


IS IT POSSIBLE TO ADOPT A BUDGET OF PERFORMANCE IN THE IRAQI GOVERNMENT COMPANIES?

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 20 February 2023</p> <p>Accepted 04 May 2023</p>	<p>Purpose: The study aims to investigate the extent to which material and non-material requirements are available in applying budgeting programs and performance in Iraqi governmental companies that are not aimed at achieving profits. whose activities are limited to providing services of public interest. This is done by studying the extent to which the requirements of each stage of preparing the programs and performance budget can be met.</p>
<p>Keywords:</p> <p>Performance Budget; Traditional Budget; Cost Objective; Program Performance.</p>	<p>Theoretical framework: The process of evaluating financial performance is the main objective of all economic units, whether they are governmental or private economic units. Budgets contribute to the evaluation process by analyzing deviations in the application. The study includes an analytical presentation of the importance of balancing programs and performance through criticisms directed at the traditional budget, known as item balancing.</p>
	<p>Design/methodology/approach: The idea of reforming the Iraqi budget was born in the government as a result of the catastrophic failure of many government projects. After the decline in oil prices, which is the main source of financing public spending. Not to mention the war on ISIS, which made the budget sag with public spending. The study was conducted by relying on the questionnaire form. Which was distributed to a number of auditors, numbering 120 people. The study (Ho, 2018) was relied upon in conducting the applied study.</p>
	<p>Findings: The results of the survey indicate the weakness of the possibility of applying the program budget in all its six basic stages, as it mainly requires amending the accounting system. This amendment also includes the use of cost accounting as a main element on which this budget is based in order to determine the goal of each program.</p>
	<p>Research, Practical & Social implications: The traditional budget focuses on what is inevitably spent without focusing on how to manage resources under specific programmes. As a result, these effects have been reflected on many development projects, the completion of which is often delayed. Program and performance budget focuses on the program as a whole, and each program is evaluated according to what was implemented during the year.</p>
	<p>Originality/value: This study is the first of its kind, which focused on the requirements of applying budget performance in Iraqi government-affiliated companies. With the aim of determining the adoption requirements in a way that can contribute to making recommendations towards the process of adopting this type of budget.</p>
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É POSSÍVEL ADOTAR UM ORÇAMENTO DE DESEMPENHO NAS EMPRESAS DO GOVERNO IRAQUIANO?

RESUMO

Objetivo: O estudo visa investigar em que medida os requisitos materiais e não materiais estão disponíveis na aplicação de programas orçamentários e desempenho em empresas governamentais iraquianas que não visam a obtenção de lucros, cujas atividades se limitam à prestação de serviços de interesse público. Isso é feito estudando até que ponto as exigências de cada etapa de elaboração dos programas e do orçamento de desempenho podem ser atendidas.

Referencial teórico: O processo de avaliação do desempenho financeiro é o principal objetivo de todas as unidades econômicas, sejam elas governamentais ou privadas. Os orçamentos contribuem para o processo de avaliação analisando desvios na aplicação. O estudo inclui uma apresentação analítica da importância do balanceamento de programas e desempenho por meio de críticas dirigidas ao orçamento tradicional, conhecido como balanceamento de itens.

Desenho/metodologia/abordagem: A ideia de reformar o orçamento iraquiano nasceu no governo como resultado do fracasso catastrófico de muitos projetos governamentais. Após a queda do preço do petróleo, que é a principal fonte de financiamento dos gastos públicos. Sem falar na guerra contra o ISIS, que fez o orçamento cair com os gastos públicos. O estudo foi conduzido com base no formulário do questionário. Que foi distribuído a um número de auditores, num total de 120 pessoas. O estudo (Ho, 2018) foi utilizado na condução do estudo aplicado.

Resultados: Os resultados da pesquisa indicam a fragilidade da possibilidade de aplicação do orçamento-programa em todas as suas seis etapas básicas, pois requer principalmente a alteração do sistema contábil. Esta alteração inclui também a utilização da contabilidade analítica como elemento principal em que se baseia este orçamento para determinar o objetivo de cada programa.

