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The role of program and performance budgeting in achieving financial transparency and its reflection on the performance of government units

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Abstract

The many rapid changes that the world is experiencing and the openness to the outside world has led to the countries of the world heading towards a market economy and in the face of financial crises and sudden collapses of many international companies, which were triggered by financial corruption, manipulation of financial statements and bad behavior of the managers and managers of these institutions, in addition to the lack of financial transparency that prompted these circumstances. The emergence of the term corporate governance, which has become the concern of all developed and developing countries Corporate governance is seen as the only solution to overcoming these crises, as it has become a means of enhancing confidence in the economy of any country and an indicator of the level of performance reached by institutions, and this is what led investors to search for companies that implement the concept of government, as the government is an integrated system of financial control. And the non-financial, through which the company is managed and monitored.

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It is based on rules and foundations that can detect cases of manipulation and corruption,ensure oversight of performance, the right to hold management accountable, and achieve transparency and justice to a degree that leads to gaining the confidence of dealers in the markets and ensuring its stability. As a result of the existence of a contractual relationship between owners and managers, many problems have arisen, the most important of which is the problem of conflict of interest, as managers work to achieve their self-interests by maximizing their return by not exerting effort on Calculating the interests of the owners and in order to reduce these problems, many countries have developed basic principles of governance in order to protect the interests of the parties related to the company. The budgeting of performance programs appeared to reform the general budget system and the ways of categorizing it to fit with modern administrative trends, and that government budgets are built on the basis of jobs, activities, programs and projects, and that the basic idea of balancing programs and performance is based on the transformation by modifying the expenditure system that must be adhered to on the basis between functional cost and activity.

Introduction:

The research aims to measure the performance of the activity and identify the work programs to be accomplished. It also requires converting all budget estimates into a work program that must be completed. Also, performance measurement is a necessary matter and one of the main elements for the success of the facility in the modern manufacturing environment, and it is useful to focus on non-financial performance measures instead of being limited to financial performance measures only, in order to achieve integration between them and not to give a comprehensive picture of measuring the results of the performance of institutions. The reform of public finance affairs came at the heart of the reform initiatives adopted by various countries. In addition to translating public policy orientations in society, its programs and quantities define the basic objectives of fiscal policy. Hence the paramount importance of public finance reform in achieving stability of the business environment and increasing capacity. The competitiveness of the state, and the elimination of distortions resulting from the functioning of the market mechanism, in addition to the important role of public finance in reducing poverty and raising the level of social development. Hence, the financial and economic literature emphasizes the governing importance of public finance reform, not only in promoting economic and social development rates, but also in Adjusting the course of the general developmental performance of society. The literature stresses that the financial reform should feel its positive impact on society.

First: Research problem:

The performance of government units in general and government financial performance in particular is characterized by many problems represented in weak control over the efficiency of financial performance and poor distribution of resources and irrational spending, due to the dependence of those units on the traditional budget method, which shows the need to develop and update the budget preparation method in order to The link between the required allocations and the achieved achievements. The study problem revolves around how to implement the performance program budget in the environment of non-profit government units, which is characterized by the control of legislation in the process of preparing and implementing the budget, programs and performance, and requires the provision of performance measures and financial and non-financial information that may not be available under the current circumstance. Preparing the budget based on the item budget. To achieve this goal, the researcher suggests moving from the traditional budget method to budgeting programs and performance. The problem of the study can be expressed in more detail through the following questions:

1. Does sufficient attention and support from the higher authorities contribute to the program and performance budget system? In evaluating the financial performance of government units?
2. Does the availability of the organizational and functional framework related to the procedures necessary to implement the budget affect ? Programs and performance in evaluating the financial performance of government units?
3. Does the existence of an appropriate accounting system for implementing the program and performance budgeting system and financial transparency contribute to evaluating and improving the financial performance of government units?

