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The Project of Conceptual Framework for Financial Accounting: A Literature Review

Majid Ahmed AL Anssari [a]

[a] *Assistant Lecturer, Accounting Department, Shatt Al-Arab University College, Basrah, Iraq.*
E-mail: majidalanssari59@gmail.com

Abstract

This study was conducted in light of numerous effects on the growth of the modern accounting thinking model, which started as an accounting theory at the beginning of the past century, notably in the 1920s and 1930s. The research begins with the early theorists' attempts to find theoretical rules or foundations that lead to accounting applications and works to confront and solve their increasing problems from that period until recently. The main concern is the enhancement of financial accounting criteria, instead of the development of accounting theory. The current study aims to trace the course of the conceptual framework project to evaluate its experience and role in the standards project. The research also tries to give answers about the effectiveness of the conceptual framework presently and in the future directions of the joint framework project.

Keywords: Conceptual Framework, Rules, (GAAP), (FASB) (IASB).

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Introduction

Changes in a variety of environmental elements occurred when the 20th century began, when the globe entered the post-industrial revolution era. The appearance and expansion of active marketplaces and significant projects are among the most significant developments. On the other side, a lot of rules and regulations are aimed at controlling how businesses operate. These factors together resulted in accounting problems, foremost of which are the problems of corporate-stock companies related to the management and organization of management performance, in addition to the problems of public companies in allocating costs and their distributions, leading to the economic crises in 1923 and 1929. The auditing profession played an active role and witnessed an increase in demand, but it was unable to address the current issues facing businesses. The rise in accounting figure disparities was also affected by the expansion of stock exchanges and the rise in users of accounting data. Additionally, the time was marked by a profusion of names, terms, and the importance of their applications, which heightened the complexity of practices. This was required to come up with methods to get rid of the discrepancy in accounting systems. Accounting began to take on its role as a science and a profession, as it was concerned with the professional and academic aspects and searching for guiding rules and foundations for application. The goal of this search is to unify accounting practices and policies, with the secondary goal of building a prototype of accounting application standards.

Despite various attempts, the great turning point is represented by what Prof. Patton presented in 1922. "He presented a list that could be like the first set of rules or foundations for guiding accounting work. In fact, it was the first attempt to build an accounting theory, which has not been completed yet (Zeff, 1999). The activities stated above may be categorized as attempts to seek norms, which serve as the foundation or core of the conceptual framework project that first took shape in the 1970s. The current study aims at tracing the course of the conceptual framework project to evaluate its experience and role in the standards project. The research also tries to give answers about the effectiveness of the conceptual framework presently and in the future directions of the collaborative framework project.

To Achieve this, the Study Consisted of Four Sections

The first section summarizes the period before the conceptual framework project, where the common roles of early theorists, professional associations, and federations, as well as the role or contribution of practitioners, will be highlighted. As for the second section, it discusses the draft conceptual framework in detail from the beginning of the 1970s until the completion of the first version by the (FASB) in 1976 and its application in 1978. The third section includes an attempt to cover the conceptual framework project in its practical aspect and its effects. It also includes the conceptual framework's definition, purpose, benefits, and necessity, as well as the advantages and disadvantages of this framework over a ten-year period until the (IASB) issued its framework for 1989.

The fourth section deals with the collaborative project attempt to become a project of standards based on collaborative efforts that were subsequently refined to achieve launching the two conceptual framework versions in 2010 and 2018. This section will also include the current and future environmental impacts of the feasibility of the existence of the conceptual framework and its future. Is there another alternative project, or is the current project developed to focus only on standards, which is the stage of accounting politicization?