Pesquisa, implicações práticas e sociais: O orçamento tradicional se concentra no que é inevitavelmente gasto, sem se concentrar em como administrar os recursos de programas específicos. Como resultado, esses efeitos se refletiram em muitos projetos de desenvolvimento, cuja conclusão é frequentemente adiada. O orçamento por programas e desempenho foca no programa como um todo, e cada programa é avaliado de acordo com o que foi implementado durante o ano.

Originalidade/valor: Este estudo é o primeiro de seu tipo, que se concentrou nos requisitos de aplicação de programas orçamentários e desempenho em empresas afiliadas ao governo iraquiano. Com o objetivo de determinar os requisitos de adoção de forma que possam contribuir para a formulação de recomendações para o processo de adoção desse tipo de orçamento.

Palavras-chave: Orçamento de Programas e Desempenho, Orçamento Tradicional, Objetivo de Custo, Desempenho de Programas.

ES POSIBLE ADOPTAR UN PRESUPUESTO DE DESEMPEÑO EN LAS EMPRESAS DEL GOBIERNO IRAQUÍ?

RESUMEN

Propósito: El estudio tiene como objetivo investigar hasta qué punto los requisitos materiales y no materiales están disponibles en la aplicación de programas presupuestarios y desempeño en empresas gubernamentales iraquíes que no tienen como objetivo obtener ganancias, cuyas actividades se limitan a la prestación de servicios de interés público. Esto se hace estudiando en qué medida se pueden cumplir los requisitos de cada etapa de la preparación de los programas y el presupuesto por resultados.

Metodología: La idea de reformar el presupuesto iraquí nació en el gobierno como resultado del fracaso catastrófico de muchos proyectos gubernamentales. Tras la caída del precio del petróleo, que es la principal fuente de financiación del gasto público. Por no hablar de la guerra contra ISIS, que hizo que el presupuesto se hundiera con el gasto público. El estudio se llevó a cabo apoyándose en el formulario del cuestionario. El cual fue distribuido a un número de auditores, que suman 120 personas. Se confió en el estudio (Ho, 2018) para realizar el estudio aplicado.

Conclusiones: Los resultados de la encuesta indican la debilidad de la posibilidad de aplicar el presupuesto por programas en todas sus seis etapas básicas, ya que requiere principalmente modificar el sistema contable. Esta reforma también incluye el uso de la contabilidad de costos como elemento principal en el que se basa este presupuesto para determinar la meta de cada programa.

Implicaciones de la Investigación: El presupuesto tradicional se enfoca en lo que inevitablemente se gasta sin enfocarse en cómo administrar los recursos bajo programas específicos. Como resultado, estos efectos se han reflejado en muchos proyectos de desarrollo, cuya finalización a menudo se retrasa. El presupuesto por programas y desempeño se enfoca en el programa como un todo, y cada programa se evalúa de acuerdo con lo que se implementó durante el año.

Palabras clave. Programa y Presupuesto por Desempeño, Presupuesto Tradicional, Costo Objetivo, Programa por Desempeño.

INTRODUCTION

Budgeting is often interpreted as a system of control used in various organisations. Basically, The budget plays a direct role in value creation and is an integral part of an organization's operational activities (Flayyih and Khiari, 2022; Carolina et al., 2023). Today, due to the scarcity of resources, money management is more important than ever for public and private sector entities. Setting budgets plays a major role in controlling operations efficiently and effectively. Balancing and balancing can be traced back to the days of biblical concepts, the days of Joseph in Egypt. It has been reported that she was granted a bit of wealth without any written or written order. History has clarified the budget that Joseph carried out for the process of storing grain, which the Egyptians continued throughout seven years of famine, according to what was mentioned in the Bible. The first presentation of the budget or budget was in the year 1920, on the basis of which the budget was used as a tool for managing costs and cash flows in a large industrial organization (Olurankinse, 2011). The general budget is a means for implementing financial and economic policies. This is done through planning and controlling government performance in a way that achieves optimal utilization of the various factors of production. It achieves the social and economic goals of various groups of society (Chugunov et al., 2018). The idea of balancing programs and performance dates back to the 1920s in the United States of America, specifically in the year 1912, when the Taft Committee (Williams, 2003) defined it. And her report indicated the necessity of preparing the general budget in accordance with the objective of the activity. The US Department of Agriculture is the first economic unit to prepare its own program-and-performance budget. Interest in balancing programs and performance in the government field increased after the financial crisis (Schick, 2007). When states felt the need for states to intervene in the economy in order to implement economic and social development plans. The role of the budget shifted from a mere oversight measure to providing information that contributes to assisting in the efficient, effective and economical management and exploitation of scarce resources (Woo-Cummings, 2019).

