

## The new Role of Accountant According to the Modern Definition of Management Accounting and its Reflection on the Iraqi Environment

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### Article History

Received: 17.04.2022

Accepted: 04.06.2022

Published: 23.07.2022

**Abstract:** Many studies in management accounting are concerned with the applications and methods of management accounting used in different countries, and also examine the most important factors affecting the development of the application of these methods, as the various professional organizations have been interested in observing the development of the role of the managerial accountant with the development of these methods and through the issuance of a definition of management accounting. This research determined the role of the management accountant according to the development of its methods and changes in the business environment, and this research found that despite the development of the definition of management accounting, which indicates a change in the role of the managerial accountant, the methods and applications of management accounting in Iraq are still limited and that the change in them is slow and not commensurate with the change in the business environment.

**Keywords:** Management accounting definition, management accountant role, management accountant practice.

## INTRODUCTION

Management accounting methods and techniques help managers in making decisions, especially as they provide financial information that is indispensable to any decision-making process. This position made it interested in defining the role of the managerial accountant within the various business organizations, in a way that allows the information provided to be of a value that exceeds its production costs. This interest did not show up in the profit-driven business organizations in Iraq. There are many reasons for this, including the culture of the organizations and the way business works in Iraq.

### Problem statement

The definition of management accounting is a reflection of the scientific and practical trends of the development of management accounting and the extent of the need for its information and the extent of benefit from it. The definition did not come out of nowhere, but rather it is the result of scientific and practical efforts to solve many of the problems facing the application, so it reflects the required and expected role of management accounting, and in the Iraqi environment, where the lack of a well-known and specific location for the administrative accountant is still a deviation of this site and role constitutes a qualitative addition to the units economic and accounting challenges in both the private and public sectors. This leads to questions about the required change in the role of the management accountant in the Iraqi environment, according to two factors. The first is the changes in the definition of management accounting, and the second is the changes in the Iraqi business environment to meet the economic changes represented in the transition to a market economy.

- 1) Is there a change in the functions of the management accountant and what are the features of this change
- 2) What is the role of the management accountant in our Iraqi environment

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**CITATION:** Bahaa Hussein Mohammed (2022). The new Role of Accountant According to the Modern Definition of Management Accounting and its Reflection on the Iraqi Environment. *South Asian Res J Bus Manag*, 4(4), 140-151. 140

### Research Hypothesis

The research assumes that although professional organizations define the role of the management accountant through the new definition of management accounting, the Iraqi environment has not specified the role and position of the management accountant in its profit-oriented organizations.

### Search objective

- (1) Determining the change in the role of the managerial accountant in managerial accounting according to the definition of managerial accounting
- (2) Determining the practical scope of change in the accounting role for management accounting
- (3) Determining the role of the management accountant in the Iraqi environment

### Literature Review

At the level of local studies comes a study (SAEED: 2018: p89-92), which shows that the most common use is for budgets, which are traditional techniques. As for the rest of the techniques, their use is weak in local industrial companies in the Kurdistan region.

As for the study (2417Allawi.etc; 2020:p.) it shows the extent to which the government sector in Iraq uses modern management accounting techniques, with reference to the factors that impede their application. A questionnaire has been prepared for this purpose and distribute it to 500 account and production managers in government sectors in Iraq. The study found that the government sector in Iraq applies some of these methods, but to a limited extent as a result of the restrictions that limit the use of these methods.

And regionalism confirms the study (Mufid: 2017: P.4). It researched the adoption of modern management accounting techniques and found that only 37% of companies have partial dependence on these modern technologies, while traditional techniques, especially budgets, are prevalent.

Also (Sorour:2020 :p.252) confirmed that the intensity of competition in business companies at the present time prompted those companies to consider cost as the key to success, and that controlling this key leads to maximizing the role of the company.

A study (Monisola: 2014: p.16 ) in Nigeria also found that the role of management accountants is not clear and does not have a clear job position, which is a work performed by the management accountant, and a study (Odia: 2019: p.31) found that the changes in the role of management accountants in Nigeria are few. Slow and also focus on budget preparation.

A study (Voipio: 2014: p.97) in Finland found that the role of management accountants is mixed with that of financial accountants, and there is still a lack of clarity in the role and its importance.