The First Section: The Pre-conceptual Framework Stage

Over the years, strenuous efforts were made to identify the nature and corporate financial reporting to enhance a conceptual framework that guides accounting and provides a workbook that facilitates the task of accountants. Most of these efforts in the early days were the work of specialists related with putting the teaching of the subject on a sound theoretical basis. In addition, the emergence of universities at the finale of the 19th century in addition to the start of the 20th century w1as an area for teaching accounting as a science that needs theory as a basis and a means to control practical practices. For this purpose, the key attempts in developing the conceptual framework can be summarized as follows:

First: The core of the FASB's conceptual framework dates back to "Patton's work on his book on accounting theory issued in 1922" (Patton, 1922). This book was known as "the first endeavors to enhance a conceptual framework" in the American accounting literature (Zeff,1999). In defining the accounting hypotheses, Patton used the deductive method. These six fundamental hypotheses were the accounting unit, continuity, budget equation, list financial situation, cost monitoring, accrual of costs, and realization of revenues. Zeff states that although it is said that "what Patton presented includes hypotheses and accounting principles," their nature is not clearly explained. "The search for a type of accounting theory that consists of goals or objectives dates back to the 1920s," Zeff argues (Zeff, 2013). Identifying the qualitative objectives and features in the conceptual framework is likely to influence financial accounting generally.

Second: "In 1930, scientific and professional associations, in particular those in the USA, took the lead in the field of research." (Most, 1982). After the 1929 stock market crash, the US Congress passed the Securities Act of 1933,

followed by the establishment of the Securities Commission and stock exchanges in 1934. "The task of this committee is to achieve the maintenance of stable and efficient capital markets for publicly traded securities" (Alon & Dwyer 2016). "Another task is to protect the public from being lost through ignorance" (Most, 1982). In addition, laws were issued that obligated companies to register on the stock exchange, where the prominent role of major auditing firms appeared at the time, which gave impetus to the development of primary rules or foundations. This period also included an attempt to search for assumptions and concepts to form the so-called generally accepted accounting principles.

Third: "As part of the reorganization plan, the American Accounting Association (AAA) was established in 1935 to replace the previous organization that was in the name of the American Association of University Instructors in Accounting, which was founded in 1916." The Executive Committee was assigned the responsibility of establishing broad basic accounting principles and standards, which could provide a framework for corporate financial statements" (Most, 1982). "As part of that mission, it was given the legal authority to set US financial accounting and reporting standards" (Palmon et al., 2011). In speaking about generally accepted accounting principles in his book "Accounting Theory,", Most states that in 1936 the American Accounting Association (AAA) issued "a tentative statement." Baton and Littleton were members of the original executive committee that prepared this statement. Back in the 1940s, a doorstep to corporate accounting criteria was published and the words "tentative statement" were omitted. This was followed in 1948, when a statement under the title "Accounting Concepts and Standards on Which the Financial Statements of Companies Are Based" was presented (Most, 1982).

Fourth: After studying accounting principles for ten years in the 1930s, Littleton observed that the term "principles" was clearly well-worn in the accounting literature. Both academic authors and accounting professionals have used them often and without distinction. Axioms, norms, overviews, approaches, rules, postulates, practices, processes, values, and criteria are typically mixed together in each book. These phrases cannot all be synonymous. Though the need for parting becomes more ostensible over time, nothing is done to demonstrate that they are not. (Littleton, 1938)

Fifth: The (AICPA) presented two studies: the first was by the then Director of Accounting Research, Moonitz, who summarized in his study "the most important elements (pillars) upon which the process of preparing financial statements and the proper presentation of information is based" (Moonitz, 1961). It also dealt with determining the nature and type of the information user and the nature and sort of data to be disclosed, as well as the methods and timing of disclosure. Because many of these principles have proven effective in practice, the accounting profession has long agreed to refer to them as "Generally Accepted Accounting Principles" (GAAP). The second study was by Sprouse and Moonitz (1962). Theorists have claimed that accounting practice shall switch to a system according to current values instead of historical costs, which has led to strong criticism of this study. "Rarely distinct from commonly accepted concepts and abandoned by the profession." Crady was subsequently given the go-ahead to create an accounting theory by the American Institute of Independent Certified Public Accountants (AICPA). Crady's hypothesis from 1965, which was based on the inductive process, was essentially descriptive of present practice.

This stage was characterized by searching and developing rules. As a result, the research process resulted in assumptions and concepts that formed the so-called (GAAP Generally Accepted Accounting Principles).

