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RESEARCH ARTICLE

ACCOUNTING MEASUREMENT IN REDUCING TAX EVASION AND ITS IMPACT ON THE FINANCIAL STATEMENTS OF OIL COMPANIES IN SUDAN

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Abstract

The research has dealt with the problem of accounting measurement and its impact on the financial statements of oil companies in Sudan. The research problem is that most companies operating in the field of oil in Sudan do not follow the methods and methods of accounting measurement to prevent tax evasion in their financial statements, the researcher used the deductive approach in choosing the research problem and setting the scientific hypotheses, historical approach and also the statistics analysis that was dependable in the field study. The sample population of the study represented in accountants, financial reviewers and academics**,** This study aims to clarify the accounting rules for accounting measurement problems in oil companies. Clarification and description of the reality of the accounting work of companies operating in the field of oil in Sudan. The study relied in the analysis on a number of financial statements of some companies operating in the field of oil in Sudan. Many results were reached, the most important of which are; The nature of the oil company is what determines the method and method of accounting measurement and disclosure, and the types of contracts have a clear impact in determining the method of accounting measurement in oil companies.

Keywords: Accounting measurement, Tax evasion, Financial statements.

Introduction

Oil occupies an increasingly important strategic position in the world, as the oil industry is distinguished from other industries in that it requires huge capital. This is in addition to the fact that the legislator in each country sets the legal framework to prevent tax evasion to regulate search and exploration operations, which requires the need to adhere to it in terms of characteristics that are directly reflected in the application of accounting measurement in the field of petroleum. Directly through signing the contract and the need to start its work with specialized technical, administrative and accounting cadres due to the specificity of the oil industry, so it created accounting problems that differ in nature from other industries. This controversy has led to the existence of different methods of tax evasion problems in the financial statements of oil companies.

Statement of the Problem

The problem of the research is that the oil companies in Sudan do not follow the methods and methods of accounting measurement to treat the problems of tax evasion in the financial statements, which have become a requirement for the diversity of contracts and its impact on the financial statements of oil companies and its impact on their results. For accurate accounting methods that fulfill the purposes of the financial statements and find a solution to the problems of accounting measurement in reducing tax evasion in the financial statements in oil companies.

The significant of the study

The importance of the research is about the impact of tax evasion on the financial statements of the oil companies in Sudan and can be summarized as follows:

The need for oil companies to measure and disclose good values to prevent tax evasion.

1. Financial analysts and users want to read the financial statements and evaluate the position of the oil companies.
2. The importance of oil accounting because it determines the actual costs in the oil. companies.
3. Shedding light on the impact of tax evasion on the financial statements of oil companies.
4. The need to provide proper accounting measurement and disclosure in oil companies to prevent tax evasion.

The objectives of the study

The main objectives of the research is to clarify the accounting principles and rules for measuring tax evasion in the financial statements, which can be followed, and this can be achieved through the following sub-objectives:

1. Statement of accounting rules for the problems of tax evasion for oil companies in Sudan.
2. Demonstrating the advantages and motives for proper tax evasion in oil companies.
3. Providing an accounting measurement for the parties to the contract to prevent tax evasion.
4. Clarification of the reality of accounting work under the oil companies in Sudan.

The methodology of the study

The deductive approach was used to select the problem and formulate the hypotheses, the inductive approach to prove the validity of the hypotheses, the historical approach of previous studies, and the descriptive approach based on the financial statements as a tool for collecting data from the study sample.

The hypothesis of the study

The researcher seeks to test the validity of the following hypothesis:

There is a relationship between the nature of accounting measurement in reducing tax evasion and the financial statements of oil companies.

The delimitation of the study

(S) Oil Company and (T) Oil Company in Sudan.

Temporal limits: three comprehensive financial statements for four years (financial position, income statement, cash flows, for the years 2015-2016-2017-2019

Research structure

The research consists of an introduction and two axes. Where the first axis contains the measurement and accounting presentation of oil companies and the concept of tax evasion and its causes, while the axis in the second dealt with the applied study.

Literature review

Imran Study (2018):

The study aimed to study the knowledge of oil accounting, to shed light on the impact of exploration and exploration expenses on oil revenues, and the most important findings of the study are the different nature of oil activity from other activities, which led to some deficiencies in the application of some agreed accounting principles, which led to different accounting methods applied. The inability of some principles to face the problems of the oil industry

The researcher agrees with the author of the study that the method of successful efforts is the method most consistent with accounting procedures, other than what distinguishes the researcher's study from Fatima's study. The researcher's study aimed to study accounting measurement and its impact on the financial statements of oil companies. in Sudan.