Second: Research importance:

The importance of the study is through the following:

A- The practical importance of the study:

This study seeks to show the importance of applying program budgeting and performance accounting in non-profit units (government units) to financial transparency and the importance of optimal application of program budgeting and performance accounting in order to achieve efficiency and effectiveness in controlling public money and reducing the risks of its use and advancing the accounting and administrative reality from Through finding the necessary environmental components for this and developing the outputs of the administrative system, including the accounting system, in line with the size of the development in the financial performance of government units.

b- The scientific importance of the study

The scientific significance of this study is as follows:

1. Bridging the gap in studies that dealt with program budgeting, performance and financial transparency in developing the financial performance of government units by adding new dimensions represented in adequate support for senior management, the organizational and functional framework, and providing an appropriate accounting system.
2. This study is an attempt to provide the Iraqi library with a reference that will be of help to researchers, especially since the subject of this study is still new and has not been sufficiently addressed.
3. The importance of this study stems from the importance of the general budget, as it is a tool for translating the state's policies and implementing its declared goals.
4. This study keeps pace with recent developments in the field of research that focus on the methodBalance programs and performance in order to increase the efficiency of the financial performance of government units.

5. Contribute to the service of researchers through the results and recommendations that can be reached by the study.

Third: Research Objectives:

As a result of the many complications and problems that exist in the Iraqi government units in preparing the general budget using the item balancing method, the application of the monetary basis for accounting measurement, and the difficulty of measuring job performance in government units, at a time when many countries have developed their government accounting systems. Through the above, the main objective of the research is: developing the general budget used in the government sector, which leads to increasing the efficiency and effectiveness of government units, achieving oversight and preserving public money and helping to measure government performance. This is achieved through: moving from the traditional method of preparing the general budget for government units to the method of balancing programs and performance, as well as shifting from the cash basis to the accrual basis for accounting measurement in government units as one of the most important requirements for applyingThe method of balancing programs and performance, where sub-goals emerge from the main objective, represented by the following points:

1. Examining the relationship between attention and adequate support by the senior management of the program and performance budget system, and evaluating the financial performance of government units through financial transparency.
2. To test the relationship between the availability of the organizational and functional framework related to the necessary proceduresTo implement program and performance budgets and

evaluate the financial performance of government units through financial transparency.

3. Measuring the impact of having an appropriate accounting system for implementing the program budgeting system, performance and evaluationThe financial performance of government units.

Fourth: Research hypotheses:

Based on the default research model, the following hypotheses were formulated:

The first main hypothesis:

There is no significant relationship between program budgets and performance on government financial performance. The first secondary hypothesis

The second main hypothesis

There is no significant relationship between program budget and performance on financial transparency.

Fifth : Study Methodology:

The method means the study method, i.e. the method or path that the researcher follows in the different stages of the study process. The method is defined as “a set of mental procedures that the researcher represents, in advance, for the knowledge process that he will accept in order to reach the truth of the material he is targeting. As for knowledge, it is those procedures The mind that is directed to the target material.

Several approaches were followed in this study, including: the historical approach to reviewing previous studies related to the subject of the study, the deductive approach to identifying the study problem and the main axes associated with it (the relationship between variables), preparing the theoretical framework for the study by reviewing what was possible from the study literature, The descriptive-analytical approach, which studies the phenomena as they are in reality and expresses them in a quantitative manner, shows the size of the phenomenon and the degrees of its connection with other phenomena, or in a qualitative way that describes the phenomena and clarifies their characteristics, is the main approach to the study and was used in the field study.

The practical approach to the research: a questionnaire was prepared (based on the five-way Lekert scale) that is consistent with the dimensions of the study and is distributed to a sample of relevant employees in government units affiliated to the Iraqi Ministry of Finance. The research sample will be used, and statistical indicators such as the weighted mean, standard deviation, Correlation coefficient, regression coefficient for the purpose of measuring the relationship and the effect between the study variables and proving the hypotheses of the study.

Sixth: Study sources:

The study was based on the following sources:

1- Primary sources: which are the specialized persons who have information through their practices, observations and experiences. Information was collected from them by means of a questionnaire consisting of three parts. The first part included the demographic variables of the sample. The second part dealt with questions about the dimensions of the independent variable represented in balancing performance programs As for the third part, it included questions about the dimensions of the mediating variable, financial transparency. Finally, the fourth part dealt with, uh, questions about the dimensions of the dependent variable, which is the financial performance of government units.

