

Accounting Standards for Reporting Heritage Assets in the Public Sector: A Comparative Study

Ridha Mohanad Al-Salman

Department of Accounting, Faculty of Administration and Economics, University of Kufa, Najaf, Iraq

Akeel Hamza Almagtome

Department of Accounting, Faculty of Administration and Economics, University of Kufa, Najaf, Iraq

Abstract:- This paper aims to study, analyze and compare international standards in the public sector that are concerned with reporting on heritage assets by presenting different accounting treatments for heritage assets from the experiences of many countries. The theoretical side deals with introducing the concept of heritage assets, their characteristics, and classifications. We will address this topic, the definition of accounting standards, and the need for accounting standardization. First, we will address the International Public Sector Accounting Standards Board (IPSASB). Then, we will address the concept of the accounting basis, the types of accounting foundations used, and the extent to which different authorities worldwide have adopted the accrual basis. Then, we will address Criterion 17 of (IPSASB), which is concerned with property, factories, and equipment, and the paragraphs related to heritage assets, as well as several different local standards for the most important countries of the world that took care of this aspect of the research components.

Keywords:- Heritage Assets; accounting measurement; Iraqi tourism; Revenues.

I. INTRODUCTION

Accounting standards are the primary rules that regulate the work of accountants and serve as a guide for them. It is constructive in the complicated matters that have not been resolved and for accountants who do not have the resources to produce high-quality integrated accounting rules. Due to the current need of the international community for standardization and accounting convergence, even in the context of preparing financial reports for the public sector, the need has increased for the existence of a board of international standards for the public sector, which governs and separates what accountants need in terms of rules and foundations for the preparation of high-quality reports and its transformation into the basis of entitlement and its handling. This need has increased due to the current need of the international community for standardization and accounting convergence, even in the context of preparing. The purpose of this research is to investigate, investigate, and compare international standards in the public sector that are concerned with reporting on heritage assets. It will be accomplished by presenting various accounting treatments for heritage assets based on the experiences of many countries. The theoretical aspect introduces the idea of heritage assets, their defining qualities, and several categorizations. In this section, we will go over the meaning of accounting standards and the factors contributing

to the necessity of accounting standardization. The International Public Sector Accounting Standards Board will be our first topic of discussion (IPSASB). In this section, we will discuss the notion of the accounting basis and the many accounting foundations that can be applied. The extent to which different authorities around the world have adopted the accrual basis, after which we will address Criterion 17 of (IPSASB), which is concerned with property, factories, and equipment, and the paragraphs related to heritage assets, as well as several different local standards for the most critical countries in the world that took care of this aspect of the research components. It will allow us to make appropriate decisions when processing heritage assets.

II. THE THEORETICAL FRAMEWORK

A. Heritage Assets Definition and Characteristics

Interest in heritage assets has evolved. Previously, some movable and immovable heritage assets were kept embodying a particular social meaning and perhaps indicate their owners' wealth and high social status. From that, it gained its ancient value. In the Renaissance, the concept of heritage developed as a transmitter of knowledge, so it had to be preserved and analyzed. In the nineteenth century, the development of museums represented the initiation of the democratization of cultural heritage. This fact indicates that society, regardless of its economic status, will be interested in historical and cultural heritage and can be a means of transmitting knowledge to society. The concept of heritage includes all of the above, bearing in mind that the historical and cultural heritage represents the community's identity, a witness to the past that must be recalled and remembered. Therefore, preserving heritage and transmitting knowledge generated from the study of heritage elements must interest current societies [1].

The meaning of the word Heritage linguistically [1]:

- What the deceased leaves behind his heirs: "And you devour heritage as food."
- All that is owned by "Family Heritage Transfer."
- All the scientific, artistic, and literary traces left by the predecessors, whether material such as books, antiquities, etc., or intangible, such as cultural opinions, patterns, and customs transmitted from generation to generation, are considered precious for the traditions and spirit of the present era.

Heritage is a complex, multi-meaning term with many definitions that vary according to the perceptions of each country, nation, or community. However, despite the plurality of policies and legislation, cultural heritage is generally

understood as the legacy of tangible remains and intangible features inherited from the past. Intangible cultural heritage includes traditions, languages, music, etc., as well as tangible heritage such as cultural property and natural Heritage [2].

Legislatively, the Iraqi Antiquities and Heritage Law No. 55 of 2002 separated the concepts of antiquities and heritage, as antiquities, according to the law, are: "The movable or immovable property that was built, made, carved, produced, written, drawn, or photographed by humans and not less than 200 years old, as well as structures human, animal, and plant. In contrast, heritage materials are "movable and immovable funds that are less than 200 years old and have historical, national, national, religious or artistic value" (Antiquities and Heritage Law of 2002 No. 55) [3]. Furthermore, according to UNESCO (2018), cultural heritage is: "the legacy of the tangible and intangible features of a group or community inherited from past generations, and preserved in the present for the benefit of future generations [4]."

