

The Applicability of Long-Term Leases According to International Standards through the Iraqi Government Accounting System

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The research highlights the long-term leases according to the international accounting standards in the public sector within the economic units that apply the government accounting system. The long-term lease is a lease that has a framework of terms and conditions ratified between two persons; or it's a group of agreements which the two parties of the contract (lessor and lessee) are committed to. The lease is usually valid for over one year. The international accounting standards name several treatments in the lessor registry in order to get suitable measurement and disclosure of the users' needed information and the statement of financial position of the economic unit. Measurements are one of the most important operations that facilitate accessing reliable data; disclosure is the most significant operator in validity and accuracy of information about the building that is provided to the users.

Key words: *Long- Term Leases, The financial system, non- profit governmental units, standard (13), Direct financing leases.*

Introduction

The financial system in the non-profit governmental units is connected to providing accounting information in order to organise the accounting and financial activities of the economic units, as the government accounting is a service post based on legal provisions. In the light of the changes in the global economic environment in general, and the Iraqi society in particular, whose most prominent feature is transition to market economy, expansion in the business sector, there is a multiplicity of variables that effect the financing and investment decisions. In

order to break the numerous constraints that the public economic units, which use the government accounting system, suffer from, we have searched for simple techniques to solve them. One of these available techniques is long-term leasing as it greatly contributes to financing that the economic unit may need.

Research Methodology

A. The Research Issue

Many governmental units that apply the government accounting system suffer from not fulfilling the measurements and disclosures requirements of the long-term leases which causes failure to convey information to the users whether they're internal or external. We can summarise the research issue with the following question: Are there any deficiencies in the government accounting system related to the long-term leases through failing to convey information to the internal and external users?

B. Aims of the Research

- 1- According to the research issue and what has been discussed, it primarily aims to:
- 2- Reaching the suitable disclosure in the financial reports of the governmental units.
- 3- Helping the departments and the external users to predict of the service units' possibilities to manage the files of the long- term leases.
- 4- Analysing and interpreting the similarities and differences between the government accounting system and the international standards related to leases in the public sector.

C. The Research Importance

The research importance comes from the wide use of the government accounting system as the main pillar in applying a country's general budget; it needs more disclosure in order to adjust its work according to the international accounting standards in the public sector to facilitate measuring and conveying of information to the users easily and clearly.

D. Research Hypothesis

Applying the international accounting standards in the public sector leads to more disclosure especially in long- term leases, this hypothesis resulted in other hypotheses:

H1: There are some deficiencies in the government accounting system related to the long- term leases.

H2: The users of the government accounting system, whether they're internal or external, urgently need information about the long-term leases.

E. The Search Scope

The search scope is addressed to the centralised financing governmental units so the research isn't concerned with the self-financing units.

Government Accounting System

A. The Intellectual Framework of the Government Accounting System

Before starting with the concept of the government accounting system, we should go back to the concept of a system in general; it's defined as 'a group of elements or procedures that work together within frameworks or certain relations or certain working mechanisms in order to achieve a certain aim'.

The accounting system is defined as 'a group of methods and procedures used for documentation or recording or collecting of financial data of a unit and designed to match the project requirements' (Al-Kateeb and Al-Mohyni, 2008, 20:185).

We can define the government accounting system as 'one of the administrative organisation elements respect to collecting, disaggregation, summarising, analysing, and conveying financial information that is suitable to external parties such as governmental authorities, creditors, investors and administration, to take decisions.

There's another definition of the government accounting system as 'it's a group of manual and computer operations that aim to create commercial recordings, therefore, establishing disciplines and methods that may help, analysing and summarising these recordings in order to facilitate dealing with, and getting benefits from them in taking decisions within the institutional environment.' (Al-Nabaa, 2011, 11).

It's also defined as 'accounting activities used with recordings and reports that the unit needs to get financial information which helps to evaluate a private business correctly, through using a group of techniques that helps create, save, and restore this information whether by storing it on papers or on computers.' (<http://mawdoo3.com>).

The government accounting system is defined as 'a system that depends on a group of principles, rules, and procedures to record and organise the financial transactions of the non-profit governmental units that are involved in the country's general budget, monitor these transactions, preparing and introducing periodical data and statement of accounts that the planning and monitoring operations require, as well as preparing final accounts according to the central financial laws, rules and procedures.' (Abd Al-Reda, 2009: 28).

