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The Importance of Adopting International Public Sector Accounting Standards (IPSAS) and Their Role in Enhancing Financial Reporting Quality in Public Accounting System- A Case Study of Algeria-

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Abstract :

The purpose of the study is to demonstrate the effectiveness of IPSAS standards in improving the quality of financial reports under the new accounting reform. These standards provide a unified framework for financial reporting, making it easier for users to understand financial data and make decisions based on it with full reliability.

The investigation concludes that the latest accounting reforms are in consonance with the embraced accounting standards, which significantly contribute to the amelioration of financial report quality by instituting precise and transparent criteria that fortify the trustworthiness of the financial data presented. This enhancement aids in prudent decision-making among users of financial information, ultimately fostering fiscal and promoting economic sustainability within the public sector.

Keywords: International Accounting Standards, Quality of Financial Reporting, Public Accounting Law, Financial Transparency

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1. INTRODUCTION:

Government accounting reform was part of a comprehensive public finance reform initiative launched by the Government, which includes the adoption of international standard accounting rules and the transition from a monetary basis to an accrual basis. Public accounting is seen as a measurement and information tool that reflects public sector performance and has been influenced by global economic and financial developments.

This situation poses a challenge in consistently presenting accurate financial statements and reports to stakeholders. In this milieu, international entities have surfaced with the is mandated to develop improved public sector accounting standards, It should be noted that IPSASB has promulgated IPSAS with a view to standardizing accounting practices, across the public sectors worldwide.

In view of the pivotal role these standards play, Algeria has decided to adopt IPSAS standards, given their effective role in enhancing financial credibility and the quality of reports, making them easier for users to understand. stability and encourages additional further investments in the public sector.

1.1. Problems of research:

To understand the topic, the research problem can be proposed as follows:

To what extent can the adoption of IPSAS be considered as contributing to the transparency of financial information quality?

1.2. Research Questions:

To simplify the main problem statement, the following sub-questions have been proposed:

What is the purpose behind the adoption of International Public Sector Accounting Standards (IPSAS)?

Have national laws been amended to align with International Public Sector Accounting Standards (IPSAS)?

Can the financial statements prepared under the state accounting reform project provide the necessary information to meet users' needs for making appropriate decisions?

1.3. Hypothesis/ hypotheses:

- Adopting IPSAS provides more relevant and transparent financial reports.

- Achieving consistency between international accounting standards and local laws through the development of the new accounting system.

- The Completed Financial Lists by the public accounting system contribute to providing financial information that enhances transparency to All requirements of users of this financial information are provided.

1.4. The importance of the study:

The importance of the study is highlighted by Algeria's political will through financial and accounting reforms to keep abreast of developments in public accounting and to adopt international accounting standards in the public sector.

1.5. Aim of the Research:

The aim of the research is demonstrated by presenting the role and importance of adopting IPSAS standards and their effectiveness in ensuring the accuracy of financial statements through modern accounting reforms. It also aims to explore the content of the international public sector accounting standards adopted by Algeria.

1.6. Curriculum used in the study:

In order to achieve the study's objectives, we have relied on an analytical descriptive approach by presenting the importance of adopting IPSAS standards and actions taken by the State.

1.7. Previous studies:

- The study of Abdous Iman (2020): A doctoral dissertation titled ,The Role of dopting International Public Sector Accounting Standards in Developing the Public Accounting System in Algeria and Its Impact on the Quality of Government Financial Reporting.

The researcher highlighted through the study the existence of variations in the level of reforms adopted from one country to another, in addition to the modern methods and approaches used in public finance management and their contribution to improving budgeting and government accounting systems. The study indicates that modernizing public budget systems helps enhance the efficiency and effectiveness of public administration by adopting a results-based management approach, alongside the adoption of International Public Sector Accounting Standards (IPSAS).

- The study of Chachoua Abdelhakim (2021-2022): A doctoral dissertation titled "The Importance of Applying International Public Sector Accounting Standards (IPSAS) in Algeria: Between International Trends and the Requirements of the National Economy."

The researcher in this study highlighted the extent to which IPSAS standards play a role in the national economy. The study concluded that the current public accounting system in Algeria, both in its budgetary and accounting aspects, suffers from many shortcomings that hinder it from providing an accurate representation of the state's financial position. However, the situation can be addressed by transitioning to accrual-based accounting in line with IPSAS standards.