The Second Section: The Phase of the Conceptual Framework Project in the Seventies of the Last Century

This stage finishes what the previous one started. The seventies of the last century represent the level of theoretical construction of the conceptual framework project, as shown below:

First: After crashing the stock market 1968, this period witnessed the birth of the (FASB). It was also the usual impulse to be responsible for the accounting profession. It was alleged that "creative accounting" was responsible for promoting fake earnings growth, with the SEC publicly accusing some accounting firms of failing to protect investors. "Many investors have resorted to the courts to obtain financial compensation" (Most, 1982).

Second: The effort at this stage is due to the (AICPA). In 1973, the Trueblood Report was introduced. Paragraph (5) included three different concepts, each of which emphasized certain objectives in the financial reports (Glautier & Under down, 1977): The first concept of financial reporting objectives is to provide valuable data in judging management ability and efficiency in the use of funds. The second concept is decision-making, which focuses on providing information to the various groups that use financial reports, led by investors, to make buying, selling, and holding decisions, while the third is the general user concept. Regarding the purposes of financial reporting, the third concept is seen as contemporary at the moment since it strives to broaden the audience for information presentation to include all users, both directly and indirectly connected to the economic unit. Because of this, the accountant must provide more detail. (i.e., broadening the information flow process within the constraints of accounting principles) because the state of uncertainty prevents knowing what the goals of the various accounting information users are. However, the determinants of measurement and disclosure still have an instrumental role when the accountant applies accounting principles and standards in the process of preparing and presenting information." In addition, the Trueblood

report referred to some information characteristics, such as relevance and relative importance, form and substance, reliability, (neutrality), freedom of bias, comparability, consistency, and comprehensibility (Deegan, 2014).

Third: The early seventies of the last century witnessed the birth of the (FASB). It began in 1974 when the FASB was tasked with trying to operationalize the Trueblood report. Therefore, the process of auditing the report took place, which took four years, until the issuance of the Statement of Financial Accounting Concepts No. 1 (SFAC1) in 1978 (FASB, 1978). Huber states that this statement is the conceptual framework for FASB that first appeared in 1978 and was reviewed many times (Huber, 2020). The FASB attempted to integrate economic, financial, and accounting theories and principles together into what it states as "defines the purpose, scope, and boundaries of accounting and financial reporting through a cohesive system of interconnected goals and fundamental ideas (FASB, 2018). Following it, Statement of Accounting Concepts No. 2 (SFAC2), on "Qualitative Characteristics of Accounting Information," was released (FASB, 1980a). In the late 1980's Statement of Accounting Concepts No. 3 (SFAC3) summarizing the elements of financial statements for commercial enterprises, (FASB, 1980b) was issued.

It is worth noting that the FASB framework has been subjected to severe criticism, including a relatively recent one by Huber, who claims that the FASB conceptual framework is illogical and depended on autocratic statements, false assumptions, false conclusions, contradictory assertions, internal contradictions, misidentification of resources, and ignorance of securities laws (Huber, 2020). The author concludes in his critique that the framework has lost its purpose as guidance for future financial accounting practices and as a basis for evaluating current guidelines and practices.

Fourth: The current attempts have produced a number of achievements, but they fall short of the full theoretical model that accounting philosophy is seeking. One of these accomplishments is the establishment of ideas that drove the application of accounting, such the positive theory. The emergence of this theory was accompanied by a great controversy by the opponents, of which Sterling was the strongest (Sterling, 1990), but it is still the present theory to this day. This stage also included severe criticism for the lack of a comprehensive theory of accounting or reaching an acceptable theoretical content that could be a reference in theory and application.

Fifth: Although the draft conceptual framework of the (FASB) 1978 was a very big turning point in accounting thought, as it absorbed and solved many accounting problems. However, this project did not escape the criticism leveled at it. Dennis argues that the key issue with the original FASB project to create a conceptual framework has been that the project was improperly designed, and alternative strategies might not have been well thought out before the project started." (Dennis, 2018). However, it remains the cover or the mainstay of the accounting system in USA.