2- Secondary sources: they are books and references, periodicals and scientific journals, theses, reports, statistics, laws and official documents, the Internet.

Seventh: Study terms:

1- The concept of balancing performance programs:

Program and performance balancing is defined as: “The set of methods by whichProgram managers focus on implementing these goals, which fall within their responsibilitiesAccurate, and compare the implementation of these objectives by time, amounts, working hours and materials, whereThis system provides the user with information that he cannot obtain through other methodsConventional balancing, as it helps in obtaining basic results and creates a better basis for takingDecisions (Hegazy, 1998: 23)

The state's general budget is defined as the financial document that pertains to public fundsWhich is not specific to one individual without another, rather it is for the general public, and it is known that the financial policyThe state is working to achieve several goals through what are known as financial instruments, which are:

These tools are included in public revenues and public expenditures (Sherif Mahmoud, 2016.)

Budgeting programs and performance is nothing but a modern tab for budget accounts that gives importanceFocusing on government programs and their work, meaning that they focus on the same goalIt is not up to the means to achieve this goal and to determine the extent of achievement that can be achieved from these programsThe focus of the budget is to measure total costs, regardless of unitsExecuting the program (Salah Kamel, 2006: 250)

2- The concept of financial transparency:

The concept of financial transparency, according to the literature of the International Monetary Fund and the World Bank, refers to the adoption of legal texts that establish the logic of financial communication between public actors and society, as well as the consolidation of the concept of the right to access financial information through the open budget. And if countries and their societies have financial transparency, society will be fully aware of how governments collect their money, and what they do with it?

Financial transparency has positive repercussions on macroeconomic and development policies, as it is important for sustainable development. In this regard, the World Bank believes that there is growing evidence that governments that enjoy more transparency in their public finances perform better and suffer from lower levels of corruption, and that fiscal transparency contributes to high-quality growth, efficient service delivery, and macroeconomic stability. The advantages also extend to other areas, such as creating jobs by providing space for creativity in order to find new products and services based on increasing access to data.

The Global Budget Partnership Initiative recently conducted the 2017 Open Budget Survey to demonstrate fiscal transparency in budgets (2010-2017). The survey revealed that the Arab world is not performing well in terms of access to information compared to other regions of the world. The Middle East and North Africa region scored twenty on the 100-point Open Budget Index, the lowest in terms of budget transparency and accountability. In addition to the lack of public financial documents available to the public, most countries provide a small amount of effective oversight by institutions concerned with accountability such as parliament and supreme audit institutions, as well as reducing opportunities for public participation in all stages of budget preparation and implementation. Challenges also stem from legal and political restrictions that stifle the media and prevent automatic disclosure by governments of information, all of which impede informed discussion of government's role, accountability, and service delivery. It should be noted that the poll includes three indicators: transparency (open budget), public participation (citizens), and budget oversight (budget oversight) (an article titled Financial Transparency on its website.

3- Financial performance of government units:

Financial performance is a narrow concept of business performance as it focuses on the use of ratiosSimple based on financial indicators that are supposed to reflect the achievement of economic goalsFor the organization, the financial performance is also a description of the organization’s situation now and identifying the trends that it used to reach it by studying sales, revenues, assets, liabilities, net wealth. (Al Douri, 2000: 234)

The financial performance is compared to the performance of companies, as it is the main supporter of the various businesses practiced by the company and contributes to making financial resources available and providing the company with an investment purpose in the various fields of performance that help meet the needs of stakeholders and achieve its goals. Another sees that financial performance is the individual's performance of distinct and implicit activities and the tangible phenomenon that is currency and determined by three dimensions: the quantity, quality and type of work.

Eighth: Research Structure:

The study is classified into an introduction, four chapters, and a conclusion as follows:

Introduction to the methodological framework and previous studies،

Chapter one: deals with the theoretical framework for program and performance budgeting, the first topic: the concept, importance, objectives and characteristics of program and performance budgeting, the second topic: the stages and components of program and performance budget preparation،

The second chapter deals with financial transparency in terms of concept, characteristics and dimensions.

