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LFU LEBANESE FRENCH UNIVERSITY

Lebanese French University

College of Administration & Economics · Department of Business Administration



Governmental Accounting in Iraq and the Kurdistan Region

Nearly
800,000
Employees Now Receiving Wages Digitally Across the Kurdistan Region

Institutional Architecture, Intergovernmental Fiscal Reconciliation and Public Sector Modernization

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Seminar Roadmap

01 Regulatory framework
Decentralised accounting

02 Treasury operations
Pre-audit and disbursement

03 Public audit
Federal and regional oversight

04 Fiscal transfers
Trial balances and remittances

05 Fiscal evidence
KRG accounts, 2019–2025

06 Workforce and pay
Federal and regional trends

07 Utility costs
Water tariff recovery

08 Digital reforms
MyAccount and ASYCUDA

09 Sources
Research and official records

Iraq federal budget structure

Federal budget
Estimates revenue and authorises expenditure

Operating and investment
Appropriations for spending units

Kurdistan Region allocation
Federal budget share after applicable deductions



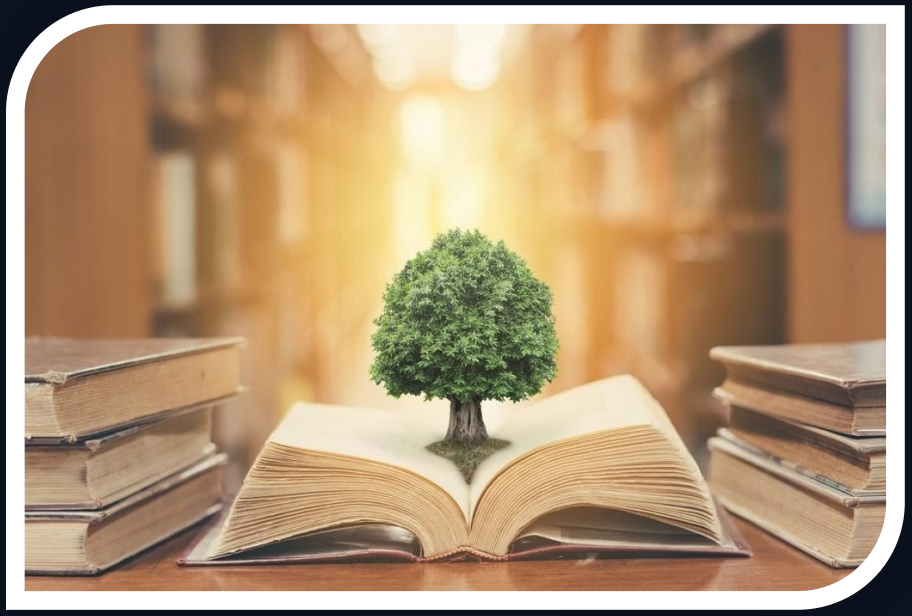
KRG Ninth Cabinet executive agenda

Legal and Institutional Framework

Accounting authority
The Iraqi Ministry of Finance's Accounting Department administers the decentralised system and consolidates spending-unit accounts.

Accounting basis
Budget execution is primarily cash-based, with adjustments and separate records for selected balances.

Spending units
Ministries and directorates record receipts and disbursements against appropriations, then submit monthly trial balances for review. KRG ministries use trial balances in federal reconciliation.