The Third Section: The Draft Conceptual Framework in Application and Its Effects

This section includes an attempt to cover the conceptual framework project in the practical aspect and its effects. We present the definition, purpose, benefits and need of the conceptual framework. In addition, we will deal with the pros and cons of this framework over the ten years leading up to the issuance of the conceptual framework in 1989.

First: The concept of a conceptual framework is connected to viewpoints that advocate treating accounting as a separate science with its own set of ideas. We infer solutions to the issues in the application from these ideas. The idea of understanding a conceptual framework is based on understanding the sequence of ideas it contains. It consists of the objectives of financial reporting and the concepts that result from those objectives and follow them logically. A conceptual framework is defined as "a coherent system that includes an interrelated set of concepts related to the goals and fundamentals of science" (Keiso, 2020). The aim of the conceptual framework is embodied by "identifying aims, qualitative features, and other concepts guiding the choice of economic events to be familiar, measured, and presented in financial statements, or relevant means of communicative data to those who have interests" (Nussbaumer, 1992). Dennis claims that the aim of the conceptual framework is "to aid the (IASB) to enhance the standards according to reliable concepts (Dennis, 2018).

A conceptual framework is necessary because it provides "a justification for arriving at a cohesive collection of assumptions, principles, and criteria" (Keiso, 2020). The framework is also regarded as a foundation for improving practical application by assessing the relevant norms and principles in use in order to avoid any irrational practice. It also aids in dealing with any fresh problems of thought or application.

Second: Internationally, the IASC released "A Framework for the Preparation and Presentation of Financial Statements" in 1989. This conceptual framework is quite equivalent to the conceptual frameworks created in Australia, Canada, and New Zealand. The 1989 edition of the Framework marked the beginning of a major project on an accounting organizational structure. This framework was named (IASB) because it dealt with many concepts and expanded greatly, but in the end, this dream was not achieved due to the unlimited expansion and its need for great efforts and a long time. An example of expansion is that when the concepts of the financial statements were discussed, it was necessary to address the concepts of the fundamentals of the financial statements, assets, liabilities, property rights, revenues, and expenses. When addressing the problem of assets and demonstrating them, it brought them to the idea of historical cost as well as other methods of assessment and their ideas. When dealing with the notion of the

equivalent principle, which is connected to the elements of income, revenues, and costs, the same thing occurs, and the concept of revenue is filtered from it. When dealing with the concept of ownership, we enter into the theories of property owners, moral personalities, allocated funds, and many other concepts.

Third: The standard-setting process must be founded on ideas that are connected to one another and consistent with one another in order to provide information that is valuable. Here, the purpose of the framework is to give direction for standard-setting and the application of ideas that can be quantified for accomplishing the goals of the financial reporting process. As for the significance of concepts to the framework, some describe the framework's reliance on concepts as the importance of the sail to the ship (Shkulipa, 2021). In the field of practice, the framework is considered a working guide for accountants to resort to in the face of problems that appear suddenly and for which there are no grounds for resolving them. After presenting the definition of the conceptual framework, its purpose, and the need for it, based on the foregoing in the first part of the research. The first conceptual framework of the (FASB) was issued in 1978. The framework of the (IASB) was issued in 1989. We turn to the role of the (FASB) and (IASB) in their joint project and identify the effects of convergence on the following versions of the conceptual framework.

Section Four: The joint project between (FASB) and (IASB)

The (FASB) and (IASB) worked together on a project in 2004. In 2010 and 2018, the project presented two versions of the conceptual framework. We will learn about the different purposes and points of view that the two versions focused on. We will also explain the impact of the convergence project between the (IASB) and (FASB) through its role in addressing some of the shortcomings in the intellectual construction with regard to information and its quality. In addition, we will focus on the investors' point of view.

First: In light of the joint efforts between the (IASB) and the American (FASB) that began in 2004 in order to develop the first version of the framework for joint work, the revised framework was released in September of 2010. Deegan states that this framework gives general purpose guidance on issues like the purpose of general-purpose financial reporting, which entities shall create general purpose financial statements, what qualitative characteristics have useful financial information, how to measure events, and when to recognize and present the elements of financial statements (Deegan, 2014). By contrast, Deegan says, " The objective of accounting standards is significantly more limited, and they often provide guidance on how to process certain kinds of transactions or how to account for specific assets and liabilities." Previous studies prior to 2018 showed that the 2010 conceptual framework was better than the 1989 conceptual framework (Swapan, 2012).