The followed government accounting system should provide the suitable principles for monitoring the general budget carrying out (John & Copley,2002:15).

B. Elements of the Government Accounting System

In order to achieve its aims, the government accounting system needs some elements that are considered the pillars of the system rather than documentary, book, accounting and statistical groups; besides, a group of financial lists and reports that should be prepared at the end of a financial period (AL-Shahada et al, 2011:43).

The elements of the government accounting system is represented as follows (Al-Ramahy, 2009: 38-39):

- 1- **The General Budget:** It's the plan's financial programme that the government prepared for the next financial year to achieve certain aims within the framework of the country's general budget.
- 2- **The Documentary Group:** It covers the activities and specifies their role accurately to facilitate the activities' movement.
- 3- **The Book/'Inventory' Group:** It contains accounting and statistical books and registers used in establishing the accounting or financial operations that allows disaggregation of governmental activities to enable us to follow-up the implementation and monitoring of the activities and to check the integrity of the assets with all supporting documents and the relevant data.

Firstly: The Group of Scientific, Professional and Technical Rules according to the Financial Rules and Instructions (Financial Regulations): It clarifies the distribution of work, besides determining the specialties, responsibilities and job-flow control in order to facilitate implementation and monitoring, as well as enable us to discover the faults easily.

Secondly: The Financial Reports Group: It presents the activities' results through various methods according to the nature and the results' time to meet the demands of the executive or legislative authorities or any other authorities, such as the external lending authorities, that helps to:

Follow-up easily the revenues collection and the efficiency of its bodies.

Follow-up easily the expenditure and the compliance to observe and implement the rules of the country's general budget.

The Accounting Manual: *Al-Baghdadi* stated that the accounting manual is one of the most important elements that should be in every accounting system, regardless of the sector using it.

The accounting manual is defined as ‘The way of disaggregation includes the process of choosing the accounts' titles, and collecting them into similar and homogeneous main and subsidiary groups then developing it in accounting manuals by labelling it with symbols and names providing the main data and analysing tools required for planning, following-up, implementing and monitoring at different levels.’ (Al-Baghdadi, 2008:48).

C. The Government Accounting System Characteristics

According to the United Nations experts' opinions (UNITED NATIONS, 1999:4), the perfect government accounting system should have the following characteristics:

- 1- The system is consistent with the constitutional and legal demands which means that it shows how much the governmental body is subjected to the applied legal rules.
- 2- Some accounts should be designed so that they can enable us to diagnose the objectives that the money was allotted to.
- 3- Facilitating the accurate monitoring process that is exercised by the competent authorities.
- 4- Facilitating the effective administrative control on money, procedures and programmes that assure easy internal check.
- 5- The government accounting system should include a firm internal check system, as well as effective procedures for revision that may show how much it is subjected to the rules and disciplines.
- 6- Providing data and information needed for economic planning purposes and financial policies planning, and facilitating the process of preparing reports about national income and accounts.
- 7- providing a cost accounting system aiming to generate data and information relevant to the expenses of carrying out programmes and projects, this system enables us to calculate the service unit costs and the competence with which it was carried out.
- 8- Assuring the applying of a firm and coherent accounting system within the different governmental administrative units in order to provide a group of books and documents.
- 9- Providing data and information that reveal the results of carrying out the economic and financial programmes, meet the demands of the development planning, and reviewing and evaluating the performance.
- 10- The system should allow carrying out the effective administrative control on money and operations, managing programmes, and facilitating the internal and external monitoring by providing the required data for each of them (Al-Badri,2007).
- 11- Carrying out the financial operations at the suitable time efficiently, reliably, and strictly subjected to the monitoring (www.worldbank.org).

Long- Term Leases

A. The Historical Development of the Leases

Leasing roots go back to the ancient eras; indeed, the Sumerians used the short term leases (Leasing Similar) in 3000 B.C. The first leasing work related to the law was in Babylon around 1700 B.C. Aristotle mentioned that the wealth is in using assets as well as possessing them.

Also in the 19th century the cranes, anchors, or even whole ships were leased and, when the industrialising started, the leasing operations increased, especially in the United States and Great Britain.

In 1877, Bell Telephone Company, in the United States, started leasing, not selling, the telephones. In the middle 20s of the 20th century, other companies, such as IBM did the same thing.