Contemporary reforms to incorporating performance information into budgeting and resource allocation decision-making date back to the beginning of the twentieth century. When the National Municipal Association, the US Census Bureau, and the New York Bureau of Municipal Research in the United States advocated the use of municipal statistics and cost

accounting information to improve the efficiency and effectiveness of government spending and program operations (Ho, 2018). Therefore, the justifications of the study are represented by presenting effective mechanisms for non-profit governmental economic units to apply budgetary programs and performance. This is in order to overcome the defects that these units face in evaluating their performance in light of the application of the traditional budget. This is done by studying the role of program budget and performance in evaluating non-profit government projects. In order to lay the basic building blocks for the shift in preparing the budget from the traditional method to balancing programs and performance, the study was divided into several sections. The first section dealt with some literary contributions to the concept of budget through a historical presentation. The second section included the research methodology. While the third section included the presentation and discussion of the results, and finally the conclusions.

Performance-based reforms pose a challenge to governments. Especially in developing countries. In the 1990s a best practice approach characterized these reforms. In view of the potential risks of failure due to instability. An alternative approach has been suggested whereby governments promote performance-based reforms by developing budgetary fundamentals (Andrews, 2006). The process of evaluating financial performance represents the primary objective of governments. The problem of the study is the inability to evaluate the economic projects of the governmental economic units in Iraq. Which deliberately traditional budget method. The budget is an estimate of public spending, far from the possibility of an appropriate estimate of revenues. In addition, it does not contribute to the process of evaluating the financial performance of government units and their projects implemented under an accounting system that does not provide a true and fair picture of economic conditions. In its preparation, the traditional budget is concerned with public spending without concern for the goal and the resulting effects. As the budget items for the next period are estimated based on the estimates of the budgets for the previous period, with an increase and decrease in the items based on the expected change rate during the next period in each item. Accordingly, the previous items do not need justification from the concerned departments to be included in the next budget. And that this method of estimation is more on cost items than on revenues, as the traditional budget focuses on expenditures more than on revenues. Traditional budgeting also results in deficiencies in accountability. This makes Iraq at the forefront of the most corrupt countries in the world. Therefore, budgets in the government sector are characterized as a planning tool. However, it is not considered an effective monitoring tool in preserving public money. It does not contribute to the evaluation of completed projects and projects in progress. The idea of

reforming the Iraqi budget was born in the government as a result of the resounding failure of many government projects. After the decline in oil prices, which is the main source of financing public spending, not to mention the war on ISIS, which has been exhausted, making the budget sag with public spending.

LITERATURE REVIEW

Budget Concept:

The idea of the budget depends mainly on trying to make certain estimates in light of the expected conditions in the future. There is no doubt that this idea is applied by the individual in his life and taken into account by governments when setting them to budget and practiced by various projects in proportion to their nature and special circumstances (Shim et al., 2011). The budget preparation process in the government sector is as it is now. It dates back to the year 1217 in Britain. After the establishment of the Kingdom to exercise its role as an organizing authority, it contributes to organizing the social and economic life of the population, with the aim of achieving social justice after taxes were imposed in an unregulated manner. This led to the creation of abject poverty among the people, which prompted the king to take specific measures according to a document. It defined the powers of the ruler when imposing taxes (Olurankinse, 2011). Thus the concept of budgeting has evolved over the years, and many types of budgets have emerged since then.