Chapter III

Theoretical framework of the financial performance of government units: The first topic: the concept, importance and objectives of financial performance. The second topic: stages, methods, indicators and methods for evaluating financial performance. The fourth chapter dealt with the field study: The first topic is an introduction to the study community, the second topic: data analysis and hypothesis testing, and finally The conclusion includes the results and recommendations of the study.

Previous studies

Previous studies in any field are the researcher's key to formulating his research, and why?The necessities of good scientific research necessitated examining these studies before entering into the study

The essence of the research, to prevent repetition and take advantage of the points and results obtained to serve the goalsScience With the accumulation of experiences and experiences, it was necessary for the researcher to stand on a number of theseStudies that are related to the research variables

1- Study: Mustafa Farid: Developing the preparation of the program and performance budget within the framework of activity-based costing with the aim of rationalizing government spending 2004The problem of the study was the extent to which the program and performance budgeting system was used as a system expected to be applied when preparing the general budget in the Arab Republic of Egypt, with the aim of rationalizing government spending, and reducing the cost of the performance unit in government units. Unutilized government units so that fixed assets are not requested and purchased with these units except after a careful scientific study, and thus the role of balancing programs and performance turns from a means to rationalize spending

Current and investment spending, which accounts for a large proportion of total public spending. The study assumed: that preparing the budget for programs and performance within the framework of determining cost based on activity will be the tool to rationalize both: current spending and investment spending, provided that the government unit's administration benefits from the best available information regardless of its source - in preparing its future plans, and that it be more This information is the importance of those related to the analysis and classification of costs elements in relation to the level of activity in the short term. The study concluded that preparing the program and performance budget within the framework of determining cost based on activity contributed to the rationalization of government spending. The study recommended the adoption of program and performance budgeting in the context of activity-based costing.

2- Study: Fatima, (2008 AD) the impact of quality costs on improving financial performance - a case study of a soft drink company in BaghdadThe problem of the study was the question of whether quality measurement and analysis contribute to improving the quality of Baghdad soft drinks products and reducing their cost, and what is the extent of its impact on improving the financial performance of the company. The importance of the study lies in the expected financial and economic returns from quality and its assignment that contribute to improving the economies of the company and the country.Its costs and its impact on improving financial performance, formulating recommendations of an applied nature that help Baghdad Soft Drinks Company to benefit from the measurement and analysis of quality costs in improving financial performance. The study relied on the inductive approach and statistical methods. To achieve the objectives of the study, the following hypotheses were tested. There is a significant relationship and effect between the results, measurement and analysis of quality costs and financial performance measures. The study reached several results, including:

The results showed the positive and moral relationship between the results of measuring and analyzing quality costs and financial performance measures. The study recommended several recommendations, measuring financial performance and clarifying its relationship to quality costs in special analytical statements with a mention of the financial performance measures used, introducing accountants in specialized accounting courses to organize the process of measuring and analyzing quality costs and how to calculate and document them and benefit from them in improving quality and productivity, reducing costs and achieving customer satisfaction .

4- Ibrahim, Walaa, 2017 A proposed model for implementing program and performance budgetingAn applied research in the Directorate of Najaf MunicipalityThe problem of the study was that the process of preparing the state's general budget in Iraq is going onFrom a long time ago to the present time, according to the (traditional) method of balancing items, and this method is not

It is in line with developments in the volume of resources and spending and for which the units are responsibleGovernmental estimates are made according to unscientific standards, and continuing to follow this

The method leads to not linking the planning process to the budget, which leads to the emergence of problems

Many are represented in the weak control over the efficiency of financial performance and the misallocation of resources and spendingUnreasonable. The study aimed to identify the basic components needed to implement a budgetPrograms and performance in Iraqi government units and contribute to their development, by providingThe model is proposed to implement the program and performance budget in the Najaf Municipality Directorate

The study concluded that the process of preparing the state's general budget in Iraq is carried out according to a budget method

