above, Stewardship practice is deeply entrenched in the business world. The asset owner wondered about the behavior of the asset manager towards their wealth. Many countries set code or framework to organize the relation among The asset owners and the asset managers. The main purpose of this framework is to clarify the engagement between two the two groups. These frameworks establish a series of principles and most of them give definitions to the Stewardship concept.

Table N°1: Stewardship definition in some country's laws of stewardship

Countr y	Organization	Stewardship definition	Framework
UK	The Financial Reporting Council	“Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society”. (The FRC, 2020)	Stewardship Code 2020
Australia	the Australian Council of Superannuation Investors (ACSI)	Stewardship refers to the responsibility asset owners have to exercise their ownership rights to protect and enhance long-term investment value for their beneficiaries by promoting sustainable value creation in the companies in which they invest. Effective stewardship benefits companies, asset owners, beneficiaries and the economy as a whole.	Stewardship Code 2020
Japan	the Financial Services	“stewardship responsibilities” refers to the	Stewardship

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	Agency Tokyo Stock Exchange	responsibilities of institutional investors to enhance the medium- to long-term investment return for their clients and beneficiaries (including ultimate beneficiaries; the same shall apply hereafter) by improving and fostering the investee companies' corporate value and sustainable growth through constructive engagement, or purposeful dialogue, based on in-depth knowledge of the companies and their business environment and consideration of sustainability (medium- to long-term sustainability including ESG factors) consistent with their investment management strategies (FSA, 2020)	Code2020
Canada	The Canadian Coalition for Good Governance	good governance ' have less risk and generate greater long term value for their shareholders than comparable	

		companies with less robust governance practices. “Governance” includes how the board is structured and how it operates, the board’s approach to executive compensation and shareholder engagement and the board’s oversight of the company’s risk management policies, including its environmental and social risks. (GCGG, 2010)	
German	DVFA German Association for Financial Analysis and Asset Management	Stewardship is defined as principles and processes applied by asset managers to fulfill their fiduciary duty , .. i.e to act in the best interest of their clients. To achieve this, asset managers have to take the preferences of their clients into as far as possible in their stewardship activities .(DVFA, 2020) stewardship comprising the responsible allocation and active management of assets with the aim of creating sustainable, long-term value	

Objectives

		for clients including regard for ESG factors. this includes monitoring and active dialogue with portfolio companies, targeted exercise of shareholders' rights and exchange with other asset managers as legally permitted (DVFA, 2020)	
International al Organisation	the International Corporate Governance Network	Stewardship can be defined in general terms as the responsible management of something entrusted to one's care. This suggests a fiduciary duty of care on the part of those agents entrusted with management responsibility to act on behalf of the end beneficiaries. In an investment context institutional investors are the agents acting on behalf of beneficiaries, who are often long-term savers or members of pension funds. (ICGN, 2016)	

Source: Based on some Countries Laws of Stewardship

Comparing the definitions in the above table has resulted in the following points :

- Stewardship is concerned with the management of wealth;

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- Stewardship sets a relationship between the two parties: the owner and the manager;
 - The main objective of the manager is to add- value to the owner's wealth;
 - The add-value has to consider the factors of sustainability.
 - The achievement of the value focus on long-term.

The asset owner needs confirmation about the performance of the asset manager and the value of their assets. The random informational content used by the owner is not enough. For this purpose, the informational content needs calibration. the Stewardship frameworks principles indicated that the asset managers disclosure information related to the investment activities, investment portfolios, business risk, and their performance. (DVFA, 2020) (FSA, 2020) (GCGG, 2010) (The FRC, 2020) However, the IASB conceptual framework has indicated that the useful information used for general purpose of financial reporting also used to assess management stewardship. (IASB, 2018, p. 08)

Based on these above definitions of stewardship, the term embraces several aspects. As a result, the firm's information system produces a large quantity of information as reporting on diverse operations, events and activities as social, ecological, and financial reporting. Consequently, the stakeholder needs more information about the entity for making decisions. Therefore, they require extensive reporting or integrated reports to provide the information required.

5. Conclusion:

The role of the conceptual framework is to introduce the basic concepts of the accounting system. The concepts in the conceptual framework define the ideology of the accounting standards setter. In the case of IASB, the posing ideology on the international level faces a huge challenge. Their concepts are familiar in their surface meaning. But the deep meaning is ambiguous. For instance, the term stewardship clearly defined the supervisory relationship between the asset owner and the asset manager. The practice of this concept affected by surrounding circumstances as the ownership and the business culture background. These factors characterize the deep meaning and the understandability of the stewardship furthermore their practices. Similarly, the term users of financial reporting may sound obvious. However, the influence of the classification of their needs on the conceptual framework and the cost of this classification is not clear. Decision-Usefulness is another term that has significant interaction with the stewardship and the user of financial reporting. The process of decision-making depends on oriented informative content. As shown above, these concepts define the surface meaning, but the practice determines the deep meaning.

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Objectives

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