Also, a study (Zainuddin *et al.* p.1) conducted in Malaysia found that the role of management accountants in Malaysian companies was clear in supporting managers' decisions.

### Management accounting definition Role

There have been many definitions of management accounting “by professional organizations like the 1958 American Accounting Association (AAA) Committee on Management Accounting, it “involves consideration of the ways in which accounting information may be accumulated, synthesized, analyzed, and presented in relation to specific problems, decisions, and day-to-day tasks of business management.” (Belkaoui, 1992: 1)

### Several definitions have been issued, namely:-

**First:-** NAA definition:- “The Management Accounting Practices Committee (MAPC) of the National Accounting Association (NAA) in the United States defines Management Accounting as "the process of identification, measurement, accumulation, analysis, preparation, interpretation and communication of financial information used by management to plan, evaluate and control within an organization and to ensure appropriate use of and accountability for its resources". And means the management accounting that includes people in functions such as Controller, CFO, Financial Analyst, planning, budgeting, cost accounting, internal audit, and regulations of public accounting, so it may be of Management Accountants and functional titles such as chief financial officer, Deputy Director for Financial Affairs, and the observer financial, Secretary of the Treasury, budget analyst, cost analyst, accountant, among other jobs”. NAA: 1981:p.p.58-59

**Seconds:-** IMA definition “institutes of management accountants” In 2008 the IMA defined Management accounting “Management accounting is a profession that involves partnering in management decision making, devising planning and

performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization's strategy"( IMA:2008:p1).

"Many definitions used in practice today and many discussions about the role of the management accountant are not consistent with the move to strategic business partner that is now under way. Many of these definitions explain the role of the management accountant as an information provider one who gathers, summarizes, analyzes, and reports information to decision makers. The information-provider role can be presented in the context of the information". Lawson; 2008;p. 48

**Third:-** CIMA definition "Chartered Institute of Management Accountants" in its official terminology"(CIMA: 2005:P. 18)

"Management accounting is the application of the principles of accounting and financial management to create, protect, preserve for-profit and non-profit enterprises in the public and private sectors. Management accounting is an integral part of management. It requires the identification, generation, presentation, interpretation and use of relevant information to:

- Inform strategic decisions and formulate business strategy
- Plan long, medium and short-run operations
- Determine capital structure and fund that structure
- Design reward strategies for executives and shareholders
- Inform operational decisions
- Control operations and ensure the efficient use of resources
- Measure and report financial and nonfinancial performance to management and other stakeholders
- Safeguard tangible and intangible assets
- Implement corporate governance procedures, risk management and internal controls."

The management accountant has become an important part of the administration, bearing the responsibility with it in the decisions taken, instead of being a provider of financial information, which constitutes the essence of economic decisions. The definition of CIMA expanded the functions of the administrative accountant towards the various administrative functions, where the administrative accountant intervenes in all the functions that are specialized in managing the economic unit.

**Fourth:-** AICPA definition, "The American Institute of Certified Public Accountants (AICPA) states that management accounting as practice extends to the following three areas: Ahid & Augustine:2012:p44

- Strategic Management: Advancing the role of the management accountant as a strategic partner in the organization.
- Performance Management: Developing the practice of business decision-making and managing the performance of the organization.
- Risk Management: Contributing to frameworks and practices for identifying, measuring, managing and reporting risks to the achievement of the objectives of the organization."

This definition of AICPA also defined the functions of the management accountant according to the main functions, which are strategic management, performance management and risk management, and thus the rest of the other sub-administrative functions are also linked to the management accountant's job.

**Fifth:-** CGMA definition, "two of the world's most prestigious accounting bodies, AICPA and CIMA, have formed a joint venture to establish the chartered Global management accountant "CGMA" , defined management accounting; "Management accounting is the sourcing, analysis, communication and use of decision-relevant financial and non-financial information to generate and preserve value for organizations". Management accounting helps organizations make better decisions by extracting value from information. Rooting decisions in evidence, or basing them on informed judgment rather than conjecture, makes sustainable success more achievable." CGMA:2014:P 8.