Sanad Study (2019):

The study aimed to evaluate the impact of methods and treatment of exploration costs on the oil extraction industry in Sudan by shedding light on the nature of the activity and the oil industry and the characteristics of the companies operating in this field. Adoption of the principle of caution and caution leads to damage to shareholders' rights and affects the reality of the information contained therein.

The study recommended working on linking the practical and applied aspects of oil accounting with the practical and theoretical aspects of it, through the establishment of specialized research centers in the oil industry aiming to develop this industry in all its financial and technical fields. What distinguishes the researcher's study from the study of Sanad is that the study of Sanad aimed at evaluating the impact of methods of dealing with exploration and exploration costs on the oil extraction industry in Sudan, while the researcher's study aimed at studying accounting measurement and its impact on the financial statements of oil companies in Sudan.

Study: Dr. Karima: (2019)

This study dealt with a proposed framework for measurement and accounting and tax disclosure of digital currencies. This study aimed to identify the impact of digital currencies on the financial statements, how they can be disclosed in the financial statements and to identify the tax treatment of dealing in digital currencies. This study concluded the imposition of income tax on the revenues and profits resulting from buying and selling and dealing in digital currencies.

This study recommends setting accounting standards that include the accounting treatment of digital currency transactions, and how to disclose them in the financial statements.

Study: Tajani et al. (2021)

This study aims to clarify the relationship between accounting conservatism, tax evasion, and deferred taxes, and to show how to reduce the phenomenon of tax evasion by using accounting conservatism through deferred taxes by applying it to a sample of 70 individuals through a questionnaire addressed to accounting professionals, specialized university professors, and tax administration employees in the business environment. Algeria during the year 2019, and we relied on the analytical descriptive approach to answer the problem of the study, reach its objectives, and test its hypotheses through the SPSS statistical analysis program. Deferred greatly affects tax evasion, in addition to the fact that the practice of accounting conservatism has no effect on tax evasion through deferred taxes in the Algerian business environment. This study recommends the application of accounting standards, principles and rules related to taxes.

The researcher believes that this study did not deal with the accounting measurement as it was dealt with in the current study.

Majid et al. study(2022)

The study dealt with the effect of improvements to international accounting standards on the tax status of establishments. This study aimed to identify the determinants of improvements to international accounting standards on the tax status of establishments. them, or work to reduce or at least avoid them. Reducing the process of tax evasion, and the improvements made in international accounting standards have a positive impact on the tax position of industrial companies in Egypt. The shift to these standards contributes to improving the company's financial performance. The change in financial positions has a positive impact on the tax status of industrial establishments in Egypt. The study recommends the need to adopt international accounting standards as approved accounting rules to determine net results in the tax system in order to increase the tax burden and thus increase the effectiveness of the tax system.

The researcher believes that this study focused on international accounting standards and did not focus on accounting measurement as the current study focused on.

The first axis

First: the accounting measurement in the financial statements of the oil companies

Measurement and accounting presentation in the drilling and development phase:

The research and exploration phase usually ends with identifying areas where crude oil and natural gas are likely to be discovered. Accordingly, the drilling phase aims to ascertain whether or not there is oil and gas in economic abundance that can be marketed. The drilling and development stage entails spending large sums and requires huge petroleum investments that may bear fruit by discovering oil in economic quantities, and moving to the next stage, the stage of production and revenue generation. (Aladdin 1997, p. 16).

In order to clarify the problems of measurement and accounting presentation of the operations of the drilling and development phase, the following main points are discussed and explained:

Types of drilling and development expenses

Drilling and development expenses can be divided into two main parts, as evidenced by the following:

1- Concrete excavation and development expenses.

It includes all tangible expenses for drilling wells, preparing them and preparing them for production, meaning everything spent on purchasing machinery and equipment that has a value as scrap after the completion of drilling and development work.

2- Intangible drilling and development expenses.

3- Intangible drilling and development expenses include expenses that have no value as scrap after the completion of drilling and development operations. Examples of these expenses are the wages and salaries of drilling workers, and machinery operating expenses.

Problems of measurement and accounting presentation at the stage of production and marketing:

Calculating the cost of sales in petroleum facilities differs, to a large extent, from industrial or commercial facilities, as the company producing crude oil and natural gas does not purchase goods ready for sale or manufacturing, but searches and explores for oil, and then the drilling and extraction stage follows. Accordingly, the cost of sales of crude oil represents the cost of research and exploration in addition to the cost of extracting oil from the ground.