Tangible heritage includes buildings, historical sites, cultural monuments, etc., worth preserving. It also consists of those of archeology, architecture, or science and technology significance for a particular culture. Intangible cultural heritage includes oral traditions and performing arts, social customs and rituals, knowledge and practices relating to nature and the universe, and traditional artisanal knowledge and techniques [5].

On the other hand, accountants have their definitions and concepts. As a result, there was no complete agreement on a single definition of heritage assets. However, many professional organizations and official bodies have defined its concept [6].

The Federal Accounting Standards Advisory Board (FASAB) defined in the list of Federal Financial Accounting Standards 29 "Heritage Assets and Land Oversight" in Paragraph 15 of its Heritage Assets as: "Property, plant, and equipment that is unique in its kind." For one or more of the following reasons [7]:

- Historical or natural significance
- Cultural, educational or artistic significance (e.g., aesthetics)
- Important Architectural Features

The standard clarified that it consists of [7]:

- 1) Collected heritage assets such as objects collected and maintained for display, e.g., museum, art, and library collections.
- 2) Uncollected heritage assets such as parks, monuments, and buildings.

While the Accounting Standards Board (ASB) in the United Kingdom and the Republic of Ireland 2009 defined in Standard 30 of the Financial Reporting Standards (FRS) that a heritage asset is: "a tangible asset with historical, technical, scientific, technological, geophysical or environmental characteristics." It is maintained and preserved primarily for its contribution to knowledge and culture" [8].

We infer from the previous definition that the purpose of owning an asset is to contribute to the culture and not to generate future cash flows [9] as defined by the Government Financial Statistics System as: "The assets that the government intends to preserve indefinitely because they have historical importance." unique, cultural, educational, artistic or architectural" [10].

The International Public Sector Accounting Standards Board (IPSASB) described them in Standard 17, "Property, Plant and Equipment," in paragraph 10 of it as "heritage assets because of their cultural, environmental or historical importance" [11]. Furthermore, the Council mentioned in paragraph 12 of Standard 31, "Intangible Assets," that Some intangible assets are described as heritage "because of their cultural, environmental and historical significance" [12]. However, it does not provide a specific definition.

Many researchers have defined it [13] as: "a tangible asset that society intends to preserve indefinitely because of its cultural, historical, recreational and environmental importance, not for generating income."

These works include art museums, assemblies, buildings, monuments, memorials, national parks, state marine parks, amusement parks, archaeological sites, and more [13].

Aversano, et al. [14] defined it as: "elements of a tangible nature that are characterized by historical, artistic, architectural, aesthetic, scientific, technological, geophysical or environmental characteristics" (Thielen, 2014: 16).

While Masita & Chariri 2015 defined it as: "assets with historical, artistic, scientific, technological, geophysical or environmental characteristics that are preserved and preserved to contribute to science and culture and provide benefits to economic unity, and these benefits are not only for ideological and academic interests but also as an economic resource" [15].

The researcher agrees with the definitions that did not limit the heritage assets to being tangible and differ from the illustrations that they identified as tangible only because the term heritage is a broad term for what is tangible and intangible. So, one of the types of tourism that represents an important economic sector is religious tourism, which depends on intangible religious and cultural heritage such as Hajj, Umrah, the Arbaeen visit, and Ashura rituals, as well as cultural tourism based on folklore such as Nowruz festivals. Live. Accordingly, heritage assets can be defined as: "tangible and intangible assets with cultural, social and environmental characteristics characterized by their rarity, kept for an indefinite period for their contribution to the promotion and consolidation of culture and heritage, as well as for generating profits as they are characterized by having a service potential as well as being used as an economic resource."

B. Accounting Standards and Their Importance

The criterion is language: "a measure by which others are measured for judgment and evaluation. It is said: You chose it

according to certain criteria, and they chose the employees according to specific criteria" [16].

Accounting standards are "the regulations or rules that govern the preparation of financial statements" [17]. It is "a set of standards, principles, models, and general guidelines that lead to the rationalization and guidance of practical accounting practices, financial auditing, and auditing." In contrast to standards, characterized by general guidelines, procedures deal with the modalities of implementing accounting standards in the form of practical applications [18]. It is also defined as "general frameworks whose objective is to determine the correct methods of measurement, presentation, and disclosure of operations, circumstances, and events that affect the elements of the financial statements in a way that indulges the financial position of the unit and the results of its work to achieve the objectives of its beneficiaries [19]."

The importance of accounting standards stems from the need to [20]:

- Determine and measure the financial events of the economic unit
- Determining the appropriate measurement methods
- Communicating the measurement results to the users of the financial statements
- Assist in the appropriate decision-making process by providing accurate and appropriate standards.