1.8. Axes of the Study:

To achieve a comprehensive understanding of the study topic, it was divided into three axes:

- An introduction to the conceptual framework of government accounting standards (NCE), their significance, and their importance for the public sector.
- A discussion of the IPSAS standards adopted by Algeria and their effectiveness in increasing the reliability of government financial data.
- The study focused on the impact of adopting IPSAS and the role it plays in the transparency of government accounts and their progress.

2.The Conceptual Framework for Public Sector Accounting Standards "NCE"

Drawing on a wide range of legal and accounting sources within the Ministry of Finance, the ministry adopted international standards compatible with the new accounting system law, which align with the outlined plan in the country’s new accounting reform initiative. This approach is primarily due to the adoption of IPSAS standards, specifically designed to meet all the accounting requirements of the public sector in Algeria. As part of these reforms, the Ministry of Finance began in 2019 developing a conceptual framework for government accounting standards, aiming to enhance transparency, consistency, and comparability in public financial reports. (Rahou, 2022, p. 93).

2.1. Conceptual Framework Idea:

The conceptual framework organizes the main frameworks to enhance the transparency of anticipated financial statements at guiding the proper application." of IPSAS in preparing public-use financial statements for public entities. This framework clarifies The preparation of these statements relies on sound frameworks to ensure that their objectives and purposes reach the intended users and maintain high standards of transparency and accountability. While IPSAS often draws on the conceptual foundation of International Financial Reporting Standards (IFRS) as a benchmark, the IPSAS Board has undertaken projects to create a distinct framework tailored specifically to the public

sector. This dedicated framework aims to provide a robust and relevant reference for users of public sector accounting standards.

2.2. The intention behind the conceptual framework for preparing financial statements:

The conceptual framework is considered a fundamental pillar for the International Accounting Standards Board (IASB), serving as an effective element in guiding and developing new standards updating of existing ones. Its primary objectives include:

- Issuing International Public Sector Accounting Standards (IPSAS) to facilitate the preparation of financial reports by government institutions, ensuring consistency and reliability of these statements.
- Providing comprehensive guidance on best practices and promoting adherence to these standards, thereby fostering enhanced accountability and transparency within public sector organizations.
- Designating financial statements and reports to be presented in a distinctive and transparent manner to ensure that financial communications are purposeful, transparent, and tailored to meet the informational needs of various stakeholders. (Aggestam & Pontoppidan Isabelle Andernack, 2016, p. 21).

-The conceptual framework aims to enhance the credibility of financial statements in government entities, thereby providing transparent information to beneficiaries**.**

It also aims to further develop financial reporting in the public sector in terms of quality, in addition to enhancing its consistency and sustainability and relevance, evolving demands of governance and accountability.

- Delivering timely solutions to emerging issues within operational practices to support effective public sector management.
- Strengthening users' ability to understand, interpret, and analyse financial data with greater accuracy, thereby supporting informed decision-making.
- Improving the comparability of financial statements across various entities, which enables standardized evaluations and benchmarking
- Enhancing accountability by narrowing the information gap between users of financial statements and the entities responsible for resource management, fostering greater transparency. ("IFAC", 2021, p. 24).

3. Financial Statements and Supplementary Documents

Financial statements, together with supplementary documents, are fundamental elements within the financial reporting framework. They provide a comprehensive basis for analyzing the financial health and performance of any non-profit public institution, offering insights that are crucial for transparency, accountability, and informed decision-making.

3.1. Financial Data:

The activities of the State are highlighted through its financial position, represented in the financial statements during the year. These statements are prepared to provide essential information about the State's financial position, performance, and cash flows, making them an important resource for various stakeholders to make informed decisions regarding resource allocation. The objectives of public sector financial statements should specifically include:

- Providing data that aids in decision-making processes and demonstrating how the State manages and utilizes the resources entrusted to it.
- Detailing the sources, allocation, and usage of financial resources, thereby offering a transparent view of financial management.
- It demonstrates how the government supports and finances the state's activities and achieves its cash liquidity flow requirements, which is crucial for evaluating fiscal responsibility.
- demonstrates the accuracy of the state's financial accounts and their trends over time, which aids in long-term planning and accountability.
- Providing detailed information that is valuable for assessing the State's performance regarding the cost of services, efficiency, and overall achievements.