The traditional items under which government units are monitored not to exceed the allocations set for them and to be spent for the purposes assigned to them, without paying attention to assessing the extent to which the objectives for which the appropriations were spent, and thus it can be said that the method used to prepare the budget in Iraq aims to achieve oversight Finance only. The government accounting system in Iraq, which is based on applying the traditional method in preparing the budget and applying the monetary basis in accounting measurement, does not provide information and financial and administrative data that help government units to carry out their tasks and achieve their goals, so this system needs to be developed. Budgeting programs and performance leads to rationalizing and compressing public expenditures through careful planning of the costs of each activity, and then estimating the costs of the programs. Therefore, these estimated costs will be somewhat close to the actual costs, which leads to a reduction in the waste of public resources. The study of the necessity of shifting from the traditional method of preparing the general budget to the method of balancing programs and performance in the Iraqi government units because it provides the adopters ofDecision with financial and administrative information and data that help government units to carry out

tasks entrusted to it and achieving its objectives. As well as the need to adopt the Iraqi Ministry of Finance styleBudgeting programs and performance when preparing the state’s general budget because it is based on scientific foundationsAnd a process in preparing estimates, which leads to rationalizing spending and reducing waste in public resources

The necessity of shifting from the cash basis used in balancing items to the accrual basis

Which is a requirement of the program and performance balancing application.

5- Study: Yasser and Muhammad, 2018 AD Balancing programs and performance and their role in continuous quality improvement in public institutions from the point of view of those working in administrative affairs at the Ministry of Interior
The problem of the study was represented in the following main question: What is the impact of the application of the program and performance budget on the development and improvement of the quality of performance in the state agencies. The following questions emerged from it: What are the components of balancing programs and performance in government institutions that impede the level of improvement and quality in the Department of Administrative Affairs?. What is the method of developing and evaluating performance in state agencies that achieves the highest possible level of quality and addresses deviations? What is the impact of applying the program and performance budget on

performance development in state agencies and continuous improvement? The study aimed to know the role of program and performance budgeting in developing and evaluating performance in state agencies from the point of view of administrative affairs workers in the Sudanese Ministry of Interior. In collecting data, the researcher relied on a questionnaire that was subjected to measures of validity and reliability, and one of the most important findings of the study is that there is a weakness in the level of follow-up from senior departments to implement the program budget and performance, in addition to the absence of coordination between the different departments in Implementation of the budget during the fiscal year, and as the results showed that there is a weakness in the availability of training opportunities for administrators in affairs The study recommended paying attention to training and developing the administrative cadre to raise their efficiency Operational and administrative, and thus assists in the implementation of budget preparation in accordance with the standards set by the administration This will improve the quality of program budget implementation and performance. Activate censorship lawsAdministrative when implementing the annual budget helps to discover errors and correct deviationsContinuously improving the quality of budget preparation.

The most important thing that distinguishes the current study from previous studies

In light of what was presented from previous studies and cognitive efforts, as the relevance to the subject of the current study, the nature of previous studies and their tools used in the analysis, the number and nature of topics covered by previous studies. It becomes clear to the researcher a set of data for the most important areas of benefit from previous studies in general, as follows-:

1- Benefiting from the theoretical aspects: The previous studies contributed greatly to enriching the theoretical aspect by quoting from these studies and benefiting from their theoretical framing.

2- Access to the results of studies: There was no study dealing with the relationship between performance program budgets and financial transparency and their reflection on the financial performance of economic units, poor linkage between variables, and it is only one study, and this constitutes an incentive for the researcher to explore this relationship and reach results.

3- Building the study scale: The previous studies directly contributed to building the measures of the current study, the budgets of the performance program and the financial performance of government units, by looking at the standards and tools used in similar studies, and adopting them in the current study after conducting a scientific arbitration for it, to check on the sobriety of these Standards and their consistency with the directions and purposes of the current study.

4 - The scientific methodology of the study: to identify the methodologies of these studies, and the sequence of their paragraphs in a way that enabled the researcher to design the methodology of the current study by looking at the theoretical and field dilemmas, goals, importance, hypotheses and models of previous studies.

5 - Selecting the study sample: It paved the way for the researcher to choose the sample of the current study by looking at the samples of previous studies and benefiting from them in the current study.

6 - Statistical Means: Familiarity with the appropriate statistical means for the current study, by looking at the means used in these studies and identifying those means most appropriate for choosing the hypothetical study plan.

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