Second: The conceptual framework includes, at the 1st level, the aims of financial reports. The 1989 version of the framework emphasized the concept of administrative activities in the interest of owners, whereas the 2010 and 2018 versions included chapter one of the aim of general-purpose financial reporting (Shkulipa, 2021). Furthermore, the users' data needs can be used to distinguish between the three versions (1989, 2010 and 2018). The 1989 version referred to a wide range of users as "current and potential investors, personnel, lenders, providers, other trade creditors, customers, governments and their agencies, and the public." The 2010 version referred to current and potential investors, lenders, and other creditors as "primary users," and customers, the government, and their agencies, who may be interested in financial reporting but are not basic users. As for the 2018 version, it was limited to existing and potential investors in the entity, lenders, other creditors, organizing members, and the public. The 2018 version focused primarily on investors, who provide investments to entities and thus focus attention on their investment decisions (such as buying, holding, and selling shares), which are the categories that were sacrificed. As for the other groups, they obtain information from the financial statements provided to investors. From the aforementioned, the objectives of financial reports focus on providing data regarding the economic resources of the entity, the obligations thereon, and the shifts that occurred in them. The change in resources represents a measure of the financial performance of the entity. It also aids in the estimation of the quantity and timing of future cash flows.

Third: Concepts are derived from the objectives and are described in the conceptual framework at the second level with the components of the financial statements, which are assets, liabilities, property rights, revenues, and expenses. The second level also contains the qualitative features of data. The second level of the conceptual framework is the bridge between the objectives that relate to the external environment and the third level that is concerned with the internal environment of the entity and includes the theoretical basis (assumptions and principles) that govern the functions of measurement and disclosure and help financial reports achieve their objectives.

Fourth: In spite of the fact that most of the 2010 framework variations were slight, several of them were fundamental. In particular, Framework 2010 revised both the function of financial reporting and the identity of users. Both have profound effects on how accounting information is conceptualized and technically oriented. Investors were positioned at the center of the financial reporting process according to the 2010 framework. Before 2010, general purpose organizations were the primary users of financial reports, but as part of the 2010 convergence process, the term "user" was narrowed to include "present and potential investors, lenders, and other creditors." (Paragraph OB2, Framework 2010)