According to Article 87 of the Organic Law dated September 2, 2018, pertaining to finance laws, the State is mandated to present an annual general account that encompasses:

- The general balance of accounts, which provides an overview of the financial situation prevailing in the government at the end of each fiscal year
- The financial position is reported at the end of each financial cycle, providing a detailed presentation of all the government's financial assets and liabilities.

- The annex contains all the observations that are included in the additional reports and all those relating to the accountability of the State**.**
- Off-balance sheet commitments that record financial obligations not directly reflected on the balance sheet but which may have implications for "On the accuracy of financial information for public sector entities

3.2. Preparation and disclosure of financial statements:

According to the Basic Law issued on September 2, 2018, regarding financial laws, the presentation and disclosure of financial statements are subject to this law, which in turn provides us, through the guiding framework, with the standards adopted by the government that are related to national standards, standards as well. This law Financial Statements (NCE1) related to financial data, as well as other essential national data that will be detailed in the annex. Additionally, in accordance with this fundamental law, the cash flow statement, as defined by State accounting standard number 02 (NCE2), is also included.

As stated in Article 88 of the fundamental law, for the proper and organized management of government accounts, they will be certified by the State Audit Court, which holds all the powers related to these accounts and information, including the following:

- financial data may be rounded to the nearest thousand dinars.
- Comparative information for ,the financial year N, including a comparative analysis between the two preceding fiscal years, N-1 and N-2, accompanied by a summary that details:
    - Comments on any changes in the accounting methods and rules applied during the fiscal year N.
    - Conducting a comprehensive comparison between the desired objectives and the results achieved in years N-1 and N-2, as well as verifying them.
    - Presenting a summary of the budget financial data.

3.3. General Ledger Balance for the Fiscal Year:

It is considered a comprehensive accounting document that consolidates the data from all balance sheet and management accounts maintained by the principal state accountants. This document carefully records the following for each account in the State's Accounting Plan (P.C.E.):

- The balances of both N and N-1 must match at the beginning and end of each fiscal year.
- All transactions for fiscal year N, classified into debits and credits.
- Debtor and creditor balances at the conclusion of fiscal year N, providing a clear and detailed financial overview (Ministry of Finance, 2019).

4. Content of Financial Statements as per Executive Decree No. 24-90 of 12 Chaabane in 1445, corresponding to February 22, 2024 This decree outlines the content and application Instructions of public accounting.

4.1. Steps for Implementing the Modern Accounting System:

under article 80 of Law No. 23-07, dated the 3rd of 1444, corresponding to June 21, 2023, which governs public accounting and financial management regulations, This decree provides the content, procedures, and instructions for implementing The main aspects of this decree are the methods and rules of public accounting, which are as follows:

Article "37" of Executive Decree No. 24-90, which establishes a conceptual framework for state accounting, sets accounting standards, and devises a system for preparing financial statements as further detailed in Article "38". This decree also explicates the foundational concepts necessary for the development, interpretation, and selection of appropriate accounting methods for scenarios not directly covered by existing standards (Official Algerian Journal, 2024, p. 17).

- Scope of application.
- Accounting principles.
- Definitions and treatments of assets, liabilities, net positions, income, and expenses.

Article 39 underscores that state accounting standards are inspired by international public sector standards, given their effective role in presenting highly credible financial statements. These standards specify:

- Clarification of the principles for inventory and valuation of accounts related to revenues and expenses associated with the public sector.
- It shows the clarity and ease of use of this data, both in terms of its format and its content.

4.2. Elements and Structure of Financial Statements:

Decision 41 of the Executive Act No. 24-90 of. 24-90, dated the 12th of Chaabane in 1445, corresponding to February 22, 2024, outlines the content and procedural application of public accounting. It defines financial statements as annual reports detailing events that affect operations, prepared by public accountants. The new public accounting system utilizes these statements to give stakeholders a thorough understanding of the state's financial position, in accordance with IPSAS standards. The content includes:

- **Financial Position or Balance Sheet**: It is a statement that provides comprehensive information about the state's collected revenues and its obligated expenditures, presenting the content of revenues and expenditures in ascending order based on the level of cash liquidity, while distinguishing between current and non-current items.