The nature of the economic system is a factor affecting the budget preparation process. The state, under the concepts of traditional capitalist economic thought, was limited to providing security and justice. As for the role of the government, it was neutral. However, the financial crisis that swept the world in the twenties of the last century. Specifically, the year 1929 made the state look different towards the budgeting process, as the monetary policy of countries failed to provide economic balance in the classical economic concept. Make it necessary for states to intervene in economic activity. The economist Keynes in 1936 is the most important advocate of this (Flayyih, 2016). The scarcity of resources and funds today in light of the problems facing many countries, especially in Iraq. Which is greater than ever after 2003 for the government and private sectors (Nikkeh et al., 2022). In this regard, (Olurankinse) believes that budgeting plays a major role in controlling operations efficiently and effectively. It is noteworthy that the economic units began in 1960 to use budgets in order to dictate to people what needs to be done in order to improve performance. While the economic units in the 1970s were based on meeting financial goals rather than operational effectiveness (Hope & Fraser, 2003).

The budget is an important necessity for planning, control and performance evaluation. There is broad agreement between both financial managers (FMs) and non-financial managers (NFMs) on the role and importance of budgeting in this area (Jackson & Starovi, 2004). It has also been used in addition to the planning, control and performance evaluation process in evaluating management performance (Al-tae & Flayyih, 2022). The main purpose of the budgets is to assist in the implementation of the strategies of the economic unit. And not just planning, control and performance evaluation and the changes that occur in the economic and business environment (Rickards, 2006).

The word budget originally comes from the French word “bougeotte” (Hamdan et al., 2018). It has been defined by several definitions, as defined by (Goode & Malik, 2011) as a future quantitative plan. It is prepared by the managers with the aim of assisting in the implementation of this plan. The budget can be counted as a translation of management plans in a digital or financial way. It naturally represents the primary method of communication between objectives and functions within the economic unit (Bettinger et al., 2016). On this basis, the budget represents a detailed plan expressed quantitatively or financially through which resources are determined and how to use them during a specified period of time in the future (Wildavsky, 1986). (Zeller & Metzger, 2013) defined the budget as a quantitative expression of the proposed plan for management work for a specific period, with the aim of helping to coordinate what should be done to complete that plan. (Horngren et al, 2012) as "a quantitative expression of the work plan proposed by the management of the economic unit for a specific period, with the aim of helping to coordinate its work and what should be done in order to implement the plan." From the above definitions, it can be noted that the budget:

1. A quantitative expression of the future plan.
2. It covers a specific period, usually one year.
3. Draw up a plan for the work of the economic unit during this period.
4. It aims to achieve a set of objectives of the economic unit.

The Traditional Budget and the Criticisms Directed Towards it:

The traditional budget, or what is known as the items budget, is one of the oldest types of budgets. Among its advantages is that it is easy to prepare and control (Albderi et al., 2023). In its preparation, it depends on estimating both the state’s revenues and expenditures during the coming period. Revenues and expenditures are classified into sections and items, and in most cases the state’s expenditures are increasingly estimated in response to the increase in annual spending, taking into account the value of the revenues that the state will earn during

the coming periods (Flayyih, 2016). The process of preparing the traditional budget was one of the necessary issues for the economic units. This budget has become one of the main goals of accountants in criticizing it. There is general agreement that the business environment is not what it was now when the budget concept was adopted. Therefore, the traditional budget may not be suitable for the current business environment (Hanninen, 2013).