Problems of measurement and accounting presentation of the assets of petroleum facilities:

Fixed assets are defined as tangible properties kept by the establishment for use in production, for the purpose of providing goods or services, for rent to others, or for administrative purposes. In addition, it was stated in Paragraph No. (7) of the Egyptian Accounting Standard No. (10) that any item of fixed assets is recognized as an asset when:

1. It is probable that the use of this item will achieve future economic benefits for the entity.
2. The facility management can measure the cost of acquiring this item with a high degree of accuracy.

Second: tax evasion

A: tax evasion:

Tax evasion is the attempt of the taxpayer or the taxpayer to get rid of the tax burden and the legal non-compliance with its performance. A distinction must be made between legal and illegal evasion. Tax revenues are an important motive for companies to pave their income in order to avoid tax for the purpose of prior planning to know the impact of the tax on various activities to avoid tax or Reducing it legally, but in a specific way so that its amount can be reduced or resorting to the phenomenon of tax evasion represented by fraud and fraud for the purpose of getting rid of the tax and denying its existence and not disclosing the real amount and thus reducing the tax borne by the company, and the phenomenon of resorting to fraud and fraud to get rid of the tax is a phenomenon that For reasons of tax evasion, of which we mention the most important: (Haider Kazem, 2021, pg. 59)

1. High tax rate.
2. Irrational state policy, i.e. spending money in areas that do not bring much benefit to citizens.
3. The economic conditions that the country is going through, evasion decreases in welfare and increases in times of financial crises. (Majid et al., 2022, p. 107)
4. Lack of tax awareness of the community.
5. Penalties for tax Arabization and leniency with evaders, so whoever is safe from punishment misbehaves.

The researcher believes that most of the companies that increase the sense of the tax burden on the part of the taxpayer when the economy is exposed to recession, the per capita income rate decreases, which leads to tax evasion due to the inability of the taxpayer to pay the tax due to the lack of liquidity available to him.

The second axis: case study

Establishment and development of companies:

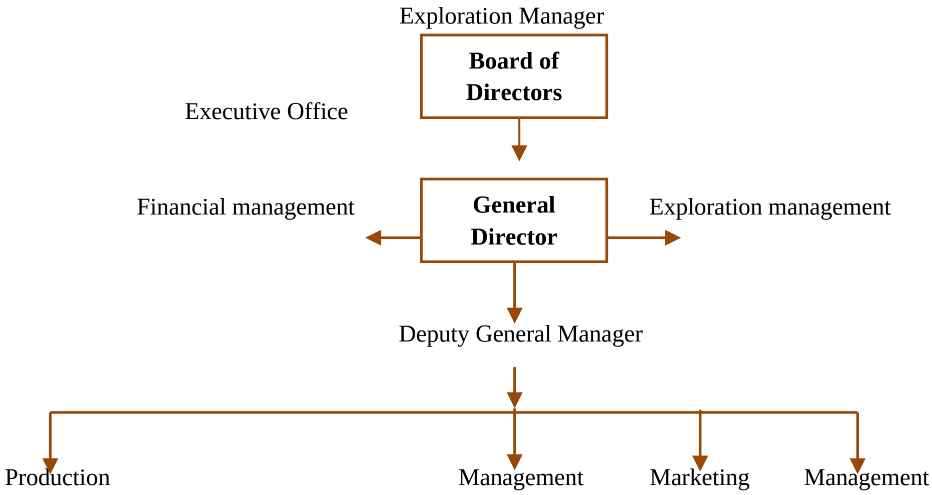
Company (X) Oil 2016:

It is a company that works in the field of oil, and a signature was signed between the company and the Sudanese Oil Corporation. In 2016 AD. It has several branches inside and outside Sudan and operates in Blocks (7.3). Its structure consists of: Chairman of the Board of Directors. General Manager. Deputy General Manager. Assistant General Manager. Executive and Administrative Director. Legal Adviser. Financial Director and Director of Financial Control. Head of the Accounts Department. Head of the Associations Department. Head of the Purchasing Department. Head of the Oil Stocks.

Company (R) Oil:

This company was established in August 1974 and it belongs to the public sector. After its establishment, it intensified its oil activities in more than (30) countries in the world in the regions of Europe, Latin America, the Middle East, Africa, Asia and Australia, and it has wide international trading companies.