In 1933, the primary leases for trucks were concluded because of the few supplies of cars within the Second World War. Leasing cars has been developed greatly; the start point of this developing was also from the United Nations.

In 1952, the leasing agency USL was set up in the United States; historically, it was the first leasing company that was followed by other companies. The first company was very successful and rapidly growing, so this idea was imitated in the free market by other countries.

In 1962, many active companies were set up in Austria and Germany (Marek, 2001:73).

B. Identifying the Lease

We can define the lease as ‘the lessee has the right to use the asset in exchanging a range of instalments paid to the owner of this asset (the lessor). Leasing is carried out according to a timetable of instalments; the period of the leasing is discussed by the two parties of the lease for the favour of all the leases (Brealey et al, 2006: 23).

The lease is defined as a contract that specifies the conditions under which the landlord or the lessor may transfer the right of the lessee to use the asset. (Stice& Stice, 2012:1070).

C. The Pillars of the Lease

As with any other contracts, the lease can't be set up without providing three pillars which are: consent, object and the cause.

1-Consent in the Lease

As we mentioned before, leasing is a consensual operation that requires, like other contracts, consent between the contractors; this consent takes place when the two parts will, which must be formulated without defects, meet on setting up the lease between them.

2- Object in the Lease

It's the legal operation which the lessee and the lessor want to conclude to set up the commitments between them; these commitments are represented in enabling the lessee to get benefit from the leased object whether it is a property or a movable property or a right for a certain period and for a rent that the lessee is committed to; therefore, the two parties should agree on the leased object, the rent and the period.

3- The Cause of the Lease

By the cause theory and the commitment to public theory; leasing is null unless there's a cause or there is a contrary to public order and morals cause (Mubarak, 1993: 207).

D. Identifying the Long-Term Leases

The long-term leases are defined as 'an agreement between the lessor and the lessee by which the lessor gives the lessee the right to use a certain asset, whether it's movable property or not, owned by the lessor within a certain period for a sum of money, called the rent, paid successively or periodically.' (Kesip, 1988: 325).

It's also defined as a fixed, long-term contract for 5 years or more; it has been known initially in European Countries and The United States of America. (Andrew, 2017: 30 March).

E. Elements of the Long- Term Lease (Al-Bazi, 2001: 28)

The lease is built on four main elements which are:

- 1- The lessor
- 2- The lessee
- 3- The leased asset (the rented or leased object or premises)
- 4- The rent.

Sometimes it includes a fifth pillar which is the sub lessee provided that the lease gives the lessee the right to subleasing the asset.

F. Classification of the Long- Term Leases

The long-term leases are classified, according to the lessor's opinion and according to the lessee's opinion, into two sections which are:

*Long-term leases according to the lessor's opinion are classified into: **

- 1- Operating leases.
- 2- Direct financing leases.
- 3- Sale-type leases.

*Leases according to the lessee's opinions are classified into: **

- 1- Operating leases that can't be capitalised.
- 2- Capital leases that can be capitalised. (Al-Bazi, 2001:28).

G. The Advantages of the Long-Term Leases

These leases provide many advantages to both the lessor and the lessee; for the lessor, the lease provides him the following advantages (Kesio, 1988: 326):

- 1- Financing the operations of retraining the production lines, and setting up new production lines.
- 2- An investment opportunity to use the excess productive capacity.
- 3- Marketing the produced goods by leasing it on terms that ensure retrieving the leased asset with fair returns result from investing this asset.

*We can summarise the most important advantages that the lessee can achieve from these leases as following:

- 1- They allow full financing (100%) that is required for getting the needed assets.
- 2- They allow the lessee to replace the used assets with other assets that are more efficient with higher productive quality in a short period.
- 3- They enable the lessee to get benefit from the total cost involved in the lease and charge it back on the revenue which results in decreasing the income taxes.
- 4- They provide flexible terms and procedures that can't be provided in cases where the lessee chooses the borrowing and purchase method instead of leasing

H. The Government Contracts

It's known that the tools used by the administration to carry out its activity and to achieve its aims are represented in the administrative decisions taken with its unilateral and binding on personnel willingness; besides, there are administrative leases that force the administration to

achieve what it seeks until its administration unites with other administrations. This results in a lease between this administration and other administrations.