This definition emphasized the two previous definitions of them, and defined the functions of the management accountant by linking the financial management, which is the essence of the single definition for each of them. The definition of CIMA emphasized finance, while the definition of AICPA emphasized the administrative side, and this joint definition came to confirm the link between them as if it were a link to the missing link in Administrative work.

**Sixth:-** IFAC definition, "The International Federation of Accountants (IFAC) note over one half of the 2.5 million professional accountants who are members of the International Federation of Accountants bodies work in business and

the main activities, which are sometimes referred to collectively as 'management accounting' or 'financial management', can be analyzed as: IFAC:2005:p.3-4.

- The creation of value through the effective use of resources (financial and otherwise) through the understanding of the drivers of stakeholder value (which may include shareholders, customers, employees, suppliers, communities).
- The provision, analysis and interpretation of information to management for formulation of strategy, planning, decision making and control.
- Performance measurement and communication to stakeholders, including the financial recording of transactions and subsequent reporting to stakeholders typically under national or international Generally Accepted Accounting Principles (GAAP).
- Cost determination and financial control, through the use of cost accounting techniques, budgeting and forecasting.
- The reduction of waste in resources used in business processes through the use of process analysis and cost management.
- Risk management and business assurance.”

This definition may not differ from the definition that preceded it by emphasizing the role of the administrative accountant as responsible for the administrative decision related to money, which is the essence of economic decisions.

### **The new management accountant role**

We also noted the development of the definition of management accounting and the identification of the functions of the management accountant from performing the procedural function (collecting, recording and summarizing information) to the role of the information provider and to the broader role, which is the role of participation in the administrative decision in order to hold them responsible for the information they provide, which represents the essence of the administrative decision, where financial information constitutes the largest part of any administrative decision in the various public and private units.

“The economic information system contains news and information from different fields, but most of them derive from the economic database, the most representative sources and information of economic data 2013:p355 Breuer.

- The economic planning, which provides economic informational planning and business prognosis data, their share being of 28% of the total economic information.
- The economic database which provides effective information data, representing 70% of the total economic information, distributed as follows:
  - ❖ 46-50% of the information provided by accounting;
  - ❖ 9-13% of the information provided by the economic-social statistics;
  - ❖ 11% of the information provided by the active database;
  - ❖ Other sources represent the rest of the 2 percentage.”

Because of the volume and importance of this financial information (where financial information constitutes half of the information affecting the decision process) organizations have sought.

“Over recent years, many leading organizations have transformed their F&A functions so that they support the business and improve decision making. These functions have the people, systems, processes and structure to provide timely and accurate financial and management information in a user friendly format. Their finance people are business literate as well as financial experts. They operate within a culture that values their contribution to evidence based decision making.

The first step in a change programmer to improve managerial decision making should be determining a shared vision for the F&A function's role. This shared vision should be developed and communicated by the CEO and CFO to the wider business so that it is expected that finance/business partners will improve decision making. A change agenda should look at both the efficiency and effectiveness of the F&A's vision, people, systems, processes and structure.”CIMA:2007:p9

“According to Siyanbola:2012:p33 “Studies have shown that successful utilization of accounting information requires a fit between three factors. **First**, a fit must be achieved with dominant view in the origination or perception of the situation. **Second**, the accounting system must fit when problems are normally solved, i.e. the technology of the organization. **Finally**, the accounting information must fit with the culture i.e. the norms and value system that characterizes the organization.”

“According to (Lambert & Sponem ;2012:p) our research suggests that in organizations where the management accounting function holds little authority, management accountants confine their activity to certain technical tasks. Yet in organizations where the management accounting function enjoys significant authority, the omnipotent and partner

functions, it shows that management accountants are still not exempt from technical tasks. Rather, they tend to cumulate and alternate between the roles of overseer and advisor.

This also confirms that accounting departments’ “core tasks” relate to ‘bookkeeping’ work.