- **The Net Financial Position Variance Table (Cash Flow Statement):**

Everything presented in the financial statements is derived from this table, on one hand, which provides the sources of cash inflows and outflows collected and spent during the year, and on the other hand, the provisions outlined in this standard This provides a clear view of its overall financial position. Key elements include:

  - Active liquidity (assets) at year-end: Reflecting the state’s cash, receivables, and readily liquid assets.
  - Passive liquidity (liabilities) at year-end: Encompassing all obligations, such as payables and debts.

- This statement also delineates the "net result", which encompasses:
  - Revaluation differences: Adjustments based on the correction of reported values for both existing assets and required liabilities.
  - Valuation adjustments: Modifications to reflect fair value or impairment assessments.
  - The balance of operations for the financial year: Summing up revenue and expenses to capture financial performance over the year.

- Notably, assets and liabilities within the general budget cannot be offset unless explicitly allowed by legal or contractual provisions, or if the realization of these assets and liabilities was planned from the outset, This approach contributes to

increasing the accuracy of financial data by standardizing the accounting rules applied, which leads to improved financial transparency and disclosure.

- **Table No. (01): Liabilities Balances from the Balance Sheet of the Financial Situation:**

LIABILITY	Notes	Fiscal Year N			Fiscal Year N-1	Fiscal Year N-2
		Amount	Amortization	Amount	NET AMOUNT	NET AMOUNT
		Gross	Provisions	Net		
TREASURY LIABILITY Treasury Correspondents					X	X
Others					X	X
Subtotal TREASURY LIABILITY					X	X
other short-term liabilities					X	X
non-financial obligations					X	X
operational liabilities					X	X
assistance debts					X	X
advanced ertified products.					X	X
other non-financial obligations					X	X
first subtotal					X	X
non-current liabilities					X	X
provisions for compensation for risks.					X	X
financial liabilities					X	X
Negotiable Securities					X	X
Non-Negotiable Securities					X	X
Other Loans					X	X
Subtotal II - NON-CURRENT LIABILITY					X	X
NET SITUATION					X	X
Equity Differences					X	X

Carryforwards					X	X
Balance of Operations for the Fiscal Year					X	X
Deferred Income and Expenses					X	X
Subtotal IV - NET SITUATION					X	X
TOTAL LIABILITY I + II + III + IV					X	X

Source: (Ministry of Finance 2019, p. 129)

- **Financial Position:**

This section provides a detailed statement with comprehensive information on the state's assets and liabilities, organized by increasing liquidity. It differentiates between current and non-current items to offer a clear view of short-term and long-term financial resources and obligations.

Table No. (02): List of Treasury Operations Balances (Net Financial Position Variance):

Statement	Fiscal Year	Fiscal Year N-1	Fiscal Year N-2
Net Operating Costs.		X	X
Net Intervention Expenses		X	X
Net Financial Expenses		X	X
Net Expenses		X	X
Tax Revenues		X	X
Net Sovereign Revenues		X	X
Non-Sovereign Revenues		X	X
Financial Revenues		X	X
Net Revenues		X	X
Balance of Transaction Account		X	X

Source: **(Ministry of Finance 2019, p. 130)**

This table evaluates the performance of state activities by presenting the expenses incurred against the revenues received, thus determining the state's ability to meet its expenditures and generate revenue.

- **Financial Efficiency List (Income Statement):**

The income statement represents a summary of the key revenues and expenses for the for the current financial year within an accrual basis accounting framework, This means that the timing of recognition for transactions as income or expenses is based purely on their occurrence rather than their payment. The critical components outlined in the income statement include:

- Taxes, operations, transfers, and finances.
- Operating expenses, which encompass employee costs, consumption, and provisions.
- Intervention expenses, transfers, and financial charges.