C. *The Trend Towards Accounting Standardization*

In his study, L. Caylor, et al. [21] confirmed that accounting standardization leads to better comparability and higher quality of disclosure, thus increasing the efficiency of information processing by analysts and leading to greater accuracy in their expectations and less dispersion [21]. The interest in accounting standardization by multinational companies is an evident and apparent benefit, as are its continuous pressures. But uniformity in the aspect and practices of the public sector is a bit confusing, as philosophies differ fundamentally between countries. Also, attention to oversight and accountability is significant in public sector reports, as important as the usefulness of the decision. The state needs to compare its economic units more than it needs to reach its monetary units with the departments of other countries. However, this does not diminish the importance of standardization in this sector, as in the cases of debts that governments borrow. Therefore we need to know their ability and financial ability to repay [19].

The need for accounting standardization, as well as for developing countries, stems from the following:

- Improving the quality of financial reports by applying a unified set of agreed-upon standards.
- Reducing information risk and inconsistency, thus reducing the cost of capital and improving profitability, financial performance, and the value of economic units.
- It helps to attract foreign investment by reducing the differences in financial reporting requirements among the participants in the global stock exchange [12].
- The standardization of accounting standards resulting from international standards creates international harmony and

consensus in applying accounting rules, principles, bars, and procedures [22].

The researcher concluded that accounting standardization would be necessary to increase the comparability between different economic units in many countries and help third-world countries and developing countries adhere to high-quality standards, thus reducing the burden of creating their local standards.

D. *International Public Sector Accounting Standards Board*

The origins of the International Public Sector Accounting Standards Board (IPSASB) go back to 1986, when the International Federation of Accountants (IFAC), the global organization for the accounting profession, established the Public Sector Commission (PSC) as one of its standing committees [23].

The PSC had a broad mandate to develop programs to improve public sector financial management and accountability. In its first decade, (PSC) strived to consolidate its position, and its output was studied on specialized accounting issues in the public sector. In 1996, the PSC launched the Standards Program and, in effect, changed its role to International Public Sector Accounting Standards-setter. Following an externally chaired review of the PSC's role, governance, and regulation in 2004, IFAC "relaunched" the PSC as a standards board for International Public Sector Accounting (IPSASB) 2004. The International Public Sector Accounting Standards Board (IPSASB) issued its standards based on the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). It deals with public sector financial reporting issues that the International Accounting Standards Board has not addressed. One of its most important goals is to achieve international consistency in issuing financial statements, thus enhancing comparability between countries and encouraging the application of the accrual basis of accounting [24].

E. *The Adoption of IPSAS by Countries*

The International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance and Accounting (CIPFA) published a report in 2021 that compiles, validates, and analyzes existing financial reporting rules and frameworks used by federal and central governments around the world. It also provides an overview of trends in public sector reporting. The State of the International Public Sector Financial Accountability Index provides an update on progress made since 2018 in implementing accrual-based reporting. It also gives a snapshot of the situation in 2020 and projections using currently available lists to forecast the situation in 2025 and provide indicative predictions of the situation in 2030. This report contains data from 165 jurisdictions based on data collected in 2020 and represents An indicator of the position of the judicial authorities this year.

Forty-nine jurisdictions (30% of jurisdictions included in the 2020 Index) reported using the accrual basis in their published 2020 financial statements, compared to 39 jurisdictions (24% of jurisdictions included in the 2018 Index) which is a noticeable difference.

While 40% of the jurisdictions included in the 2020 Index apply the (modified basis) in their financial reporting – which is categorized in the 2020 Index as "partial maturity" – compared to 45% of jurisdictions in 2018. 30% of jurisdictions are still reporting On a cash basis, compared to 31% of jurisdictions in 2018. We note a decrease in the reliance on the cash basis compared to an increase in the use of the accrual basis in 2020 [25].

Examples of jurisdictions that apply the monetary basis are: (Germany, Norway, Ireland, Saudi Arabia, Jordan, and India). Those that apply the accrual basis are entire: (America, Canada, Australia, the United Kingdom, Russia, France, and Spain). While the countries that apply the accrual basis partially: are China, South Africa, Mexico, the Emirates, and Poland. Iraq and many Arab countries did not have a database with IFAC & CIPFA to be included in the report. A total of unavailable jurisdictions data was 91 jurisdictions.