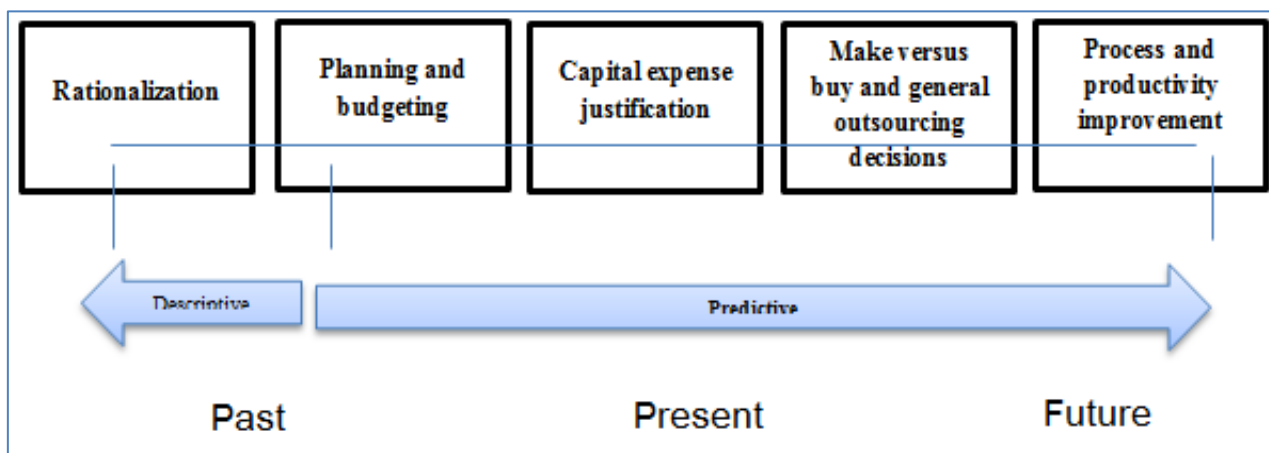
All remaining accounting department competencies are negotiable, since other actors may impose ideas for control to substitute the dominant theories in accounting departments.

When fully empowered, accounting departments can take part in management activities or serve management teams and influence the firm’s businesses by developing “consulting work”.

So, According to (Rahman & Ahmed 2011:p19) “management accountants functioned as support staff for decision makers. However, in the recent years their role has evolved from serving internal customers into a business partner. Being an equal member of the decision making team, the management accountant has the authority and responsibility to tell an operating executive, why particular types of information may or may not be relevant to the business decision at hand, and is expected to suggest ways to improve the quality of (that) decision.”

“The broad decision-making categories (figure 1) for applying managerial accounting are: COKINS SAS:2012:p40.-45

1. Rationalization – Which products, stock keeping units (SKUs), services, channels, routes, customers, etc. are best to retain or improve? And, which are not and should potentially be abandoned or terminated?
2. Planning and budgeting – Based on forecasts of future demand volume and mix four types of services or products, combined with assumptions of other proposed changes, how much will it cost to match demand with our supplied resources (e.g., workforce staffing levels)? When questions like these and many more like them are asked, one needs more than a crystal ball to answer them. This is where the predictive view of costing (the right side of figure 2) fits in. This is arguably the sweet spot of costing. On an annual cycle, this is the budgeting process.
3. Capital expense justification – Is the return on investment (ROI) of a proposed asset purchase, such as equipment or an information system, justified?
4. Make a comparison between buy and general outsourcing decisions – Should we continue to do it ourselves or contract with a third party?
5. Process and productivity improvement – What can be changed? How to identify opportunities? How to compare and differentiate high-impact opportunities from nominal ones?”



**Fig-1: Decision-making categories for applying managerial accounting**

**COKINS SAS: 2012:p40**

The role of the managerial accountant increases as their role is clearly defined and based on the principle of cost-benefit, the work of the managerial accountant expands and begins to take its natural form in the case of increasing the benefits of having systems for management accounting instead of being satisfied with a financial accounting system, and there are many factors that play a role in the expansion of the administrative accountant’s tasks are:-

- 1- The losing unit, the importance of the management accountant and their role increases in the event that the unit is losing, and in order for the unit to survive in the business market, this pressure is reduced in the profitable units.
- 2- Competition factors, where competition factors and their increase in the business environment constitute an important factor for paying attention to cost information and employing it for the administrative decision, and thus

requires attention to the role of the managerial accountant against the economic units whose competitive conditions are less severe.