Accounting professionals in Europe and the United States have recently proposed two approaches to address what they believe to be the shortcomings of traditional budgeting. The first approach calls for improving the budgeting process. It focuses on planning problems in it, while the second approach aims to abandon the budget and focuses on performance evaluation problems with the budget mainly. As the complexity of the environment and the high level of competition in a way that made the traditional budget in its current form not useful for economic units. So dissatisfaction with traditional budgets is increasing in business. It has proposed "post-budgeting" as a means to activate the administrative contribution of the accounting department (Hansen et al, 2003). There are many criticisms directed towards the traditional budget, including:

First: Restricting the Ability of the Economic Unit:

The traditional balancer culture has restricted the ability of the economic unit to reshape the business environment in a manner commensurate with the current business environment. As budgets contain management behaviors in old procedures that are not commensurate with today's environment. As the traditional systems are an obstacle in the way of innovation in the face of management on the one hand. On the other hand, the growth of economic units is a factor causing the inappropriateness of traditional budgeting methods (Miller & Power, 2013). Previously, the economic units were small and employee relations with each other and with senior management depended on the basis of trust (Hatmaker & Hassan, 2023). However, due to the expansion and development of economic units, the emergence of multinational companies, and the increase in cases of administrative corruption and fraud from the management of companies, this led to the destruction of trust between employees and the management of those companies. This in turn restricted the role of budgets as a system of control. The aspect of control has become a limitation for the progress of thinking of economic unity to modernity (Al-Awsi & Tabatabai, 2023).

Second: Stagnation in the Preparation of the Traditional Budget and Lack of Consideration for Flexibility in its Preparation and Economic and Social Problems:

The traditional budget is characterized as a static budget, as it does not respond to external changes (Flayyih & Khiari, 2023). Therefore, any adjustment takes place as a result of the economic changes that the country is exposed to. It takes a long time to get approvals for this change from the legislature (Goode & Malik, 2011). And outside the framework of the budget, those responsible for government affairs usually carry the budget with expenditures as needed without resorting to any appropriations in the budget (Maseer et al., 2022). The result is often class differences due to changing economic conditions. Inaccurate expectations of the poor or doubts resulting from weakness, inability or possession of knowledge and experience on the part of the budget preparers (Olurankinse, 2011).

Third: Management's Misunderstanding of the Budget and Lack of Administrative Awareness:

Budget items for the next period are estimated based on estimates of budgets for the previous period, with an increase and decrease in items based on the expected change rate during the next period in each item (Yang et al., 2022). Accordingly, the previous items do not need justification from the concerned departments to be included in the next budget. And this method of estimation is more on cost items than on revenue (Mitchell et al., 2022). Traditional budgeting focuses more on expenditures than on revenues (Saliterer et al., 2018).

Fourth: Difficulty Predicting in Some Cases:

The traditional budget cannot provide the economic units with correct estimates for planning in a rapidly changing economic and social environment. Budget information quickly becomes out of date. Therefore, planning is one of the most important and most criticized functions in the changing economic environment under the traditional budget (Otley, 1978).

Fifth: Misunderstanding of the Working Managers of the Traditional Budgets:

The process of preparing the traditional budget is characterized by the lack of full participation of the directors of units and departments in the process of preparing and reviewing it, so it is passed on a routine basis. Thus, it is placed on the shelf as a historical document that cannot be consulted, modified, discussed, or reviewed after the preparation process (Ali et al., 2023). And the process of imposing some expenditure items in the budget and specific targets for revenue imposed by some people is taking place during a project or draft, even when the

government tries to be realistic in its estimates. The amendments are imposed on it by the legislative authority (Hussein et al., 2023). In addition, there is no specific staff for budget preparation and follow-up, and there is not enough time to carry out a comprehensive budget preparation and monitoring process (Olurankinse, 2011). Most of the budget preparation processes do not communicate with the reality of the economic units. It is just the way government has always done it (Bukovinsky & Talbott, 2010).

Sixth: The Traditional Budget Lacks a Strategic Focus:

The rapid progress of information technology and financial problems and crises. The biggest challenge facing economic units is how to achieve their strategic adjustment. Keep pace with development for the purpose of obtaining competitive advantages without falling behind competitors (Hadi et al., 2023). As a primary goal, the traditional budget lacks strategic focus and value creation for the economic unit (Al-Janabi et al., 2023). The bureaucratic pattern of traditional budget preparation restricts its flexibility. Which in turn affects the creative orientation of the economic unit (Ali et al., 2023). In addition, the traditional budget very rarely interacts with employees due to the presence of certain controls in its preparation, and they are forced to do so, which makes them unmotivated towards it. The pattern of its setup from top to bottom strengthens the drive structures laterally. It reduces the ability of employees to adapt and respond. Working on a traditional budget also causes dysfunctional behavior because managers are often under pressure to achieve predetermined goals. This behavior is also known as balancing games (Goode & Malik, 2011, 209).