Figure (1): The administrative structure of the company (R)



Source: Prepared by the researcher 2023.

Data analysis and hypothesis testing:

First: the study of the population:

The study sample was chosen randomly, and the sample included the data of the financial statements of the study community for the ending years (31/12/2016 - 31/12/2019 - 31/12/2017). The sample included examining the list of financial position.

Second: The stability, validity and reliability:

It means that the measure gives the same results if it is used more than once under similar conditions and in the methods used to confirm this measure in the financial statements.

Third: Application of the study tool:

The researcher resorted in the stage of ascertaining the veracity of the data of the financial statements in the oil companies in Sudan. The study was conducted and tables were prepared on:

- A list of the financial position of (R) Petroleum Company for the fiscal year ending on 12/31/2017, the fiscal year ending on 12/31/2008 and the fiscal year ending on 12/31/2018.
- A list of the financial position of (R) Petroleum Company for the fiscal year ending on 12/31/2017, the fiscal year ending on 12/31/2008 and the fiscal year ending on 12/31/2018.
- Statement of cash flows of Company (S) for Petroleum in the fiscal year ending 12/31/2017, the fiscal year ending 12/31/2008 and the fiscal year ending 12/31/2019.
- A list of the financial position of the company (S) for the petroleum in the fiscal year ending on 31/12/2015.
- The income statement of Company (S) Petroleum for the fiscal year ending on December 31, 2015.
- A list of cash flows for the company (Q) in the fiscal year ending on 12/31/2012.

Fourth: Field Study Procedures:

First: Analyzing the study data:

Analysis of hypothesis data: "There is a relationship between the nature of oil companies and accounting measurement in reducing tax evasion in the financial statements. This hypothesis dealt with the relationship imposed by the nature of oil companies and the impact of this relationship on accounting measurement in reducing tax evasion. As the specificity of oil companies requires Accounting measurement procedures in a specific way, and this can be explained as follows:

Table (1): First: The list of the financial position of Company (S) Petroleum in the ending fiscal year. 31/12/2016

Assets	$	$
Traded assets		
cash	25.500	
receipts	42.550	
stocks	9.100	
total current assets	77.150	77.150
Ownership of oil and gas		
capitalized costs	1.135.650	
Un capitalized costs	72.010	
Total costs	1.207.660	1.207.660
Minus the community amortization	383.240	
Net oil and gas holdings	369.240	
Receipts under the gas account	3.000	
Other assets	2.000	
Total assets	$ 451.570	$ 451.570
Current deductions		
Payments account	43.500	
Benefits of accumulating liabilities	6.100	
Long term debt	7500	
Provider of excavations clarifications	3780	
Income tax paid	3.170	
Total current liabilities	$ 64.050	
Long-term loans (Notes)	76.500	
Complex decoding costs and outsourcing for clarification	13.650	
Income Tax Deferred (9)	69.350	
deferred returns	24.200	
other obligations		
total liabilities	$ 223.550	$ 223.550
shareholder share		
Ordinary stock is $1 a share	10.000.000	
Unsold sources	10.000	
Paid additional capita	45.100	
claiming	172.920	
Total shareholder share	228.0.20	
Total liabilities and shareholder share	$ 451.570	$ 451.570

Source: Prepared by the researcher based on company data (S), 2023

First: The nature of the activities of oil companies - accounting measurement:

By looking at Table (1), the data shows that the presentation of the financial statement shows the importance of cash in Company X, because the financial statements, according to the philosophy of accounting presentation, show the order of the most important items, the next one, and the appearance of cash at the top of the list, the amount ($25,500) shows that Company X appears to be It trades in cash, which is the main element. It is evident that the oil companies present their current assets first, which is an increase in the degree of interest in this item. It explains the characteristics of the oil companies in displaying their current assets at the top of the list.

Second: Measurement Methods:

It is clear from Table (1) that the unit of measurement is the US dollar in expressing the measurement of the items of the financial position statement, and the historical cost method is used in proving financial operations.

Third: Disclosure in the statement of financial position:

It turns out that there are items that have been merged with each other, and this explains the lack of disclosure rates because there are no such clarifications numbered (1, 2, 3, 4,...) The details of the items of those lists appear, such as the lack of scarcity of the owners of the paid-up capital that appears in the list, such as the phrase header Additional money paid (45100) and the initial capital to which this amount was added was not disclosed.