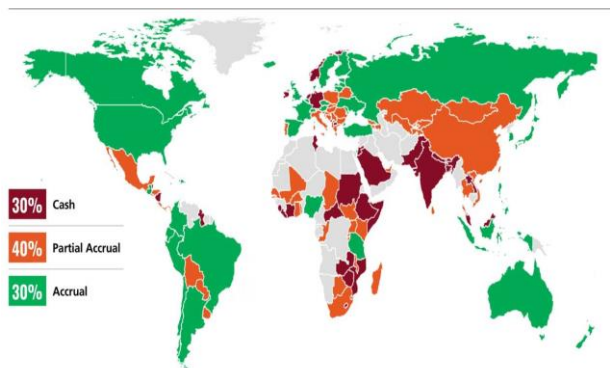


Fig. 1. Map of the countries that apply the cash basis and the accrual basis partially and completely

Accrual reporting frameworks have been developed in various ways, many of which use international standards. Specifically, governments use the International Public Sector Accounting Standards (IPSAS) in three main ways:

- Directly: Implementing the International Public Sector Accounting Standards without introducing any amendments to its requirements while choosing from among the legal options.
- Indirectly: Implementing IPSAS through a national approval process, amending them for any specific jurisdictional features, including Turkey, Vietnam, South Sudan, Nigeria, and Chile.
- As a reference point: Develop national standards that use the International Public Sector Accounting Standards as a guiding resource [26].

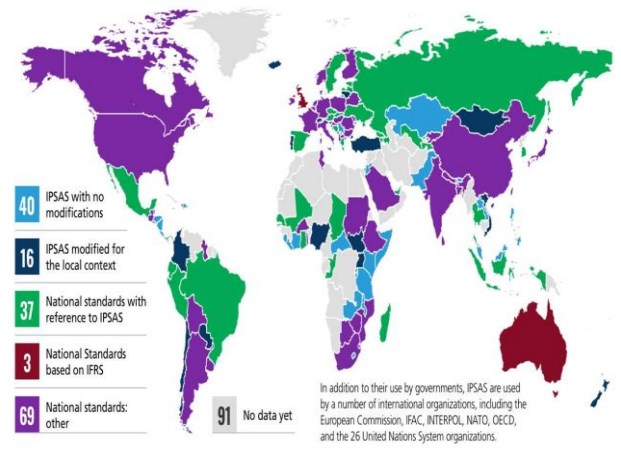


Fig. 2. Map of countries implementing IPSAS

According to the figure, 40 jurisdictions use IPSAS without modification (Pakistan, Jordan, Malaysia, Philippines, and Kazakhstan). In contrast, 16 jurisdictions adapt the standards to their local context (including) Turkey, Vietnam, South Sudan, Nigeria, and Chile. As for the jurisdictions that apply local standards based on International Public Sector Accounting Standards (IPSAS), 37 of them are (Spain, Russia, Sweden, Indonesia, Brazil, Mexico, and New Zealand). Only three jurisdictions adopt their national standards based on international standards. For the preparation of financial reports (IFRS), including (the United Kingdom and Australia), the jurisdictions that apply their local standards are represented by 69 jurisdictions, including (America, Canada, China, France, Germany, and Saudi Arabia).

In addition to jurisdictions, many international organizations also use the International Public Sector Accounting Standards (IPSAS). Including the European Commission, the International Federation of Accountants (IFAC), INTERPOL, the North Atlantic Treaty Organization (NATO), the Organization for Economic Cooperation and Development (OECD), and 26 organizations of the United Nations (UN) [24].

F. The Public Sector Conversion To Accrual Basis

Changing the basis of accounting measurement from cash to accrual is a fundamental paradigm shift affecting the practice of financial reporting in different countries and levels of government. In addition, the scope, purpose, and presentation of the financial statements have changed. This has, in many cases, resulted in preparing a balance sheet, including all assets and liabilities, for the first time and timely recognition of income and expenses based on liabilities rather than cash payments. Moreover, for the first time for some governments, narrative disclosures are being prepared and presented, or at least expanded beyond just explaining clauses to disclosures about risks, including contingent liabilities or other information not shown in the essential lists [27]. All that change is a result of the reform of the modern financial system. The objectives of government financial management have gradually expanded from mere control over expenditures and revenues to more complex and diversified goals such as managing government assets, controlling administrative costs, improving operational efficiency, preventing debt risks, and

promoting sustainable financial development [28]. Before addressing the justifications and obstacles to the shift towards the accrual basis, we will present the accounting foundations and their concepts.

G. The Principles of Accounting Measurement

The basis of accounting refers to the time a business transaction is recognized and reported in the financial statements [29]. Most accountants are familiar with these bases: cash basis, accrual basis, modified basis, and commission basis. To clarify the concepts and characteristics of these foundations, we will address each basis separately.

1. Cash Basis

The cash basis is the most straightforward basis to understand, according to which revenues are recorded when actual cash is received, and expenses are recorded when real cash is paid. Accruals are recorded when they are paid [30]. This basis is generally used in government units and governments. It has good reasons to operate on a cash basis. After all, bills should be paid in cash, not receivables or other assets; Therefore, the required cash should be on hand in the year in which the payments will be made. Moreover, pay for the good or service must be made in the year of purchase (or the periods stipulated in the loan agreement) and not necessarily in the year or years in which interest will be received [31].