Traditional Budgeting Lacks Management Oversight:

Practitioners report concerns about the use of budgets in planning and performance evaluation. Practitioners also argue on the important issue that traditional budgeting impedes resource allocation and encourages short-term decision-making processes. They attribute these problems to the traditional budget. It links society to issues with many problematic aspects in terms of preparing them and making sure that their goals are achieved (Hansen et al., 2003; Hänninen, 2013).

MATERIAL AND METHODOLOGY

Performance evaluation by many oversight organizations in Iraq and international organizations reveals a low level of performance. Whether in terms of economic growth or in terms of providing social welfare services, which require improving the quality of life. This

level is due to the poor performance of successive governments due to problems in the implemented programmes. This negatively affected the financing of many projects. The balancing of programs and performance is one of the solutions that can contribute to addressing the delay in implementing projects. In this study, we try to determine the impact of each stage of program budget preparation and performance in the evaluation process. In order to prepare a perception of the obstacles that could be the reason for not being able to prepare such budgets.

Sample

The sample of the study was chosen randomly, and it was limited to a group of auditors in the State Audit Bureau. This is because they are responsible for following up the implementation of the budget as part of their work when auditing financial operations in various government-affiliated institutions. Table 1 presents the characteristics of the sample.

Table 1. Sample properties.

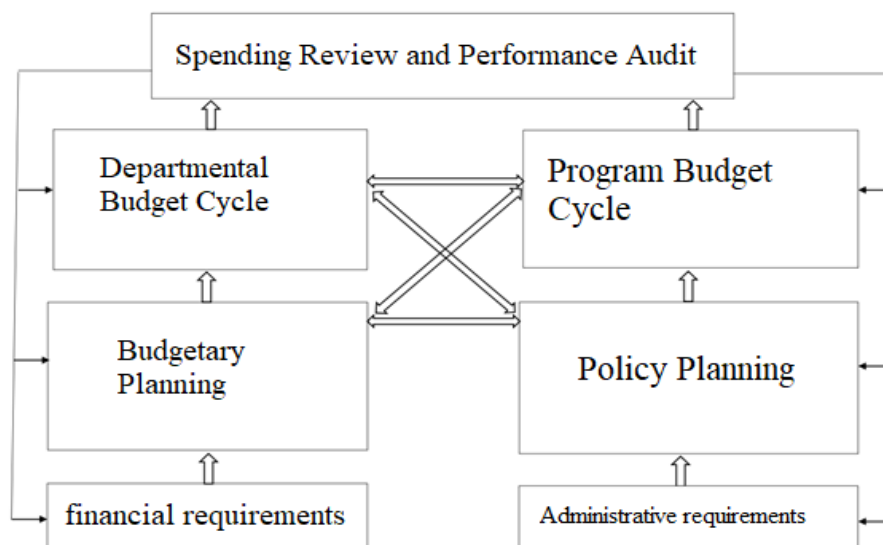
Variables	Categories	Iteration	PERCENT %
Gender	Male	51	43%
	Female	69	57%
Age	20-30	63	53%
	31-40	27	23%
	41-50	18	15%
	51-68	10	8%
	61 years and above	2	2%
Scientific qualification	Diploma	2	2%
	Bachelor	40	33%
	High Diploma	33	28%
	Master	10	8%
	Doctor	35	29%
Years of service	1-10	9	8%
	11-20	71	59%
	21-30	38	32%
	31 and More	2	2%

Source: Prepared by the authors (2023).

Study Modeling:

The study (Ho, 2018) was relied upon to determine the model of the current study, as it includes Figure 1. The study model, presented below, consists of six steps that conclude with spending review and performance audit, which represents the essence of preparing the program budget.