Fourth: Foundations and Problems of Disclosure:

It is clear from the presentation of the list in Table (1) that there are some problems in the foundations of disclosure, such as the presence of explanatory notes and an explanation of the accounting policies adopted in the preparation of the financial statements.

Table (2): The income statement of Company.

Proceeds	
Oil and gas sales	
Profits from the sale of oil and gas properties	$ 159.990
others	6.50
Total proceeds	$ 166.040
Expenses:	
Operating cost	25.320
production tax	9.200
exploration costs	
Intangible extinguishing	31.920
Destruction of (12) tangible items	2000
Public and administrative	21.220
total expenses	87.660
Operations income	78.380
interest income	1.190
out benefits	9.450
capital bills	1.000
Others	7260
Income before income tax reserve	71.120
On-going	13550
Postponed	10.170
total income tax	23.720
net income	47.400
earnings per share	$ 4.74

Source: Prepared by the researcher based on company data (S), 2023

Accounting and measurement system:

By looking at Table (3), it is clear that oil companies are interested in applying International Standard No. (7), where Company (X) presented cash inflows and outflows, but it dealt with net profit as a result of operations as income from operating activities, and net profit is known to represent the overlapping of a group of investment and operational activities And financing capitalism, and the disclosure of monetary activities was not done in a full disclosure manner, and the rest of the items were settled in the item “Settlement of non-cash transactions.” In petroleum operations, the apparent stock and the underground stock are one of the components of the “assets” of the oil production companies. Through the presentation, it became clear that the stock (-1900) in the year 2005, that is, after years of production since 1998

Income Measurement:

Table (3): Income Statement of (R) Petroleum Company for the year ending 31/12/2017, 2018, 2019.

Date	2007	2008	2009
	US $	$	$
Revenues	-	-	-
Administrative expenses	5000	7.500	7.500
net loss for the year	5000	7.500	7.500

Source: Prepared by the researcher based on company data (S), 2023

Table (3) Income Statement of Company (R) ending on 31/12/2007 It is possible to identify the nature of the company's activities and it is clear that the disclosure of revenues is completely absent. As for the accounting measurement here, it depends on personal estimation, as the table showed that the administrative expenses are the losses for the year.

Disclosure and measurement:

Table (4): Statement of Cash Flows of (R) Petroleum Company for the year ending 12/31/2017, 2018،2019.

Date	2017	2018	2019
	US$	US$	US$
Operational activities			
net loss for the year	5.000	7.500	7.500
Operating profit and loss	5000	7.500	7.500
Accrued expenses	8.000	7.500	7.500
cash in operations	8.000	7.500	7.500
net cash	13.000	-	-
Financing activities:			
Presidency checking account	395.201	318.436	733.894
Net cash from financing activities	395.201	318.436	733.894
Increase and decrease in cash and the like	382.201	316.436	733.894
Cash and cash equivalents at the beginning of the year	378.378	760.579	442.143
Cash and its equivalents at the end of the year	360.579	442.145	1.176.037

Source: Prepared by the researcher based on company data (S), 2023

From table (4) the cash flows of the company (R) on 12/31/2017, it is clear that the operating activities were measured by a total measurement method, such as the appearance of net loss (5000) as shown in table (4), where the total administrative expenses appeared in an amount less than As shown in table (4), the amount (8000), which exceeds the total loss shown in the income statement (5000) only, with the existence of accrued expenses that exceed the administrative expenses, and it explains the inaccuracy of the measurement, as it was considered that (zero - 5000) = 5000 (positive), meaning that the zero sales Administrative expenses were generated without any revenues, meaning that the figure (-5000) represents a loss, but the net cash showed the existence of (13000) as positive operating cash.

Measuring types of contracts:

Table (5): Financial Statements of Companies X, p. 2016/2017/2018/2019

	company (r)			company (x)	Statement
	2019 $	2018 $	2017 $	2016 $	
net fixed assets					assets
Current assets	-	-	-		Shared assets
stock				25.500	cash
debtor	10176.037	442.143	760.579	42.550	receipts
Bank and cash	1.176.307	442.142	760.579	9.100	stocked
Total current assets				77.150	total current assets
Ownership of oil and gas	1.328.881	5940987	9130423		Ownership of oil and gas
net current assets	172.844	165.844	157.844	1.135.650	capitalized costs
Total assets	1.156.037	429.643	755.579	72.010	Un capitalized costs
more creditors in a year				1.207.660	total costs
provision for liabilities	20.000	12.500	5000	383.240	Less accumulated amortization
the retirement	1.176.037	442.142	760.579	369.240	Receipts under the gas account
retirement obligations				3.000	Other assets
Net assets include pension liabilities				2.000	Total assets
Net assets include pension liabilities				451.570	Total assets
:Capital and reserves					Current Liabilities
common stock capital				43.500	Payments account
Retranslation of currencies				6.100	Benefits of accumulating liabilities
The profit and loss account				7500	Long term debt
shareholder capital				3780	Provider of excavations clarifications
				3.170	Income tax paid
				$ 64.050	Total current liabilities
				76.500	long term loans
				13.650	Complex decoding costs and outsourcing for clarification
				69.350	(9) tax deferred
				24.200	deferred returns
					other obligations
				223.550	total liabilities
					shareholder share
				10.000.000	Ordinary stock is $1 per share
				10.000	Bank and source unsold
				45.100	Paid additional capital
				172.920	Claiming
				228.0.20	Total shareholder share
				$ 451.570	Total liabilities and shareholder share

Source: Prepared by the researcher based on company data (S), 2023.

Table (7): List of cash flows of (S) and (Y) Petroleum Company for the year ending 12/31/2016, 2017, 2018, 2019.

(y) Company			Statement	(x) Company		The statement
2009 $	2008م $	2007م $		Total	partial	
7.500	7.500	5.000	**Operational activities**			**Operational activities**
7.500	7.500	5000	**net loss for the year**		47400	**net income**
7.500	7.500	8.000	**Operating profit and loss**			**settlement of non-cash transactions**
7.500	7.500	8.000	**Accrued expenses**		20.500	**Profits from oil and gas sales**
-	-	13.000	**cash in operations**		105.500	**Dry wells and damage**
733.894	318.436	395.201	**financing activities**		31920	**fire extinguishing**
733.894	318.436	395.201	**Presidency checking account**		2.000	**Confirmed property destruction**
733.894	316.436	382.201	**Net cash from financing activities**		10.170	**Deferred income tax**
442.143	760.579	378.378	**Increase and decrease in cash**		12.100	**and increase recipients**
1.176.037	442.145	360.579	**cash at the beginning of the year**		1900	**stock shortage**
			Cash and cash equivalents at the end of the year		1450	**Increase payments**
					2220	**creased excavation advance**
					550	**Increase accumulated discounts**
					2100	**Increase the current portion of long-term debt**
					1780	**Income tax increase**
				87390		
						investment activities
					151.550	**Capital expenditure on oil and gas properties**
					85.000	**Revenue from oil and gas sales**
				66.550		**Net cash from investing activities**
						financing activities
					33.600	**الأجلThe ruins of a long-term debt**
					41.100	**The ruins of a long-term debt**
					7.500	**Net cash from financing activities**
					13.340	**net increase in cash**
					12.160	**Cash and cash equivalents at the beginning of the year**
				25.500		**Cash and cash equivalents at the beginning of the year**

Source: Prepared by the researcher based on company data (S), 2023

It turns out that the presentation of flows from operating activities for petroleum operations is incomplete, as operational activities were not mainly addressed in determining the nature of activity for oil operations contracts, and dry well contracts were not disclosed, as the dry wells item was merged with the item values item, which is 105,500, meaning that no contracts appeared. Wells clearly to be dealt with these items to ensure spinners in operational, financing and investment activities.

Table (8): Measurement of Fixed and Current Assets:

2019	2018	2017	x	2016	S
-	-	-	**Fixed assets**	-	**Fixed assets**
			Assets		**Current Liabilities:**
10176.037	442.143	760.579	**Bank balance and cash**	43.500	**Payments account**
1.176.307	442.142	760.579	**Total assets**	6.100	**Benefits of accumulating liabilities**
				7500	**Long term debt**
				3780	**Provider of excavations clarifications**
				3.170	**Income tax paid**
				$ 64.050	**Total current liabilities**
				76.500	**Long term loans**
				13.650	**Compound decoding costs**
				69.350	**Income Tax Deferred (9)**
				24.200	**deferred returns**
					other obligations
				223.550	**total liabilities**
				10.000.000	**Ordinary stock is $1 a share**
				10.000	**Banked and sourced and not sold**
				45.100	**Paid additional capital**
				172.920	**Merit**
				228.0.20	**Total shareholder share**
				$ 451.570	**Total liabilities and shareholder share**
				10.000.000	**Ordinary stock is $1 a share**
				10.000	**Bank and source unsold**
				45.100	**Paid additional capital**
				172.920	**Claiming**
				228.0.20	**Total shareholder share**
				$ 451.570	**Total liabilities and shareholder share**

Source: Prepared by the researcher based on company data (S), 2023

It is clear from Table (8) that the disclosure of assets items is incomplete and therefore there are some problems in measuring the depreciation of assets and then charging this depreciation as an expense in the case of owned assets. These tables did not appear attached to the lists in the lists of the company (X) (Y) with there is a disclosure of owned assets and investments, but there is no disclosure of assets.