2. Advantage Of Cash Basis

- It is easy to understand and apply because it does not require entry adjustments at the end of the fiscal year to determine the payables for expenses or income, in addition to expenditures paid and income received in advance. This facilitates the rapid preparation of final accounts, which in turn facilitates the preparation of future estimates [23].
- The results' objectivity is far from personal assessment.
- It provides effective control over the movement of cash flow, which helps in the financial planning process (Massad et al., 2011: 50).
- It is considered the most suitable for government accountability because its purpose is to monitor the implementation of the paragraphs of the general budget and to ensure compliance with it [32].

3. Disadvantage Of Cash Basis

- The lack of comparability of accounting information between different periods does not reflect the achievements and efforts for a particular accounting period.
- The opportunity to manipulate the volume of revenues and expenditures due to the slowdown and acceleration of the disbursement or collection process [33].
- Not giving an accurate picture of the economic unit's activity because some activities' costs will be paid in a subsequent financial year and vice versa [34].
- This basis does not provide the accurate information the senior management needs to evaluate plans for the general budget and significant projects, as the task may end, and there are still suspensions that are not counted within the project cost [35].

4. Accrual Basis

Under the accrual basis, transactions are recorded, regardless of the cash payment and receipt. Revenues are recorded when earned and expenses when they occur.

The accrual basis records transactions as they occur, regardless of when the cash exchange occurred. Revenue is recorded when it is realized - the provision of the good or service -and the expense is recorded when it happens - the receipt of the good or service [36].

Due to the sporadic nature of transactions, the difference in profit margin from one transaction to another, and the existence of the risk of non-collection from customers, merchants preferred to open a separate account for each transaction and shipment and to keep this account open until the entire sale process is completed. When the account associated with a particular transaction is closed, the balance is credited to the profit and loss account [37].

5. Advantage Of Accrual Basis

- The accrual basis measures current income more accurately than the cash basis. Thus, it reflects the unit's financial position more accurately [31].
- It is more helpful in making decisions and controlling due to the possibility of comparing the same item in different periods [38].
- The comparability of the activity of the economic unit is more straightforward from year to year because each financial period will show its related revenues and expenses without overlapping the revenues and expenses of other periods [27].
- It makes it easy to prepare estimates for the next financial period and plan appropriately because of the clear distinction between revenue and capital expenditures [32].
- It activates the role of financial reports and statements in setting financial policies and sound planning [39].

6. Disadvantage Of Accrual Basis

- It does not give an accurate picture of the cash flow in and out of the company. As the net income is not equal to the net change of cash for the period, which confuses managers, the cash balance may be low for a company with a high income in the same period [40].
- It is subject to personal judgment and assessment and needs accountants with experience and high scientific knowledge [39].
- Delaying the preparation of final accounts as a result of keeping records and books open for a period after the end of the fiscal year to bias the record settlements.
- It may lead to an expansion in spending due to exploiting the remaining appropriations allocated by the budget that was not disbursed at the end of the fiscal year, which would enable these appropriations to be recycled in calculating due and unpaid expenses with proper adjustments [23].

7. Modified Accounting Basis

This basis is called the common basis, and it is a mixture of the cash basis and the accrual basis, where the accountant applies one of the two bases (the cash basis or the accrual basis), with some exceptions in the application to some types of revenues, expenses, assets or liabilities according to the requirements of the accounting work.

It is referred to as the modified cash basis when the dominant feature of the recognition and recording of financial transactions in the records is a cash basis, with some exceptions in which the accrual basis is applied with its record reconciliation procedures [32]. The difference between the cash basis and the modified cash basis is that the cash flows that occur in a specific period and go back to a previous period are recognized in the adjusted cash basis as payments or receipts for the last period to which they belong. And the cash flows at the beginning of the period are accounted for in that previous period and are subtracted from the current period [27]. The modified accounting basis is called the modified accrual basis when the predominant application in recording financial transactions in the records is to follow the accrual basis with some exceptions in which the cash basis is applied in a way that allows excluding or deferring the recording of some transactions related to some elements of assets and liabilities. Then these elements do not appear in the financial statements and reports prepared based on modified accrual [32]. This basis deals with calculating expenses when they are due, whether paid or not.

8. The Obligations Basis

The fiscal year bears, according to the commission basis, the expenditures that have been committed and that have not yet been due so that the allocation in the budget is not canceled due to the end of the fiscal year and leads to the inability to disburse the amounts. The following year with need and commitment (Iraq's Financial and Accounting Manual, 2013: 20).

9. Advantages of Obligation Basis

Among the advantages of commitment-based accounting is that:

- The application of this basis helps to preserve the rights of third parties with whom the commitment was made during the financial year.
- It provides information on the obligations associated with it by the governmental unit and indicates the extent to which this unit implements the activities it is responsible for.
- It is considered the best among the accounting principles in controlling the increase and decrease in expenditures, and thus greater control of the executive authority over the funds allocated.