Figure 1. Study model.



Source: (Ho, 2018).

RESULTS AND DISCUSSION

Our study relies on descriptive statistical tools, which are both the arithmetic mean, to estimate the extent to which the respondents respond to the hypothetical mean of (3) out of (15). Which is determined by the paragraph length of the five-point Likart scale, which defines five categories (fully agree, agree, neutral, disagree, strongly disagree). The degree of the scale is determined from (1-5). As for the weighted average, which is calculated on the basis of the distance between the categories, which is determined according to the following (from 1 to 1.79, from 1.8 to 2.59, from 2.6 to 3.39, from 3.4 to 4.19, from 4.2 to 5). Table 2 represents the descriptive results of the scale adopted in the study. Table 2 presents the overall descriptive results at the level of the main dimensions as a whole.

Table 2. Overall descriptive results

Scale	Financial Requirements	Administrative Requirements	Budgetary Planning	Policy Planning	Departmental Budget Cycle	Program Budget Cycle	Spending Review and Performance Audit
Mean	3.13	2.3	1.94	2.18	2.93	2.06	2.21
Std. D.	0.76	0.98	0.93	0.96	0.71	1.09	1.19
C.V	0.24	0.43	0.48	0.44	0.24	0.53	0.54
Item importance	76%	57%	52%	56%	76%	47%	46%

Source: Prepared by the authors (2023).

It is noted from the results presented in Table 2 that the highest arithmetic mean was for the financial requirements, as it reached 3.13, which is higher than the hypothetical mean with a standard deviation (0.76) and a coefficient of variation (0.24). Its results indicate that there is

a weak dispersion in the response of the sample. It has achieved an important ratio of dimensions. While the result of the arithmetic mean for the rest of the averages was lower than the hypothetical mean, and the results of the arithmetic mean indicate that it is not possible to adopt the performance balance in all stages of its preparation. due to the lack of necessary capabilities. Table 3 presents the detailed descriptive results at the level of the questions asked in the survey.

Table 3. Detailed descriptive findings.

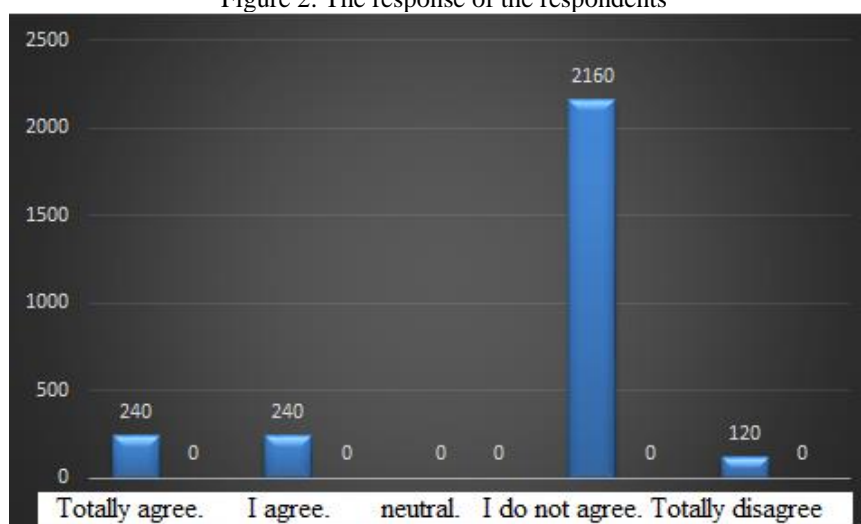
Stage	Paragraph	Mean	Std. D.	C.V	Item importance	T
Financial Requirements	That sound revenue management.	4.23	0.86	0.20	80%	Totally agree
	Accounting systems and financial management systems are reliable.	3.84	0.79	0.21	79%	I agree
	effectiveness of financial control.	2.03	1.13	0.56	44%	I do not agree
Administrative Requirements	Sound data quality management.	2.27	1.25	0.55	45%	I do not agree
	There is reasonable ability to evaluate and measure performance.	1.98	1.00	0.51	49%	I do not agree
	There is active participation of stakeholders.	2.33	0.84	0.36	64%	I do not agree
Budgetary Planning	There are projections for the current annual budget and other years.	1.77	0.91	0.52	48%	Totally disagree
	There is an evaluation of short and long term liabilities.	1.83	1.14	0.62	38%	I do not agree
	Set targets for discretionary and non-discretionary spending.	2.18	1.22	0.56	44%	I do not agree
	Setting spending targets for departments and interdepartmental programmes.	2.11	1.17	0.55	45%	I do not agree
Policy Planning	Policy priorities are determined for the public by with senior management and key stakeholders.	2.29	1.11	0.48	52%	I do not agree
	Develop cross-departmental and departmental action plans for key policy priorities.	2.01	1.25	0.62	38%	I do not agree
	There are performance targets for the current year and other years.	2.08	1.15	0.55	45%	I do not agree
	Establish key performance objectives and outcome indicators for key policy priorities.	2.08	1.06	0.51	49%	I do not agree
Departmental Budget Cycle	Setting departmental priorities and developing departmental action plans.	1.98	1.10	0.55	45%	I do not agree
	Annual budget requests and justifications are drawn up.	4.25	0.87	0.21	79%	Totally agree