Measurement methods:

Oil companies depend on the current cost method for production operations and the use of the tools and mechanisms of the main party in the contract, "the state", which is represented by the Sudanese Oil Corporation and the Ministry of Energy.

Table (9): The measurement of revenue for the company (R):

2019	2018	2017	Statement
US $	**US $**	**US $**	
7.500	7.500	5000	**Administrative expenses**
7.500	7.500	5000	**net loss for the year**

Source: Prepared by the researcher based on company data (S), 2023

Table (9) measurement and disclosure of revenues includes that there is no disclosure of revenues, as these items constitute the source of sales for oil companies, which is oil and gas. The financial statements of Company (Y) did not show any revenues in the years 2017, 2018, 2019, while Company (X) did not appear Sales of gas and petroleum in the income statement ending on 12/31/2016 did not show any sales or stocks or any cost of these revenues for oil and gas, but the apparent amount only deals with profits from the sale of oil and gas properties, and the apparent amount is (159,990) according to the income statement of 12/31 55.6% of oil for foreign companies / 2016, and this negatively affects the methods of measurement and disclosure in those companies.

Measurement of cash flows:

Table (10): Shows the measurement of the company's operating activities (x, y)

Company(y)			Statement	Company (x) 2016		Statement
2019	2018م	2017م		$ Total	$ Partial	
7.500	7.500	5.000	**Operational activities**			**Operational activities**
7.500	7.500	5000	**net loss for the year**		47400	**net income**
7.500	7.500	8.000	**Operating profit and loss**			**settlement of non-cash transactions**
7.500	7.500	8.000	**Accrued expenses**		20.500	**Profit from sales of oil and gas properties**
-	-	13.000	**cash in operations**		105.500	**Dry wells and damage**
					31920	**turn off**
					2.000	**Confirmed property destruction**
					10.170	**Deferred income tax**
					12.100	**and increase recipients**
					1900	**stock shortage**
					1450	**Increase payments**
					2220	**Increased excavation advance**
					550	**Increase accumulated discounts**
					2100	**Increase the current portion of long-term debt**
					1780	**Income tax increase**
				87390		

Source: Prepared by the researcher based on company data (S), 2023

By looking at Table (10) Measurement of Operational Activities, the comparison processes between the operational activities of oil operations with the companies show the difference in the items resulting from the oil production operations, meaning that there is a lack of agreement about the components of the operational activity in the incoming and outgoing flows, and the joint operations between the companies does not specify the components of the operations Operation and it should have been disclosed in the item of financing activities because the process of confirmed destruction of wells is similar to the bad debts process according to the accounting conventions prevailing in the application.

Measurement of investments:

Table (11): Explains the measurement and disclosure of the investment activities of the company (x, y)

(x) Company			Statement	(y) Company 2016		Statement
2019 $	م2018 $	$2017		$ Total	$Partial	
						investment activities
					151.550	Capital expenditure on oil and gas properties
					85.000	Revenue from sales of oil and gas properties
					66.550	Net cash from investing activities
					33.600	Long-term debt additions
					41.100	The ruins of a long-term debt
					7.500	Net cash from financing activities
					13.340	net increase in cash
					12.160	Cash and cash equivalents at the beginning of the year
					25.500	The cash and cash equivalent side at the beginning of the year

Source: Prepared by the researcher based on company data (S), 2023

By looking at Table (11), measuring the investment activities in the three companies (X) (Y), that the investment operations are controlled by the presidency, the "Sudanese Oil Corporation", and it appears through the absence of any investment activities in the company (Y), with a partial disclosure of the investment exchange for Ownership of oil and gas and sales operations at a price other than the price of the producing partners, which appeared in the list of cash flows of Company (X) in the item of return on oil and gas ownership sales in the amount of 85,000 and the capital expenditure on the ownership of gas and oil in the amount of 151,550. It is clear that the investment operations in oil contracting contracts are weak.