10. Disadvantages of Obligation Basis

Among the defects of accounting based on commitment is that [27]:

- It encourages government units to contract as the end of the fiscal period approaches to exploit the remaining allocations, which leads to an increase in government spending instead of rationalizing it.
- It leads to charging the financial period with amounts unrelated to it, but instead, they are charged to revolve the allocations for the subsequent financial period.

11. Arguments For and Challenges To Adopting The Accrual Basis In The Public Sector

In the 1980s, with the rise of governments with neoliberal economic and social agendas, major Western countries' public sectors underwent fundamental reforms. A significant aspect of the imposed change was implementing a market-oriented focus and cost-efficiency toward managing public sector enterprises, described collectively as the New Public Management Model (NPM). In addition, on an accounting basis similar to that of the private sector, and included an obligation to disclose (in economic terms) all assets owned by the firm.

The primary justification for the government's transition from a cash basis to an accrual basis is the shortcomings of the cash basis. Fails to recognize future obligations, guarantees, and other contingent liabilities, and fails to provide details of how resources are controlled by the economic unit, the cost of delivering goods and services, and other financial information to assess the financial position of the monetary unit. Accrual accounting is useful for governments because it provides complete information on available costs and resources, enhancing efficiency, effectiveness, transparency, good governance, and public sector accountability. The most important justifications for moving to accrual accounting in the public sector can be summarized as follows:

- The importance of accrual accounting for macroeconomic policy arises at the macro-financial level because it measures assets and liabilities that are important to the overall position of fiscal policy and financial sustainability and cannot be measured through cash basis accounting. Precisely, accrual accounting measures other liabilities of quasi-debt, such as accounts payable to receive products and services and employee claims (for example, for civil service pensions), while cash-based accounting measures exclusively conventional debt.
- An accrual accounting framework is required to calculate the total cost of government activities systematically. Entire cost information (including non-cash expenditures such as depreciation and accumulated civil service pensions) is necessary to assess the efficiency of government services. It is thus a critical component of any public sector performance management system. More precisely, knowing the total cost of government services is essential for evaluating alternative service delivery alternatives such as outsourcing and cost recovery, as well as comparing with other countries (for example, comparing the costs of health or education services).
- On a larger scale, accrual accounting has been proposed as a tool for decision-makers and managers to improve their behavior. For example, additional merit-based information that legislators get may motivate them to ask questions to ministers and officials that they would not otherwise ask.

Examples of such concerns are the state and function of fiscal policy, for example, the use of public resources, including capital assets, or government policy on long-term obligations, such as pensions. As a result, an accrual accounting system may encourage changes in the attitudes and behavior of ministers and employees, thus changes in government policy that benefits citizens.

Cohen and Karatzimas [31] indicated that one of the most critical justifications that prompted many countries to adopt the accrual basis is that the accrual basis improves the financial information system and leads to the long-term sustainability of financial policies, and leads to effective management of public assets and liabilities. It also improves the comparability of financial performance and accountability of resources. Generally, it is easier to understand and more difficult to manipulate, leading to better information for planning, financial management, and decision-making purposes [31]. The World Health Organization has issued a report after moving from cash basis to accrual basis and applying the International Public Sector Accounting Standards IPSAS)) The benefits of moving to accrual accounting are concluded as follows: (WHO, 2013:4)

1. Improving the ability to make decisions.
2. Increasing the ability to control and control.
3. Strengthening strategic planning.
4. Integrated reports on assets and liabilities.
5. Improve comparability between accounting periods.
6. Presentation of the financial position of the unit as a whole.

In addition to the justifications and advantages, some obstacles impede the process of shifting towards the accrual basis, and they can be summarized in [34]:

- 1- Loss of motivation to change.
- 2- Inadequate human resources.
- 3- Weakness of information technology.
- 4- Lack of adequate support in the accounting and auditing profession.

➤ *Weakness of sufficient experience of accounting cadres.*

The researcher concludes from the preceding that the application of the accrual basis will lead to better control and the ability to make rational decisions more than other foundations of accounting and the ability to compare accounting periods more accurately as well as management and follow-up of the book values of property, factories, and equipment, in particular heritage assets, which encourages their development and attention. At the same time, this transition requires high expertise, training, and the allocation of resources appropriate to the scale of this change at the state level.

III. DATA AND METHODOLOGY

The study adopted the method of a comparative study by reviewing the various accounting standards for different countries to report on heritage assets in the public sector.