Table No. (03): Net Expenses in Algeria (Financial Efficiency List)

Statement	Fiscal Year	Fiscal Year N-1	Fiscal Year N-2
Direct Functional Expenses		X	X
financial assistance for public services		X	X
Depreciation and Provisions		X	X
Total Operating Expenses		X	X
Total Operational Revenues		X	X
Net Operating Expenses (A)		X	X
Intervention Expenses		X	X
Intervention Revenues		X	X
Net Intervention Expenses (B)		X	X
Financial Expenses		X	X
Financial Revenues		X	X
Net Financial Expenses (C)		X	X
Total Net Expenses = (A) + (B) + (C)		X	X

Source: (Ministry of Finance 2019, p. 131)

From the income statement, it is possible to thoroughly understand all net expenditures as listed in the budget, which are organized according to the predetermined budgetary framework oriented around programs and performance..

The presented data facilitates the identification of discrepancies and shifts, enabling timely problem resolution, which contributes to governance and enhances the management of government entities.

- **Cash movement statement (C.m.S):**

The Cash movement Statement (CMS) is an important and useful report for users. and stakeholders, providing insights into the sources and applications of cash flows over a specific period. It categorizes cash movements into three distinct sections, each shedding light on various facets of the state's financial operations:

A. **Cash Flows Related to Operating Activities:** This section includes all cash receipts and payments associated with the state's operational and intervention activities, excluding those linked to investment and financing operations. It is also related to the cash flows that are tied to the state's financial expenditures and revenues.

B. **Investment cash flows**: represent all outflows, whether from sales or purchases related to fixed assets.

C. **Cash Flows Related to Financing Activities:** This final section details cash inflows and outflows related to borrowing activities and their repayments, providing insight into the financing operations of the state.

Table No. (04): Cash Flow Statement

Statement	Fiscal Year	Fiscal Year N-1	Fiscal Year N-2
Received Revenues		X	X
Paid Expenses		X	X
Cash Flows Related to Operations		X	X
Acquisition of Fixed Assets		X	X
Disposal of Fixed Assets		X	X
Cash Flows Related to Investment Activities		X	X
Borrowing Operations		X	X
Lending Operations		X	X
Cash Flows Related to Financing Activities		X	X
Variations in Cash		X	X
First Cash Period		X	X
End of Cash Period		X	X

Source: (Ministry of Finance 2019, p. 132)

- **Appendix:**

The supplement provides valuable information that contributes to enhancing readers' and users' understanding, allowing for better provision of listed financial transactions, which include:

_ Everything that occurred or happened during the fiscal year.

- A table that shows the value of revenues generated from what the state owns, such as minerals and oil, and provides the net return resulting from the state's investment in these products.
- Providing a comprehensive report on the government's financial events.
- It clarifies the difference in what has been recorded between accrual accounting and budgetary accounting through the reconciliation process. Therefore, it will provide a true description of the state's financial assets.

The appendix must encompass all the information mandated by the state's accounting standards to ensure comprehensive disclosure and clarity (Ministry of Finance 2019, p. 138).

5. IPSAS Adoption and Its Role in Enhancing Financial Information Quality

With Algeria's commitment to adopting international accounting standards based on accrual accounting, it aims to provide more transparent financial information and present it to users through the following measures:

5.1 Financial Statement Criteria:

- **Presentation of Financial Statements: NCE 01**

This standard outlines how to prepare financial statements for government sector entities based on the accrual basis by establishing the foundations and framework for their overall presentation. The standard also states that when disclosing the budget, a comparison between the estimated figures and what was actually achieved should be disclosed, either in a separate statement or by incorporating it as an additional column within the financial statements. Furthermore, these statements must include comparative information with prior years,insights necessary for informed decision-making and resource allocation assessments. By fostering transparency and consistency, this approach supports users in evaluating fiscal responsibility and the efficient use of public funds (Yahya and Nahad Hussein, 2018).

In order to provide transparent information about the government's financial position, the standard provides a report on the government's financial position based on the analysis of financial indicators. This information is of great value due to its benefits for users, whether they are government officials or investors, in making sound decisions. It includes several benefits for financial statements:

Provide Transparent Reports and High-Quality Information for Decision-Making.

Deliver financial data that enhances transparency and supports informed decision-making by various stakeholders.