Fifth: Zhang & Andrew argue that "the reformulation of accounting concepts through the 2010 framework integrates financial markets into the core of accounting practice." Precisely, the constricted identification of users in financial reports indicates a change in the aim of financial reporting and the using of faithful representation rather than reliability, indicating a discursive change towards the interests of finance capital. "The focus on fair values in the full income account obscures the user's ability to determine the nature of profit-taking activity" (Zhang & Andrew, 2014). Zhang and Andrew have discussed the understanding of the IASB/FASB convergence project by focusing on its ideological underpinnings and its ability to refocus accounting practices toward the needs of speculators in the capital markets, away from broader social and ecological concerns that might reveal the interests of society as a whole.
Sixth: The "convergence project" served as the impetus for the new framework of (IASB) and (FASB) working together to bring their two sets of accounting criteria closer together. The ultimate goal of the convergence project was for the accounting standards of (ISAB) and (FASB) to be of a similar nature so that the United States would eventually adopt International Financial Reporting Standards. There will be one set of International Financial Reporting Standards (IFRS) that is used internationally. It is worth noting that, unlike several states, US has not adopted international financial reporting standards to this day. There is also uncertainty about the possibility of adopting in the future.
Seventh: According to a study by Zhang and Andrew titled "Their Reading of the 2010 Framework and its Role in the Convergence Project Points to a Strategic Reorganization of Accounting Practice as Part of the Neoliberal Architecture and as a Facilitator of Finance," accounting practice has undergone a significant reorganization. They argue that the improvements (however subtle) are deeply ideological as the 2010 framework integrates the values of neoliberalism within the conceptual framework. This makes it a logical core of accounting practice (Zhang & Andrew, 2014).
Eighth: The ISAB project was moving towards unification and eliminating differences in order to achieve the characteristics of comparison and transparency. Finally, the latest version of the framework was released in 2018. It is worth mentioning in response to the environment that the framework has gone through many stages of revision in response to environmental changes and their political, social, economic, and legal factors.
Ninth: At the international level, states that have employed (IFRS) will usually adopt the conceptual framework issued by the joint venture.
Tenth: The authors, Richard & Teixeira, presented criticisms of the conceptual framework of the ISAB, which are: (Richard & Teixeira, 2018)
The conceptual framework (IASB) should focus on budget as long as the focus is on assets, liabilities, while we see many of the financial reporting requirements focused on income disclosure.
The two authors criticize Paragraph 5 of the seventh of the IASB framework, stating that failure to recognize the balance sheet assets in one paragraph would make the financial position and income statement of the reported company less complete because this matter could exclude from the financial reports useful information that affects users. Our example in this regard provides for the framework to recognize and record all intangible assets, whether enhanced internally or obtained from an external party, except for the goodwill that appears in the event of its purchase or when merging companies. The (IASB) framework stipulates that accrual accounting gives a perfect basis for evaluating past and future performance than information relying on a cash basis, but it does not provide an explanation for this.
The (IASB) framework does not provide a vision of how users can use companies' business models to make a value and does not indicate the strong points and limitations of accounting statements in developing investors' comprehension of that value. That is, the public aim of financial statements could not be planned to show the value of the company that prepared the report, but rather give data to assistance current and potential investors, lenders, and other creditors estimate the reported value of the company. Gaps in the framework can be attributed to the lack of an explanation of the accrual informative goals and purposes, their connections to business models, and how they affect how the income statement and balance sheet interact. Therefore, Richard & Teixeira assert that the framework would bridge these gaps by providing a more robust and natural way for the IASB to develop recognition and measurement requirements in its standards.
Finally, we conclude with what author Dennis said: after long discussions about the conceptual framework, there is still the impression of "non-complete business." Conceptual frameworks are not there yet, and accounting academics still require exploring the nature of the conceptual framework more carefully (Dennis, 2018).

Conclusion

The first half of the study focused on the challenging efforts made in the beginning by researchers and scientific and professional bodies, particularly in the USA. To describe the nature and functions of financial reports for businesses, it is necessary to create a conceptual framework that directs accounting and acts as a work manual for accountants. The Moonitz study, which comprised the key components on which the procedure of creating financial statements and

the appropriate presentation of data is based, was released by the (AICPA) in 1961. The second investigation was conducted in 1962 by Sprouse & Moonitz. The Financial Accounting Standards Board was established in the first half of the 20th century (FASB). The Statement of Financial Accounting Concepts No. 1 that served as the FASB conceptual framework first publication came out in 1978, and it has since undergone several revisions. (Huber, 2020). Some information characteristics were also indicated, such as relevance, relative importance, form and substance, consistency, impartiality, comparability, reliability, and comprehension (Deegan, 2014).

The (AICPA) published the Moonitz study in 1961, which included the essential elements upon which the procedure for preparing financial statements and the appropriate presentation of data is based. In 1962, Sprouse & Moonitz performed the second investigation. In the early 20th century, the (FASB) was founded. The Moonitz study, which included the key components on which the process for creating financial statements and the appropriate presentation of information is based, was released by the (AICPA) in 1961. Sprouse & Moonitz carried out the second inquiry in 1962. The FASB was created in the early 20th century (FASB). The (AICPA) published the Moonitz report, which included the essential elements upon which the procedure for preparing financial statements and the proper presentation of data is based, in 1961. The second investigation was conducted by Sprouse & Moonitz in 1962. Early in the 20th century, the was founded (FASB).