IV. RESULTS

Many countries have addressed heritage assets in their standards. However, these standards are still not mature enough to handle them, so we see that many museums in developed countries such as Canada, Australia, Britain, and New Zealand do not comply with the standards issued by their countries in this regard [33]. In this paragraph, the researcher dealt with the International Public Sector Accounting Standard IPSAS17 and some measures that differ in some procedures. Many countries, such as New Zealand, deal with the accounting treatments of heritage assets because its ideal is identical to International Standard 17.

A. International Public Sector Accounting Standards Board

1) The development of the accounting project for heritage assets

The International Public Sector Accounting Standards Board (IPSASB) 's legacy assets project has undergone several phases. In 2001, the Board published Standard 17 Accounting for Property, Plant, and Equipment for the Public Sector, indicating that heritage assets would be a subject that required development and research [24]. In 2004, the International Public Sector Accounting Standards Board (IPSASB) launched the Heritage Asset Project in partnership with the Accounting Standards Board UK (ASB-UK). A consultation paper entitled (Accounting for Heritage Assets) was published. On an accrual basis) in February 2006. The consultation paper includes a discussion paper developed and approved by ASB-UK and a presentation developed by the IPSASB Heritage Asset Subcommittee., 2017:9). International Public Sector Accounting Standards Public sector entities released a framework Conceptually for public financial reporting in 2014 after a long-standing impasse over budget constraints and other priorities. In April 2017, the IPSAS Board issued a consultation paper entitled "Legacy Financial Reporting in the Public Sector." Calling for comments to develop principles and Guidelines for the identification, measurement, and presentation of heritage [24].

In its 2017 advisory paper, the Council referred to heritage assets as "items to be preserved indefinitely and for the benefit of present and future generations due to their rarity and importance." He stated that this relates to the rarity and importance of heritage elements, including but not limited to their archaeological, architectural, agricultural, artistic, cultural, environmental, historical, natural, scientific, and technological characteristics. In terms of its categories, it divides the elements of heritage into tangible and intangible cultural Heritage and Natural Heritage [24]:

- Tangible cultural Heritage: Examples include monuments, archaeological sites, historical buildings, and art and scientific collections. Underwater cultural heritage, such as submerged buildings or shipwrecks, and natural history collections, such as insect or mineral collections.
- Intangible Cultural Heritage: knowledge in action: practices, expressions, forms of expression, knowledge, and skills as heritage elements. Examples include language and ritual. Intellectual property rights such as the right to record important historical events.

- Natural heritage Landmarks or natural areas. Examples include mountains, lakes, and waterfalls.

Tangible heritage assets are accounted for under IFRS 17 (Property, Plant, and Equipment). For intangible heritage assets, accounting for the standard (31 intangible assets) is not the subject of our study, so we will focus on Standard 17, Accounting for property, plant, and equipment.

2) *Standard 17 Property, Plant, and Equipment*

This standard was issued in December 2001 and revised in December 2006. Then there were several improvements to the standard, the latest published in 2021, which we will rely on in addressing the standard (IPSASB, 2021:520). This International Public Sector Accounting Standard (IPSAS) is primarily derived from IAS 16, Property, Plant and Equipment, published by the International Accounting Standards Board (IASB) (IPSASB, 2021:519). The main issues addressed by this standard are the recognition of assets and their carrying value and the calculation of the costs of depreciation and impairment losses.

The standard states that economic units that prepare and present financial statements on an accrual basis must apply the standard when accounting for property, plant, and equipment, except for [25].

- When a different accounting treatment is applied under other IPSAS standards
- concerning heritage assets.

The standard clarified in paragraph 9 that the entity does not need to recognize heritage assets that would meet the definition and recognition criteria for property, plant, and equipment, but if it does identify it, it must apply the measurement and disclosure requirements of this standard. Still, it is not obligated to do so. Finally, he touched on heritage assets with future economic benefits or other service possibilities other than their heritage value, such as a historical building used as an office, noting that in such a case, the unit can recognize and measure them on the same basis as other items of property, machinery, and equipment. However, as for other heritage assets, Its future economic benefit or service potential is limited to its heritage characteristics, for example, the effects, and it was shown that the presence of both future economic benefits and service potential could affect the choice of the measurement base.

As for disclosure, the standard clarifies that the entities that recognize the heritage assets must disclose some matters concerning those assets, for example:

- Basis of measurement used
- Depreciation method used, if any
- Gross book value.
- Accumulated depreciation at the end of the period, if any
- Adjustment of the book value at the beginning and end of the period showing some of its components.