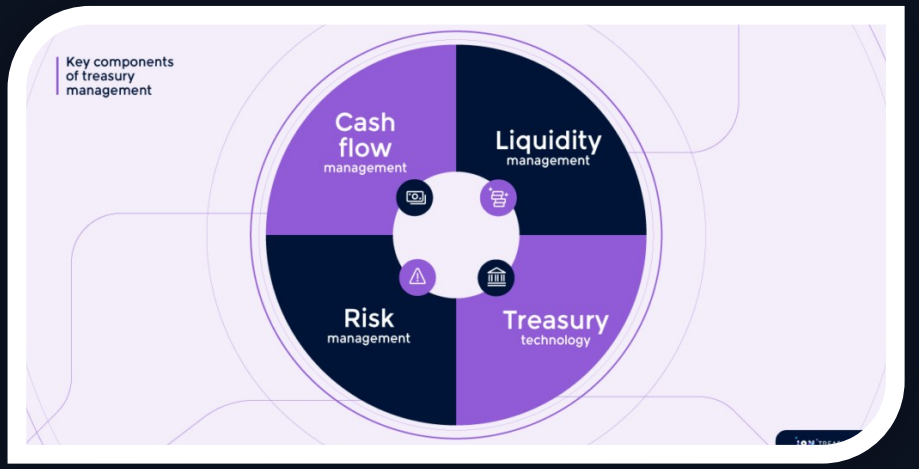


Treasury Operations and Internal Control

1. Request
The spending unit submits a payment request against an approved operating or capital appropriation.

2. Pre-payment review
Accounts and internal control staff check supporting documents, legal authority and available appropriations before authorising payment.

3. Posting and reconciliation
Treasury staff post approved transactions to journals and reconcile the monthly trial balance.

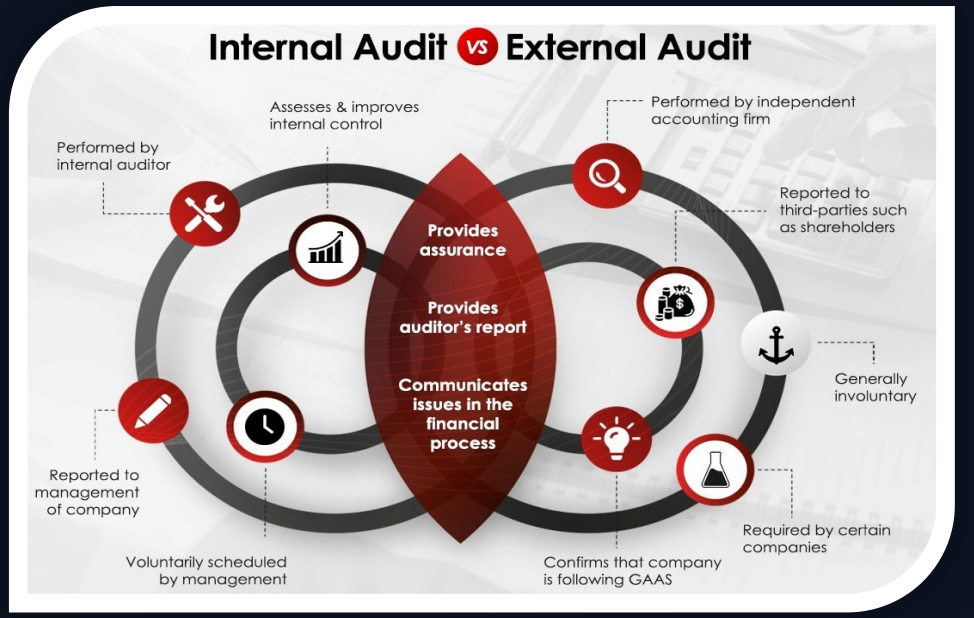


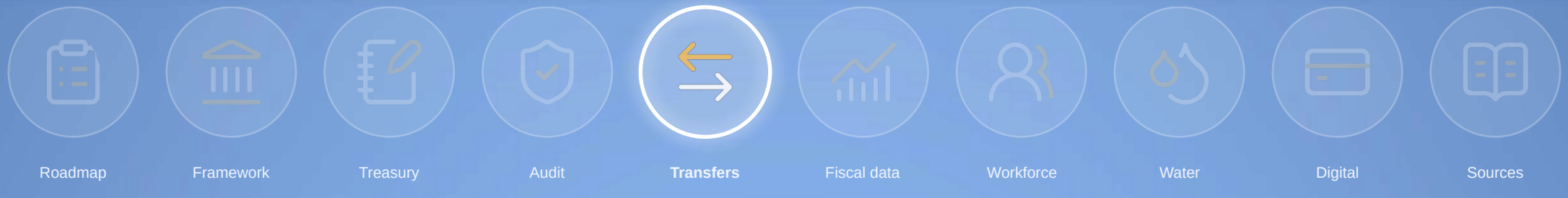
Internal and External Public Audit

Internal audit
Ministry audit units review controls and check compliance during budget execution.

External audit
The Federal Board of Supreme Audit and the Kurdistan Region Board of Supreme Audit independently review public accounts within their mandates.