- 3- The business environment, where the need for a greater role for the management accountant is in the units that operate in a complex and advanced business environment, and therefore the demand for management accounting information and methods decreases whenever the business environment is simpler and thus the management accountant disappears to show only some management accounting methods without a specific tasks for the accountant Administrative.
- 4- The size of the economic unit, the larger the size of the economic unit, the greater the benefits of having administrative accounting systems, and this role grows with larger organizations compared to the costs of these systems, while the costs of these systems and the administrative accountant are higher than their benefits in smaller units.
- 5- Legal legislation, which obliges some units to prepare some methods of management accounting, such as planning budgets.

It is possible that these and other factors contributed to changing the role of the management accountant, as we note in table No. (1).

Schedule (1) the difference between the role of the traditional and modern management accountant.

Perspective	Management accountant's traditional role	Management accountant's modern role
Commercial/business awareness	Poor	Good
Understanding of partner's needs	Poor, different priorities between management accountant and business/operational manager	Good, priorities aligned with counterparties
Nature of management accounting tasks	Routine, statutory, standard	Customized, ad hoc, based on needs
Personal characteristics	Thorough, methodical	Flexible, team player
Professional skills emphasized	Technical, analytical	Good communicator, advisor
Nature of provided information	Historical	Strategic, forward-looking
Contextual factors	Centralized function	Decentralized function
Relationship with other functions	Clear boundaries, independent	Member of a cross-functional team
Terminology	Bean counter, book-keeper, watchdog, corporate police	Business oriented, business partner, internal consultant, co-pilot

Source: Voipio, 2014 10

“Management accountants feel that they have to educate their non-financial managers in using the accounting information. In the nineties, the financial data are available in all levels of business. Management accountants worked together with other managers to find out the best for the company. Management accountants were no longer distinguish themselves from the non-financial managers. They consider themselves as a member of management team. Sometimes, it is rare to find an individual within organization with the title as “management accountant”, but there is always an individual who do the management accountant functions”. Sunarni: 2013:p618-619.

“Management accounting is experiencing some interesting shifts. As management accountants we need to lead the way in helping our organizations understand these changes and how we can help with strategic decision making.” Cokins: 2013:p29.

Clinton & White note in their survey about The Role of the Management. Accountant 2003-2012 (2012:p43) that “Management accountants are clearly valuable strategic partners, but the longitudinal perspective over a nine-year period does not show growth in the management accountant's role or initiative in cost management. A fundamental shift appears to be occurring in the management accounting profession, . Change brings opportunity with it. Is the evolving path for management accountants to abandon cost management for a greater role in planning and evaluation? If so, is this because of the greater pace of operational and market change? Or is there an opportunity to renew a focus on cost management with a strong emphasis on operational and managerial decision support?”

For all decision makers especially managers, financial information necessity for decision making is inevitable, but do accounting and accountant have an outstanding status in managerial decision making? First, some issues neglected in decision making are covered; these resulting from the role and status of accounting are at least because of two issues: "Low-significant financial information reporting content" and fail to provide accounting information”.

“Low-significant financial information reporting content could be a result of accounting past information, absence of prospective information, lengthening of information production cycle, utilization of different accounting methods, presence of different measurement basics and so as a result, being influenced by no financial information and inflation accounting information providers' failures might be resulted from unfamiliarity of accountants and auditors with industry, disregarding professional ethics in work environment, lack of suitable professional training following traditional reporting, and dominance of positive accounting theory. Another issue leading to the ignorance of the importance of accounting information role and status in decision making is related to management and method of using this information in the regard. This issue might be resulted from some factors such as unfamiliarity of managers with concepts and methods of accounting, contrasting manager and accountant because of different perceptions of information, political utilization from accounting information and presence of information asymmetry”. Royaeae, Salehi, Aseman: 2012:p62

In 2003 the IMA- E&Y made a survey and (Garg ,2003,p.1) note that “decision makers did not identify “actionable” cost information as their topmost priority. (For purposes of this analysis, we presumed that decision makers run the finance or accounting department and decision enablers include all other management accountants “

Allahyari& Ramazani (2011:p.177) “note that the factors which cause delay management accounting changes process in which researcher's main variables are as follow:-