If we were about to discuss the leases' tool that the administration may seek to achieve its aims, we would find that the lease is not set up or does not exist without convergence of the of the administration's willingness with other administrations, whether it's unilateral or in legal gatherings form, that belong to persons of private law or persons of public law. Considering what the administration claims as a lease, it's forming is subjected to the public rules of leases according to what the public theory organises in the leases in the private law, which declares that any lease's elements are almost exclusively consent, object and the cause.

The leases of the persons of the private law are characterised by being set up between parties that have equal willingness which facilitate applying the law rather than being old leases,. They're also subjected to the old rules of the private law. On the other side, the administrative lease is a lease between the public administration and the others; the rule is that the public administration seeks to achieve an agreed objective which is the public interest objective (Abu Ras, 2011: 2-3).

Thus, the leases concluded by the governmental administrations differ from each other according to the purpose and the names (concession, operation, public, designing, leasing, sale and purchase, public credit etc). It differs according to the rules that organise it and that are applied on and control their parts. Some of the leases concluded by the administration are subjected to its private rules, and they are controlled by principles and provisions of the administrative law, so they're called 'leases of administrative management' (Badawi, 1976: 3).

These leases have a group of characteristics and advantages that give them their own rules that are different from the civil leases' rules according to the following (Al-Anbari, 2011: 57):

- 1- When the administration, as a public authority, concludes a lease, it concludes an administrative lease ensured by a series of conditions which formalize this status. About the abuse of its own money, it invests the money, as the individual, so it's subjected to the civil law.
- 2- The administration's ability is different from the individuals' ability in leasing which impacts the leasing field. The leasing administration is a public authority subjected to the rules and regulations that determine its competence and set out procedural restrictions, while the individual may enjoy broad freedom in leasing limited only by respecting the rules of public order and morals.
- 3- The difference between the desired goal and the interest of the leasing impacts legal positions of the individual and administration in the administrative lease. Since the

administration aims at running a public utility then seeking to achieve a public interest, we notice that it enjoys rights and extensive powers in the lease.

We should refer to that the Leasing Act no.87 of 2004 and Implementation of Government Public Leases no.1 of 2008 don't contain express provision or a public concept about the governmental leases and their kinds, so we refer to the administrative leases by the governmental leases.

The governmental leases have the same conditions as all kinds of leases such as competence, consent, object, cause, and a form; we should also highlight the subjective nature that can be outlined in the three following conditions (Al-Qadi and Hemdan, 2009: 53):

- 1- The administration should be a part of the lease.
- 2- The lease should relate to a public utility from the point of its organisation, running, willing or abusing.
- 3- The contractors, within setting up the lease, should intend to apply the public law's techniques, which means that the lease of private law should include unusual and exceptional conditions.

The Applied Side

A Comparative Study between Standard (13) and the Government Accounting System Concerning the Leases

Dealing with the leases has been broad and become one of the most important fields of investment within the last three decades according to the several advantages for both parties of the lease (lessor and lessee), especially in the field of fixed-asset leasing and production because of its high cost. The IPSAS issued a standard that addressed leasing within the public sector's units as it aims at improving the financial reports introduced by the governmental units. These in turn help with taking better and more eloquent evaluating decisions for allocation of resources introduced by the governments that apply the government accounting system in performing their activities and therefore, increasing the disclosure which in turn leads to increasing transparency and reliability, as this standard comes under implementation in government institutions in the beginning of January 2019. The accounting system is one of the most important financial systems in the different institutions and companies; as it contributes in introducing a clear analysing of their work nature and their financial activities. It also issues a summary about the general financial position, depending on sending accounting reports to the administration for consultation, making suitable decisions, and following up the private economic status of the institution. Here's a comparative study between the standard (13) of the

leases and the application of the government accounting system with regard to the long- term leases:

Table 1

The international accounting measure (13) of leases	The government accounting system	The comparison
<p>1-The aim The standard aims to determine the suitable policies and disclosures in the finance and investment leases</p>	<p>The system aims to prepare the financial data for the governmental administrations and projects, provide the financial reports, analyse and interpret them. These are administrative and control aims that ensure maintaining the public finance.</p>	<p>The standard doesn't match the system in the disclosure operations, as it is employed to ensure the disclosure and measurements in the lease, while the system's aim is controlling and providing data.</p>
<p>2-The scope This standard is applied into the institutions of the public sector which applied the accrual basis as well as the basis of monetary measurement, the exception is the concluded agreements of exploration of natural resources as oil, metals, forests and mineral fields, as well as license agreements of the items of films, cartoons, patents and copyrights.</p>	<p>This system is applied in the public sector and nonprofit units</p>	<p>From the scope: the standard is different from the government accounting system from the point that it's applied in a certain scope and doesn't include the units that lease the tangible assets while the system is applied in all units of the public sector</p>
<p>3-The pillars of the lease in the standard They're represented as: consent, the object, and the cause</p>	<p>The pillars of the lease in the system: competence, consent, object, cause and form.</p>	<p>The standard is in keeping with the government accounting system in the pillars of the concluded lease.</p>
<p>4-The direct primary costs are increasing costs that are directly relevant to bargaining and arrangements of the lease, except the costs that are borne by the leasing transistors.</p>	<p>Bearing the services' costs: the contractor/investor bear the services' costs related to the site and they are submitted in the lease conditions at the advertising stage, and they're paid with the annual rent.</p>	<p>The standard is not in keeping with the government accounting system in the technique of accounting, the direct primary costs, or the technique of fulfilling them.</p>

<p>5- The guaranteed residual value for the lessor is the highest sum that deserves paying in all conditions. But for the lessee, it's the guaranteed value by him or by a third party that has no relation with the lessee who is capable of paying the commitments under the guarantee.</p>	<p>The guaranteed residual value for the contractor is the highest value that he has to pay. But for the contract entity, it's the lowest obtained value.</p>	<p>The standard is in keeping with the government accounting system in accounting for the guaranteed residual value.</p>
<p>6-The interest rate is the rate that the lessor has to pay on the basis of the lease; the rate represents the borrowing needed for buying the asset at the beginning of the lease.</p>	<p>The rate interest: In the past, it was fulfilled periodically according to certain portions mentioned in the lease. Nowadays, the interest on the leases are removed.</p>	<p>The standard isn't in keeping with the government accounting system in accounting the rate interest, as it doesn't fulfil the interest expense on the lease at present.</p>
<p>7-Cancelling of the lease: The lease can't be cancelled under Standard 13 except in the following cases: *If there are unlikely, urgent cases. *a permission of the lessor. *If the lessee signed a new, similar or equal lease with the same lessee. *If the lessee paid an extra sum at the beginning of the lease but its viability is logically uncertain.</p>	<p>Termination of the lease: The lease can't be terminated between the contractors except in the following cases: *If the lessee failed to implement his commitments. *If he was late for paying the rent for the specified period. *If the leased premises is used for an activity that goes against the agreed activity either by contracting or by waiving it without the other party's agreement. *If the contractor is proved to be bankrupt and wasn't able to pay the rent instalments</p>	<p>The standard isn't in keeping with the government accounting system in the conditions of cancelling the lease or the contract</p>
<p>8-Changing the rent instalments: These changes result from changing the general price levels or changing the lessor's costs in financing the lease.</p>	<p>Changing the rent instalments results from changing in annual lease allowances that specified by the ministry that the governmental unit attached to.</p>	<p>The standard is in keeping with the government accounting system in accounting the rent instalments.</p>

<p>9-Classification of the leases according to the standard that they're financing, lease or investment lease (operational)</p>	<p>The leases are classified into financing lease or sale lease.</p>	<p>The standard isn't in keeping with the government accounting system in classification of the leases as the sale lease is included in the system leases and not in the standard.</p>
<p>10-The investment (operational) lease instalments should be classified as expenses on the basis of a fixed- installment within the lease period.</p>	<p>Paying the lease instalments periodically and recording them as expenses.</p>	<p>In the standard, paying the lease instalments is according to the accrual basis and they are considered as expenses. In the government accounting system, paying is done according to the monetary measurement basis and considered as annual expenses</p>
<p>11-The lessees should perform the following disclosures: *The irrevocable future low instalments. **The irrevocable and the expected to receive future low instalments. *The instalments that are recognised in the statement of financial performance for the period with separate amounts of urgent leasing and sub-leasing. *A general description to the leasing agreements of the lessee as the basis of specifying the instalments, options and conditions of renewing the lease or the price adjustment, and the restrictions imposed by the leases.</p>	<p>The contractor doesn't perform any disclosure about the data concerning his lease with the administrative leasing authority, but he implements the lease according to its agreed items and conditions.</p>	<p>The standard isn't in keeping with the system in the lessees' disclosures as they're more comprehensive and wider in the standard rather than in the government accounting system, where there aren't any disclosures for the lessees.</p>