Joint verification
Joint audits compare expenditure, payroll and revenue records. The scope includes non-oil receipts from services and border crossings.





Erbil–Baghdad Fiscal Reconciliation

Monthly submission
KRG finance officials submit revised trial balances for revenues and expenditure, plus verified payroll registers, for federal review.

Joint audit
Federal and regional audit teams reconcile records supporting salary funding. The applicable budget law covered 2023–2025, with remittance arrangements continuing in 2026.

Non-oil remittance
The KRG reported a 50% remittance arrangement and an IQD 50 billion transfer to the federal treasury for May 2026 through CBI Erbil.

KRG trial balance extract

Audited revenue totals, 2019–2025

Revenue line	IQD T
Oil	22.578
Customs	9.547
Taxes	5.415
Ministerial	13.836

Erbil–Baghdad fiscal transfers

2019–2025 · IQD trillion



KRG Audited Fiscal Performance, 2019–2025

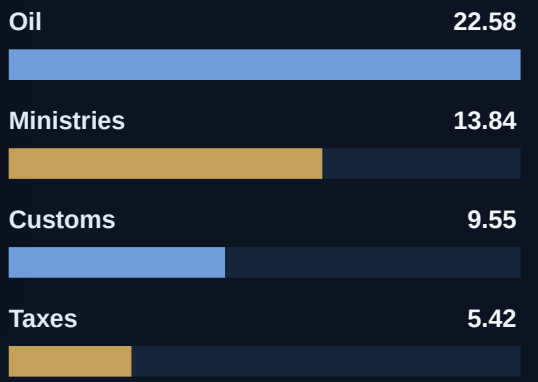
Indicator	IQD T	Accounting context
Statutory budget share	146.4	Federal allocation before deductions
Federal transfers received	33.4	Actual transfers from Baghdad
Domestic revenue	51.4	51.376 in detailed KRG table
Non-oil revenue	28.8	Ministries, customs and taxes
Public expenditure	87.6	1.19M beneficiaries, ~946B IQD per month

The detailed KRG table rounds to IQD 51.4T. The report summary gives IQD 51.3T.



2019–2025 transparency report header

IQD trillion · KRG audited trial balances

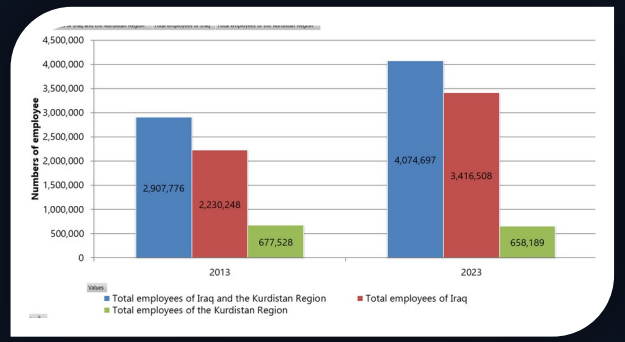


Public Workforce and Salary Expenditure

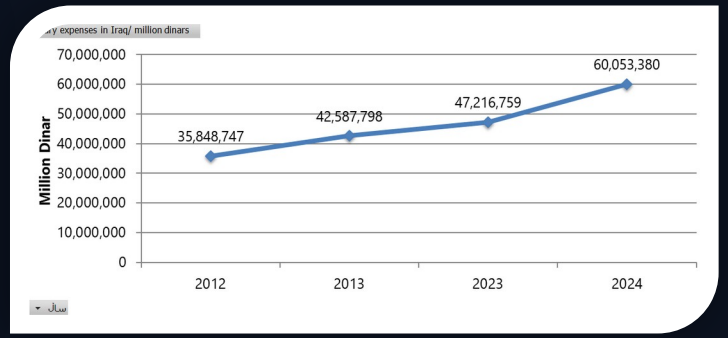
Indicator	2013	2023–25[1]	Change
Iraq, incl. KRI	2,907,776	4,074,697	+1,166,921
Federal, excl. KRI	2,230,248	3,416,508	+1,186,260
KRI positions	677,528	658,189	−19,339
KRI share	23.30%	16.15%	−7.15 pp
Salary spend (IQD T)	42.59	60.05[2]	+17.47[3]

[1] Budget-law staffing. [2] Salary outturn for 2024. [3] Change from unrounded outturns. The two outturns cover different populations.