The third section dealt with an attempt to cover the conceptual framework project in its practical aspect and its effects. It gave a definition, purpose, benefits, and the need for a conceptual framework. It was issued in 1989, titled "The Conceptual Framework for the Preparation and Presentation of Financial Statements. Summing up the role of FASB, Nussbaumer states that between April 1979 and Dec. 1985, the FASB issued 63 statements, 44 interpretations, and made 28 references to the conceptual framework (Nussbaumer, 1992). From those responses provided by the FASB, we can evaluate the benefit of the conceptual framework. In addition, it can be said that that period was marked by the capacity for response and change. These two characteristics were manifested through the revisions of 1980 and 1984, accounting responses to its environment, represented by the requirements of various environmental factors, until the issuance of the (IASB) version in 1989. This version included all the concepts that have proven their existence throughout ninety years of application. This version of the framework adopts the general user's viewpoint rather than the administration's viewpoint. Public user means "existing and Potential investors, staff members, creditors, suppliers, consumers, governmental bodies and their agencies, and the general public (Paragraph 9, 1989, Framework).

The fourth section discussed the convergence project of the (IASB) and (FASB) in order to identify the divergence of purposes and points of view that focused on the three editions of the conceptual framework in 1989, 2010, and 2018, and to indicate the impact of the conjunction project between (IASB) and (FASB) on the last two versions of the conceptual framework. The IASB issued the most recent version of its conceptual framework in Mar. 2018. The Board has not claimed that they have reached "the finale of all their exploratory processes" but acknowledged that the conceptual framework might be reviewed "over time depending on the Board experience with the framework" (IASB, 2018, SP1. 4). Thus, the conclusion indicates that the latest edition leads to the end of an essential section in the history of the enhancement of the conceptual framework of the Council. A comparison between the FASB framework project and the joint project invites us to differentiate between the FASB point of view on the one hand, and the point of view of (ISAB) on the other hand. In fact, the two points of view did not reach a complete agreement, despite the version of the joint project. The IASB and FASB both attempt to put their choices relating to the standards of financial accounting on the fundamental ideas of financial report as described in their conceptual frameworks, according to Barth, who has considerable experience working as a criterion setter for the IASB. (Barth, 2014).

We can also justify this by referring to some environmental factors, especially the political factor that surrounds both sides. Consequently, it is reflected in their orientations, which prompts us to say that accounting began to become politicized since the emergence of the idea of the conceptual framework. Perhaps there is a certain point of view, and the truth is related to the future of this framework, as it is designed on the financial accounting model. Also, there were subsequent revisions, and within the joint project, there was an expansion of some awareness so that the project covered some accounting systems, such as management accounting systems, for example. This relates to the system or secondary level processing of information and the viability of the information. This may have been felt when the direction of financial information or report creation changed to include both financial and non-financial information. This information is more general and comprehensive than the term accounting information. This is what seemed clear in the 2010 project. There is no doubt that the standards that were designed on the 2010 and 2018 projects were towards the user and expanding the circle of disclosure and transparency in communicating information.

Although there are auditing concepts, norms, and standards, the auditing part is based on basic accounting principles. However, the financial accounting model serves as the foundation. Similarly, if we look at international accounting systems, we will see that they were created using standards based on a joint effort, but this does not rule out the possibility of application and adoption issues. Some of them adhere to US generally accepted accounting principles. Therefore, rules-based principles must be distinguished from standards-based principles. The question raised here is

whether the (FASB) project or the joint venture is possible to fit or cover the different accounting systems as a result of the different phenomena that call for a particular accounting model or system. This is certainly relied on the problems of measurement and disclosure and the ability of the frameworks to deal with these phenomena for measurement and disclosure. The best evidence is what we are facing now in terms of political, social, and economic crises, such as the recent wars and before those diseases such as the Covid 19 epidemic.

How can accounting deal with these problems? That is, the validity of frameworks and their ability to produce standards that relate to the problems of measurement and disclosure of these phenomena. We believe that the future stage is the stage of searching for interactive standards. We conclude with Dennis's statement that after all long debates on the conceptual framework, the impression of "non-completed business" remains at present. Conceptual frameworks have not yet arrived at their starting point and are unfamiliar with "the location." The most recent CF version won't be the final. We might, once again, hear the phrase "Here we state once more". Academics studying conceptual frameworks and accounting must carefully examine the nature of CF. (Dennis, 2018).

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