1. Lack of accounting employees
2. Lack of competition resources
3. Management stability
4. Problems in management
5. Lack of accounting power
6. Being assured of meeting legal requirements
7. Lack of independence from parent company”

## DATA COLLECTION AND ANALYSIS

For the purpose of achieving the hypothesis of the research, the role of the administrative accountant in the Iraqi units will be investigated, and the sample was taken from public companies that generate revenues to complete their work, and from private banks and companies, and the research community has diversified to include the following categories:

**First:** The general industrial companies sector, which are industrial companies owned by the Iraqi government, and they are subject to the unified accounting system, and they are:

- 1- The Brotherhood General Company
- 2- The Shaheed General Company
- 3- The General Company of Leather Products
- 4- State Company for Electrical and Electronic Industries
- 5- Furat State Company for Chemical Industries
- 6- General Company For Woolen Industries
- 7- General Company For Woolen Industries
- 8- State Company for Electrical and Electronic Industries

**Second:** The Municipalities Sector, which is part of the research community, which includes the municipalities operating in the Ministry of Municipalities. They follow the unified accounting system for the municipalities. They are non-profit units that provide a service, but they generate revenues through which they are spent on their work. The sample includes:-

1. Basrah Municipality
2. Hillah Municipality
3. Karbala Municipality
4. Municipality Al-Hur
5. Municipality Al mahmoudia
6. Sewage Directorate of the outskirts of Diyala Governorate
7. Water Directorate Diwaniya
8. Water Directorate Maysan
9. Ramadi Municipality Directorate
10. Amant Baghdad General Directorate of Planning and Follow-up

**Third:** Private industrial companies that are listed on the Iraq Stock Exchange and include:

- 1- Al Mansour Pharmaceuticals Industries Co
- 2- Baghdad Company for soft drinks

- 3- Iraqi company for dates Processing and marketing
- 4- National Company for Chemical and Plastic Industries

**Fourth:** The private banking sector listed in the Iraq Stock Exchange, which includes:

- 1- Ashur International Bank
- 2- Bank Ahli Islamic
- 3- National Bank of Iraq
- 4- Iraqi Middle East Investment Bank
- 5- Bank Of Baghdad

The research sample, in its diversity, is subject to the (unified accounting system), which is an accounting system that has been centrally adopted by successive governments since 1985. Where public industrial companies depend on the unified accounting system, while the municipalities depend on the unified accounting system for municipalities (which is a copy of the unified accounting system issued in 2008 and noted the privacy of municipal departments), the third category depends on the unified accounting system in its general form, and the fourth category depends on the accounting system for Banks and Insurance Companies (issued in 1992), a version that has been adapted to the work of banks due to the specificity of the banking work. These successive versions of the unified accounting system share the same. The survey form was adopted to investigate the approval of the accounts department for management accounting or the adoption of its methods in general, and through the survey form the following becomes clear.

#### First, the gap analysis

Table-2: Shows the percentage of companies' interest in management accounting despite the presence of a cost accounting department in some of them.

**Table-2: Determining the gap**

Questions	Sectors	the number	Percentage to the extent of conformity	Gap
Does the company have a department for management accounts	special industrial	4	0.00	100.00
	<b>Banks</b>	5	0.00	100.00
	municipalities	10	0.00	100.00
	<b>general industrial</b>	8	0.00	100.00
	Total	27	0.00	100.00
Does the company have a department for accounts costs	<b>special industrial</b>	4	0.00	100.00
	banks	5	0.00	100.00
	<b>municipalities</b>	10	50.00	50.00
	general industrial	8	50.00	50.00
	<b>total</b>	27	33.33	66.67
Does the company have a management accountant?	special industrial	4	0.00	100.00
	<b>banks</b>	5	0.00	100.00
	municipalities	10	0.00	100.00
	<b>general industrial</b>	8	0.00	100.00
	total	27	0.00	100.00
Do the finance or cost departments provide financial reports that are not in the standard accounting system	<b>special industrial</b>	4	0.00	100.00
	banks	5	0.00	100.00
	<b>municipalities</b>	10	0.00	100.00
	general industrial	8	0.00	100.00
	<b>total</b>	27	0.00	100.00
Do you prepare annual planning budgets for production and costs	<b>special industrial</b>	4	50.00	50.00
	banks	5	50.00	50.00
	<b>municipalities</b>	10	50.00	50.00
	general industrial	8	50.00	50.00
	<b>total</b>	27	50.00	50.00
Are there standard costs	<b>special industrial</b>	4	50.00	50.00
	banks	5	0.00	100.00
	<b>municipalities</b>	10	0.00	100.00
	general industrial	8	16.67	83.33
	<b>total</b>	27	0.00	100.00
Do you prepare reports of standard deviations of costs from the actual?	<b>special industrial</b>	4	0.00	100.00
	banks	5	0.00	100.00
	<b>municipalities</b>	10	0.00	100.00
	general industrial	8	0.00	100.00
	<b>total</b>	27	50.00	50.00