- Demonstrate Resource Utilization by the State with detailed insights into:
  - Sources, Allocation, and Utilization of Financial Resources: Offering a clear view of how financial resources are sourced, distributed, and applied to fulfill state objectives. (Accounting Council 2023, p. 3)
  - Strategies for Financing State Activities and Meeting Monetary Needs: Detailing the financial approaches used to sustain state operations and address fiscal demands.
  - Assessments of the State's Capacity to Fund Activities and Meet Obligations: Providing evaluations that indicate the state's ability to finance ongoing initiatives and meet both short- and long-term commitments.

This standard applies to all non-profit public sector modules to supply public-use data that meets the informational needs of users (IFAC, 2021, p. 147).

- **Cash Flow Statement: NCE 02**

Through this standard, necessary and useful information regarding receipts and payments is provided. Additionally, cash flows are classified into three main categories according to this standard: operating activities, investing activities, and financing activities. This classification helps provide a clear picture of the flow of funds into and out of the public sector. (Shashwa, 2022, p. 66).

This standard aims to provide information on historical fluctuations and analyze changes in cash over a specific period from various sources. It also aims to define the principles that should be followed in presenting and accurately classifying cash flows in the financial statements.

5.2 Standards Related to Management Accounting (Performance Financial Statements):

- **Revenue from Non-Exchange Transactions NCE 03:**

This standard outlines the essential considerations for recording and evaluating revenue generated from non-exchange transactions. It involves the identification of contributions from stakeholders and the establishment of guidelines for recognizing and measuring income from these transactions, which typically encompass taxes, transfers, grants, tax exemptions, and fines.

The standard aims to provide clear requirements for financial reporting on revenues that do not stem from direct exchange transactions, in alignment with accrual accounting principles. Its primary objective is to ensure that such revenues are accurately represented in financial statements, thereby reflecting their genuine impact on the financial health and operational effectiveness of public sector entities. Furthermore, by establishing a consistent framework for reporting these revenues, the standard enhances transparency and accountability, enabling stakeholders to make well-informed decisions based on reliable financial information.

- **Revenue from Direct Transactions 12NCE:**

This standard highlights the establishment of guidelines for recognizing and measuring revenue derived from direct transactions, such as services provided and goods sold, which are directly linked to current or future cash flows. Revenue recognition under this standard occurs when:

- These benefits must be capable of reliable measurement. The goal is to establish clear criteria for revenue recognition from direct transactions, ensuring that revenues are accurately recorded and genuinely reflect economic activities.
- The government receives all expected revenues and economic returns.

- **Corrected errors through applicable accounting policies 16NCE:**

This standard emphasizes the need to provide information about any changes in accounting methods and estimates that may have occurred in previous periods as reflected in the financial statements:

Working to increase the transparency and credibility of financial data produced by public sector entities, thereby enhancing its comparability with the data of other organizations.. (Fatima al-Zahra Qadi, p. 98).

The financial statements are compared over a specific period to assess the transparency and credibility of the data for governments.

- Additionally, this standard sets out to: Modifying the adopted accounting standards to align with accounting policies and updating them according to new requirements, as well as disclosing these changes in accounting policies transparently and clearly to ensure the impact of these changes on financial reports is well understood (Iman Abdous, p. 160).

5.3. Criteria for the Presentation and Publication of Financial Statements:

- **Presentation of information and its display in the budget. 08NCE:**

This standard applies to the public sector, excluding government business enterprises. It specifies the disclosure requirements for financial statements regarding the results of budget execution, which are defined in order to achieve financial transparency., the budget should be optimally presented through its execution and adherence to its results for public sector units.

The government must prepare and present financial statements with full transparency in order to manage public funds. This includes the original and final budgets for various categories of government financial data users, presented on a comparable basis between estimated and actual amounts, and made available to the public. Additionally, government units are required to provide necessary clarifications and explain significant variances to demonstrate and evaluate the financial performance of government units.. (chteeh, 2020, p. 78).

- **Financial instruments: debt and other financial obligation06NCE:**

This standard seeks to present the financial debts incurred by the state and other financial liabilities. To achieve this objective, it outlines principles for the organization of financial liabilities, along with the accounting and valuation principles applicable to these liabilities. It also specifies requirements for disclosing financial debts and other financial obligations.