Measurement of financing activities:

Table (12): Explains the measurement and disclosure of the company's financing activities (x, y)

(x) Company			Statement	(y) Company 2016		Statement
2019	م2018	م2017		Total	$ Partial	
			Financing activities:			Financing activities:
733.894	318.436	395.201	Presidency checking account		33.600	Long-term debt additions
733.894	318.436	395.201	Net cash from financing activities		41.100	The ruins of a long-term debt
733.894	316.436	382.201	Increase and decrease in cash		7.500	Net cash from financing activities
442.143	760.579	378.378	cash at the beginning of the year		13.340	net increase in cash
1.176.037	442.145	360.579	cash at the end of the year		12.160	Cash at the beginning of the year
					25.500	Cash at the beginning of the year

Source: Prepared by the researcher based on company data (S), 2023

It is clear from the presentation of the financing items that there is insufficient disclosure of capital operations between the parties to the contract. However, Company (R) shows the presidency account for the years 2017, 2018, 2019 with the amounts 395,201, 318,436, 733,893. It is noted that the years 2017 and 2018 witnessed stability in the decline in the volume The Presidency clause, i.e. the operations of bringing money from the parties to the contract, especially to the holding partner (the state), take place between the holding company "the Presidency" and other parties that are not sufficiently explained according to the disclosure standard.

Findings:

Based on the foregoing, the researcher concludes a set of results, the most important of which are:

1- The difference in the nature of the facilities operating in the field of oil necessarily requires a difference in some aspects related to accounting measurement. For example, the method of calculating the cost of sales includes all costs associated with research and exploration in addition to the costs of extracting oil from the ground.

2- Knowing the nature of the oil companies would contribute effectively to reducing the problems associated with tax evasion and accounting measurement in the financial statements.

3- The assets traded in the oil companies are displayed first, and this necessarily reflects the importance of the items traded in the oil companies.

4- There is no dispute about the unit of measurement, as it can be in the national or foreign currency, but what should be noted is that the emphasis is on the need to follow the historical cost principle in proving financial operations, and this is clearly shown in oil and gas ownership and capitalized costs.

5- The types of contracts that are concluded in the oil companies directly affect the determination of the method that should be chosen for the accounting measurement, and this is clearly shown through the impact of the types of contracts on how the profits are distributed to the oil companies.

Recommendations:

Based on the previous results, the researcher recommends the following:

1- The need to take into account the privacy enjoyed by oil companies, especially when dealing with research and exploration costs as part of sales costs.

2- We recommend the importance of paying attention to the explanatory notes and explaining the accounting policies used and approved in the preparation of the financial statements to avoid tax manipulation, and that this note be appended to the financial statements as an integral part of the financial statements.

3- The need to reconsider the accounting measurement method for fixed assets and other assets owned by oil companies in order to reduce tax evasion, with emphasis on choosing the best method for measuring these elements.

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مقالة بحثية

القياس المحاسبي في الحد من التهرب الضريبي وأثره في القوائم المالية لشركات النفط في السودان

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المُلخّص

تناول البحث مشكلة القياس المحاسبي وأثره في القوائم المالية لشركات النفط في السودان. وتتمثل مشكلة البحث في أن معظم الشركات العاملة في مجال النفط في السودان لا تتبع طرق وأساليب القياس المحاسبي لمنع التهرب من الضرائب في قوائمها المالية. واستخدم الباحث المنهج الاستنباطي عند اختيار مشكلة البحث ووضع الفروض العلمية للبحث والمنهج التاريخي بالإضافة الى التحليل الإحصائي الذي تم الاعتماد عليه في الدراسة الميدانية، يتمثل مجتمع عينة الدراسة في مجموعة من المحاسبين والمراجعين بالإضافة الى الأكاديميين وتهدف هذه الدراسة إلى توضيح القواعد المحاسبية لمشاكل القياس المحاسبي في شركات النفط؛ وإيضاح ووصف لواقع العمل المحاسبي للشركات العاملة في مجال النفط في السودان. اعتمدت الدراسة في التحليل على عدد من القوائم المالية لبعض الشركات العاملة في مجال النفط في السودان. وتم الوصول للعديد من النتائج أهمها؛ إن طبيعة شركة النفط هي التي تحدد أسلوب وطريقة القياس والإفصاح المحاسبي، كما أن أنواع العقود لها تأثير واضح في تحديد طريقة القياس المحاسبي في شركات النفط.

الكلمات المفتاحية: القياس المحاسبي، التهرب الضريبي، القوائم المالية.

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