Questions	Sectors	the number	Percentage to the extent of conformity	Gap
Are studies prepared for the investment budget	<b>special industrial</b>	4	50.00	50.00
	banks	5	50.00	50.00
	<b>municipalities</b>	10	50.00	50.00
	general industrial	8	50.00	50.00
	<b>total</b>	27	50.00	50.00
Is the company profitable	<b>special industrial</b>	4	50.00	50.00
	Banks	5	0.00	100.00
	<b>municipalities</b>	10	0.00	100.00
	general industrial	8	16.67	83.33
	<b>Total</b>	27	0.00	100.00
Is the company a loser	special industrial	4	0.00	100.00
	Banks	5	0.00	100.00
	municipalities	10	50.00	50.00
	general industrial	8	50.00	50.00
	<b>total</b>	27	33.33	66.67
Are there higher degrees in the departments of finance, auditing and costs	special industrial	4	25.00	75.00
	banks	5	20.00	80.00
	municipalities	10	5.00	95.00
	general industrial	8	12.50	87.50
	<b>total</b>	27	12.96	87.04
Do managers rely on financial information to make operational decisions	special industrial	4	0.00	100.00
	banks	5	0.00	100.00
	municipalities	10	0.00	100.00
	general industrial	8	0.00	100.00
	<b>total</b>	27	0.00	100.00
Do managers rely on financial information to make investment decisions	special industrial	4	37.50	62.50
	banks	5	30.00	70.00
	municipalities	10	15.00	85.00
	general industrial	8	18.75	81.25
	<b>Total</b>	27	22.22	77.78
Are there clear instructions for preparing financial reports related to costs and production to management	special industrial	4	0.00	100.00
	Banks	5	0.00	100.00
	municipalities	10	0.00	100.00
	general industrial	8	0.00	100.00
	<b>Total</b>	27	0.00	100.00

Table (3) shows the distribution of the responses of the different economic units and shows that private companies are more interested in administrative methods than banks, public companies and municipalities.

Table-3

Questions	choice	Sector				total
		special industrial	Banks	municipalities	general industrial	
Does the company have a department for administrative accounts	No	4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				total
		special industrial	Banks	municipalities	general industrial	
Does the company have a department for accounts costs	No	4	5	0	0	9
		14.8%	18.5%	0.0%	0.0%	33.3%
	yes	0	0	10	8	18
		0.0%	0.0%	37.0%	29.6%	66.7%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				total
		special industrial	Banks	municipalities	general industrial	
Does the company have a management accountant	No	4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				total
		special industrial	Banks	municipalities	general industrial	

Questions	choice	Sector				total
		special industrial	Banks	municipalities	general industrial	
Do the finance or cost departments provide financial reports that are not in the standard accounting system	No	4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	total
Do you prepare annual planning budgets for production and costs	Yes	4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	total
Are there standard costs	No	0	0	10	8	18
		0.0%	0.0%	37.0%	29.6%	66.7%
	yes	4	5	0	0	9
		14.8%	18.5%	0.0%	0.0%	33.3%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	total
Do you prepare reports of standard deviations of costs from the actual	No	4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	total
Are studies prepared for the investment budget	Yes	4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	total
Is the company profitable	No	0	0	10	8	18
		0.0%	0.0%	37.0%	29.6%	66.7%
	yes	4	5	0	0	9
		14.8%	18.5%	0.0%	0.0%	33.3%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	total
Is the company a loser	No	4	5	0	0	9
		14.8%	18.5%	0.0%	0.0%	33.3%
	yes	0	0	10	8	18
		0.0%	0.0%	37.0%	29.6%	66.7%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	Total
Are there higher degrees in the departments of finance, auditing and costs	No	2	9	6	20	9
		7.4%	33.3%	22.2%	74.1%	33.3%
	yes	2	1	2	7	18
		7.4%	3.7%	7.4%	25.9%	66.7%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	Total
Do managers rely on financial information to make operational decisions	No	4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%
Total		4	5	10	8	27
		14.8%	18.5%	37.0%	29.6%	100.0%