<p>12-The lessors should introduce the assets that are subjected to the investment leases in the statements of the financial position according to the nature of every asset.</p>	<p>The contractor should introduce the asset that is subjected to the lease in the statements of its financial position</p>	<p>The standard is in keeping with the accounting system in introducing the leased assets.</p>
<p>13-We should recognise the leasing income as the income of the lease's period.</p>	<p>The income is recognised in the financial reports for the contractor periodically</p>	<p>The standard is in keeping with the government accounting system in the recognition of the leasing income.</p>
<p>14-Recognition of the costs including the consumption costs borne by the lessor in achieving the leasing income as expenses except the receipt accruals of the presented services</p>	<p>The lease provides for obtaining the government debts by the law of obtaining the government debts and directly adding them with the leasing income without any disparate disclosures.</p>	<p>The standard isn't in keeping with the government accounting system in adding directly the primary costs borne by the lessor as a result of improvement added to the leased asset.</p>
<p>15-The direct primary costs that are borne by the lessors should be added, in negotiation or ordering of the investment lease, to the amount recorded of the leased asset; as it should be recognised as expenses within the period of the lease.</p>	<p>The compensations presented by the contracting entity to the contractor are added to the cases that cause damages to the contractor because they do not implement its leasing commitments, as well as, because of the necessary extra work, that isn't mentioned in the lease, but the contractor achieved.</p>	<p>The standard isn't in keeping with the system in adding the direct primary costs borne by the lessor as a result of improvement that is added to the leased asset.</p>
<p>16-The lessor should introduce the following disclosures for the investment leases: *The future low instalments of the lease. *The total urgent income recognised in the statement of financial performance. *A general description of the leasing agreements concerning the lessor.</p>	<p>The lessors' disclosure, represented in the concluded leases according to the government system, is as the following: *Specifying the future instalments. *A general description of the leasing agreement concerning the lessor.</p>	<p>The standard is in keeping with the system in the disclosures introduced by the contracting entity. The accounting system definitely and totally discloses, at the end of the period, the income according to the financial reports.</p>

<p>17-The effective date: The building should apply this standard, when it takes effect, on the annual financial data that starts on 1st January 2008, or after that. The early application of this standard is preferable.</p>	<p>The starting date of the government accounting system in the governmental units was in 1951 and is still continuing.</p>	<p>The effective date of the standard differs from the effective date of the government accounting system as it was developed later.</p>
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Source: prepared by the researchers by relying on IFAC.

Conclusions and Recommendations

A. The Conclusions

- 1-The government accounting system is applied today in the governmental units; it's used to provide data and information that may meet the requirements of the development planning, as well as review and evaluate the performance.
- 2- The leases, even if they're long term, are considered as an important financier of the economic unit; but the obtained income is annual which increases the continuity of the investment, and therefore, provides a continuous flow of income.
- 3-Although it's easy to apply the monetary basis of measurements, it's useless in introducing the data and information disparately in the financial reports.
- 4-Applying the international accounting and the financial reporting standards is progress towards the measure and disclosure that help in introducing complete information for the users. Caring about these standards ensures coherent and neutral accounting information that is included in the financial reports needed by the internal and external users.
- 5-The Standards provide credibility by specifying measuring internal and periodical controlling on the financial events of the economic units.
- 6- Financial reports are one of the most important elements of the accounting system of the economic unit as they introduce the result of neutral activity and meet the requirements of the internal and external users.

B. The Recommendations

- 1-It's necessary to apply the international accounting Standard 13 in the public economic units because the government accounting system can't meet the users' requirements to get the needed data and information.
- 2-It's necessary to increase the long-term leases as they are a good financier for the units that suffer from lack of financing.



3-According to the international accounting standards in the public sector concerning the leases, the accrual basis should be applied in the economic units of the public sector because the monetary basis applied in the governmental units doesn't clear the financial position of the unit fairly and correctly.

4-It's necessary to apply the international accounting standards in the public sector and the international financial reporting standards as they introduce good accounting disclosures for the internal and external users.

5-Applying an effective internal control system on all the economic units' activities to avoid an incompetent and unreliable accounting system.

6-It's necessary to record data and information of the lessees and lessors in organised tables in order to facilitate the obtaining and use by the internal and external users.



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