Federal education added 319,336 staff and health added 261,384. KRG reports separately track 37,930 contract teachers and 66,474 new positions funded by domestic revenue.



Rudaw Research Center · Workforce comparison



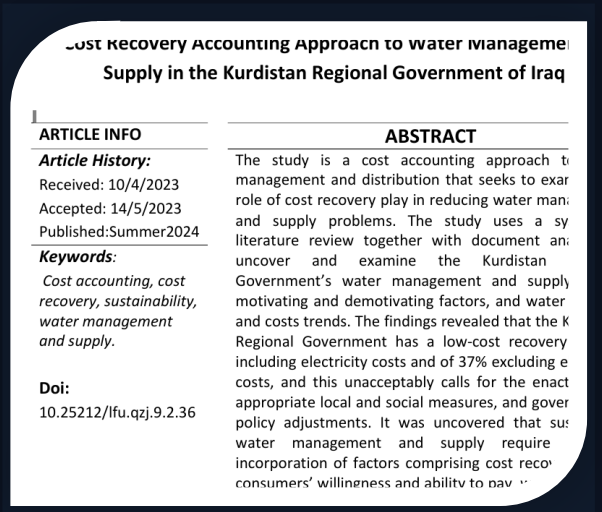
National salary expenditure, 2012–2024

Cost Recovery in KRG Water Services

LFU journal case study
Khedher, Abdulrahman and Saaduldeen compared tariff revenue with water management and supply costs in the Kurdistan Region.

Electricity and the cost base
Tariffs recovered 13% of costs including electricity and 37% when electricity was excluded. The comparison uses the same tariff revenue with different cost bases.

Implications for utilities
Separate electricity costs in service accounts. Use the resulting unit costs and collection data to evaluate tariffs and metering.



Cost Recovery Accounting Approach to Water Manageme
Supply in the Kurdistan Regional Government of Iraq

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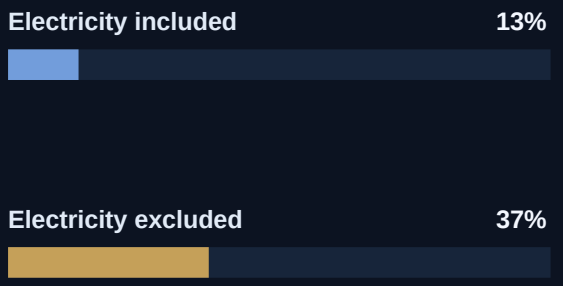
ABSTRACT

The study is a cost accounting approach t management and distribution that seeks to exar role of cost recovery play in reducing water man and supply problems. The study uses a sy literature review together with document an uncover and examine the Kurdistan Government's water management and supply motivating and demotivating factors, and water and costs trends. The findings revealed that the K Regional Government has a low-cost recovery including electricity costs and of 37% excluding e costs, and this unacceptably calls for the enact appropriate local and social measures, and gover policy adjustments. It was uncovered that sus water management and supply require incorporation of factors comprising cost reco consumers' willingness and ability to pay

LFU journal article · Title and abstract excerpts

Water cost recovery

Tariff revenue as a share of recorded costs



Digital Payroll and Customs Reform

MyAccount digital payroll
In May 2026, 795,750 recipients were scheduled for digital pay. Erbil accounted for 373,300, Sulaimani 227,600, Duhok 181,900 and Halabja 12,950.

Later rollout
KRG reporting put September digital pay at about 1.02 million recipients and registration at 99%. The network grew from 600+ to around 800 ATMs.

ASYCUDA and accounting reform
A June 2026 agreement set out 16 points for aligning customs procedures. Electronic declarations and payments support border revenue audits. Shared ledgers can support phased IPSAS-aligned accrual reporting.



MyAccount · Nearly 800,000 recipients in May



UNCTAD · ASYCUDAWorld rollout in Iraq

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Accounting information systems

01	02	03
Source documents	Control checks	Ledger and reports

Thank You!

Modernizing governmental accounting and transparency is key to better public financial management in Iraq and the Kurdistan Region.

We’d love to hear your thoughts, feedback, or any questions.

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