Questions	choice	Sector				total
		special industrial	Banks	municipalities	general industrial	
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	Total
Do managers rely on financial information to make investment decisions	No	1 3.7%	2 7.4%	7 25.9%	5 18.5%	15 55.6%
	yes	3 11.1%	3 11.1%	3 11.1%	3 11.1%	12 44.4%
Total		4 14.8%	5 18.5%	10 37.0%	8 29.6%	27 100.0%
Questions	choice	Sector				
		special industrial	Banks	municipalities	general industrial	Total
Are there clear instructions for preparing financial reports related to costs and production to management	No	4 14.8%	5 18.5%	10 37.0%	8 29.6%	27 100.0%
Total		4 14.8%	5 18.5%	10 37.0%	8 29.6%	27 100.0%

Table (4) shows the Kruskal-Wallis H test, through which it shows the statistically significant difference between the different sectors, as it shows that the different sectors in which the research sample operates did not effectively affect the adoption of management accounting methods, and it confirms the research hypothesis, meaning that the non-emergence of methods for managerial accounting in Iraq, it refers to more factors than the different sectors of work, but rather it has to do with the managerial culture and the growth of the accounting culture in Iraq.

Table-4

No	Questions	Kruskal-Wallis H test	morale
1	Does the company have a department for administrative accounts	0.000	1.000
2	Does the company have a department for accounts costs	26.000	0.000
3	Does the company have a management accountant	0.000	1.000
4	Do the finance or cost departments provide financial reports that are not in the standard accounting system	0.000	1.000
5	Do you prepare annual planning budgets for production and costs	0.000	1.000
6	Are there standard costs	26.000	0.000
7	Do you prepare reports of standard deviations of costs from the actual	0.000	1.000
8	Are studies prepared for the investment budget	0.000	1.000
9	Is the company profitable	26.000	0.000
10	Is the company a loser	26.000	0.000
11	Are there higher degrees in the departments of finance, auditing and costs	2.934	0.402
12	Do managers rely on financial information to make operational decisions	0.000	1.000
13	Do managers rely on financial information to make investment decisions	2.893	0.408
14	Are there clear instructions for preparing financial reports related to costs and production to management	0.000	1.000

## RESULTS

Management accounting systems have witnessed great and rapid progress in their methods and techniques used in order to provide information to management, which helps in the decision-making process. This period also witnessed a change in the roles of management accountants and a significant increase in reliance on them within the decision-making teams as a result of a different set of factors. As a result of these two factors (the development of managerial accounting methods and the change of the organizational environment), the various professional organizations have developed their definition of the managerial accountant in order to develop and diversify this role and make it more effective in using these methods to provide useful information to the decision maker. Especially that the main factor in managerial accounting information is the principle of cost – benefit.

Despite the change in economic conditions in Iraq (which is one of the factors affecting the change in the role of the administrative accountant), the response of the various Iraqi organizations was slow and inconsistent. Although these organizations do not depend on government funding as a basis (municipalities and companies of the Ministry of Industry are organizations called self-financing) and the other sectors are completely profitable (such as banks and private industrial companies), but they have not witnessed a significant change in the methods of management accounting used, The most common method is the preparation of discretionary budgets, and some companies have cost accounting systems (such as government industrial companies), which is a legal requirement only and the information of the departments has no effect on the decision maker, and the reality of the company's status as a winner or a loser did not

affect its development of management accounting systems. Companies need to develop practical decision-making systems based on modern management accounting methods in response to the change in the business environment.

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