Furthermore, the standard details the accounting treatment for financial debts utilized by the state, including debts in the form of bonds, forward financial instruments contracted under hedging operations, or those arising from the state's comprehensive financial risk management, as well as loans and financial instruments incurred by other parties (Court of Accounts, 2019).

6. The features of IPSAS standards and their effectiveness in financial transparency:

The main benefits expected from implementing IPSAS standards are as follows:

- Provision of detailed and transparent information regarding the sources, distribution, and utilization of financial resources.
- Insights into how the state finances its operations and addresses its monetary requirements.

- Provide important information on assessing the State's ability to fulfil its obligations and promises towards others.

The contribution of standards through the application of financial analysis indicators is based on their accuracy, which is linked to strong financial presence, further enhanced by the standardized format of these statements. (Essaidi, 2017, p. 344).

- **Role of IPSAS in Combating Corruption:**

The stringent implementation of IPSAS can significantly contribute to combating corruption and the misappropriation of public funds by ensuring that income and expenditures are measured and reported transparently. This improvement in reporting standards results in:

- More credible and transparent reports that enhance accountability and assist in state decision-making.
- Improved verification processes that increase the credibility of financial statements and bolster anti-corruption initiatives (Qamwo, 2021, p. 34).

The principle of accounting for proven rights ensures that all recognized revenues or assets are accurately recorded, thereby offering a clear and precise picture of the state's financial condition (Khabiti and Muna, 2016, p. 108).

- **Improving the Quality of Financial Statements:**

The development of IPSAS incorporates substantial expert input and a systematic approach, which includes feedback on draft proposals and consultations with global stakeholders. This participatory process guarantees the establishment of high-quality standards that significantly improve the quality of accounting information presented in financial statements (Al Ja'arat, 2018, p. 39).

7. CONCLUSION:

The importance of IPSAS standards is evident in their significant role, as they greatly contribute to providing accurate and transparent standards, which enhances users' understanding, the reliability of financial data, and their ability to make informed and well-considered decisions.

Moreover, IPSAS standards enhance transparency and credibility in financial reporting, fostering trust among investors and stakeholders. International standards also represent a central point in supporting the public sector, resulting in multiple benefits, including improving the overall performance of institutions (both operational and financial).

7.1. Hypothesis testing:

From experimenting with hypotheses, we learned the following:

- Keeping up with and implementing international standards provides the government with clear insights into financial reports. These standards also offer a unified framework that helps present financial information more accurately and clearly, enhancing users' ability to make well-informed decisions.

-Through new accounting reforms and the issuance of complementary regulations, alignment and harmony between International Public Sector Accounting Standards (IPSAS) and local laws are facilitated. This alignment enhances the efficiency of the general accounting system and meets international standards' requirements without conflicting with local laws.

- One of the outputs of the public accounting system is the financial statements, which can provide clear and transparent financial information, thereby enhancing the ability of users, whether investors or other stakeholders, to gain a better understanding of the government's financial performance and increase their confidence in these reports.

7.2. Key Findings of the Study:

Finally, the study's findings regarding the outcomes resulting from the adoption of IPSAS can be summarized as follows:

The fundamental changes in the accounting system were aligned with international standards. Consequently, this will meet the needs of financial statement users, enabling them to make appropriate and well-informed decisions.

-The primary objective of implementing IPSAS in the public sector is to deliver high-quality information to users of financial statements and relevant decision-makers within government units. This initiative also seeks to address the needs of users by providing pertinent and relevant information through financial statements, ultimately optimizing the utilization of available resources.

It provides stakeholders with access to transparent, accurate, and reliable financial data. This not only enhances accountability but also contributes to building trust among stakeholders, promoting good governance and informed decision-making.

7.3. Recommendations:

- A strong political commitment and leadership are crucial, supported by a rational and sustained IPSAS policy, to fully adhere to this process.

- To achieve better implementation of IPSAS, financial and human resources must be allocated, and international support must be sought.
- Adequate financial and human resources must be allocated, with the development of international support, to ensure the effective implementation of IPSAS.
- Local laws and regulations must align with international standards by adopting IPSAS, while maintaining sufficient flexibility to cater to specific local needs.
- Efforts should be made to qualify and train accountants to ensure a thorough understanding and effective implementation of IPSAS.

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