B. *UK and Republic of Ireland Financial Reporting Board (ASB Standard FRS 102)*

ASB issued its Heritage Asset Accounting Standard No. 30 in 2009, partially replaced by (FRS 102) in September 2015, and revised in March 2018. It is a single coherent financial reporting standard that has become the leading accounting standard in the United Kingdom's financial reporting system. However, concerning heritage assets, there has been no substantive change. FRS 102 differs from IPSAS 17 in its treatment of heritage assets in that it singled out a unique standard for them in the accounting treatment and separated operational heritage assets from non-operating ones, as I mentioned that sometimes they are held by commercial entities. Still, they are not heritage assets because they are not maintained primarily for their contribution to knowledge and culture. Therefore, these assets must be accounted for under Section 17 of the property, plant, and equipment accounting. In addition, heritage assets used by the entity itself, for example, historical buildings used for teaching by educational institutions, must also be accounted for under Section 17, Property, Plant, and Equipment. It is based on the view that the operational perspective is likely more appropriate for most users of financial statements.

C. *Federal Accounting Standards Advisory Board standard 29*

Standard 29, "Heritage Assets and Land Oversight," deals with the accounting policy related to heritage assets and stresses that the cost of acquiring, improving, reconstructing, and renewing heritage assets is recognized within the net worth of the period incurred during it. Still, if the acquisition, improvement, renewal, and reconstruction of multi-use heritage assets are capitalized Within fixed assets, it is depreciated over their estimated useful life. In addition, assets acquired through donations and donations are not recognized. These are the introductory paragraphs in which this standard differs from Standard 17 of IPSAS.

D. *Australian Accounting Standards Board (AASB) Standard 116*

Australian Accounting Standard 116 Property, Plant, and Equipment as amended includes IAS 16 Presentation of Financial Statements issued and amended by the International Accounting Standards Board (IASB). The Australian Accounting Standards Board (AASB) already believes that assets. Heritage is a subset of property, plant, and equipment that must follow the exact definition and accounting treatment [24]. Therefore, only heritage and cultural assets that can be measured reliably under this standard should be recognized as heritage and cultural assets acquired at no cost or cost Token or fair value as on the date of purchase.

E. *South African National Treasury (NT) Standard 103*

GRAP 103 in South Africa states that for heritage assets with more than one purpose, an entity needs to assess whether the definition of heritage assets is met and only if an insignificant portion is retained for use in the production, and supply of goods, services, or for administrative purposes. Otherwise, the entity must account for the asset under the requirements of traditional fixed asset accounting (GRAP 103, paragraph 09). In addition, GRAP 103 requires recognizing

heritage assets if the cost or fair value of the asset can be measured "reliably" (GRAP 103, paragraph 13). If not, relevant and relevant information should be disclosed in the notes to the financial statements (GRAP 103, para. 17) [24].

F. Government Accounting Standard Statement No. 07/2010.

Heritage assets are recognized according to this criterion only if they provide future economic benefits and can be measured reliably. These standard treats heritage assets according to the cost and fair value valuation methods if the purchase price is unavailable. This standard does not allow revaluation except if a significant difference in the exchange rate warrants it. As for the heritage assets used in operational operations, such as an office, are evaluated, as are the fixed assets, in this case, according to the area.

Under PSAP No. 07/2010, heritage assets are disclosed in the notes to the financial statements alone without value, except for some heritage assets that provide other potential benefits to the government besides their historical importance, e.g., a building for office space. Therefore, historical assets can be disclosed in two ways:

First, only several units are included in the notes to the financial statements, and information is written about these assets

Second, they are included in the balance sheet only, providing potential benefits to the government other than their historical value.

V. CONCUSSIONS AND DISCUSSION

This paper aims to investigate, investigate, and compare international standards in the public sector that are concerned with reporting on heritage assets. It will be accomplished by presenting various accounting treatments for heritage assets based on the experiences of many countries. The theoretical aspect introduces the idea of heritage assets, their defining qualities, and several categorizations. Following that, we shall discuss the matter at hand: the definition of accounting standards and the necessity of accounting standardization. Next, we will discuss the International Public Sector Accounting Standards Board (IPSASB). After that, we will discuss the concept of the accounting basis, the different types of accounting foundations utilized, and the degree to which various authorities worldwide have adopted the accrual basis. In the end, we are going to talk about Criterion 17 of (IPSASB), which is concerned with property, factories, and equipment, as well as the paragraphs that are related to heritage assets, as well as several different local standards for the most critical countries in the world that took care of this aspect of the research components. There has been a shift in focus on historic properties. In the past, people often held onto portable and fixed pieces of history to display their riches and social standing. It is where its historical significance originated. Heritage emerged as a means of transmitting knowledge throughout the Renaissance, and as such, it necessitated protection and study. The growth of museums in the nineteenth century marked the beginning of the

dissemination of cultural heritage to the general public. Regardless of a population's socioeconomic standing, historical and cultural Heritage will continue to attract attention as a way of passing on information. Keeping in mind that the historical and cultural heritage represents the community's identity, a witness to the past that must be recalled and remembered, all of those, as mentioned earlier, are included in the concept of heritage. Because of this, modern cultures must care about Heritage preservation and disseminating information gained through studying Heritage components.

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