	Operational, capital and program expenditure progress and departmental results are monitored.	3.88	0.84	0.22	78%	I agree
Program Budget Cycle	Determining program priorities across departments and subsections and developing strategic plans for the program.	2.11	1.30	0.62	38%	I do not agree
	Annual budget requests and justifications are drawn up.	2.30	1.27	0.55	45%	I do not agree
	The program's spending process and results are monitored.	2.01	1.04	0.52	48%	I do not agree
Spending Review and Performance Audit	Review the results of measuring the performance of programs and departments.	2.48	1.10	0.44	56%	I do not agree
	Identify deficiencies, weaknesses and risks.	1.96	1.21	0.62	38%	I do not agree
	Recommend treatment and improvement actions.	1.94	1.36	0.70	30%	I do not agree

Source: Prepared by the authors (2023).

From Table 3, it is clear that the respondents did not agree about the available capabilities for preparing the program budget. Most of the respondents' answers confirmed the lack of the necessary capabilities to adopt the program budget. Noting that most of the results of the arithmetic mean were less than the value of the hypothetical mean. While the results of both the standard deviation coefficient and the coefficient of variation indicated that there was a weak dispersion in the response of the sample, and Figure 2 shows the response of the sample.

Figure 2. The response of the respondents



Source: Prepared by the authors (2023).

Figure 2 shows that most of the responses were in disagreement about the possibility of applying the program budget, which indicates the weakness of the necessary capabilities in all stages of implementing the budget.

Measure the Level of Association Between Variables

Figure 1. The study model displays a correlation between the variables. In order to verify the extent of the relationship between these variables, Table 4 presents the measurement of the correlation between the stages of preparing the program budget.

Table 4. Correlation Matrix.

Item	Correlations (R)		1	2	3	4	5	6	
1	Financial Requirements	R	1	0.59*	0.59*	0.55*	0.48*	0.70*	0.58*
		Sig		0.000	0.000	0.000	0.000	0.000	0.000
2	Administrative Requirements	R	1	1	0.76*	0.76*	0.57*	0.79*	0.85*
		Sig			0.000	0.000	0.000	0.000	0.000
3	Budgetary Planning	R			1	0.76*	0.63*	0.82*	0.79*
		Sig				0.000	0.000	0.000	0.000
4	Policy Planning	R				1	0.64*	0.80*	0.84*
		Sig					0.000	0.000	0.000
5	Departmental Budget Cycle	R					1	0.63*	0.59*
		Sig						0.000	0.000
6	Program Budget Cycle	R						1	0.88*
		Sig							0.000

*.Correlation is significant at the 0.01 level (2-tailed).

Source: Prepared by the authors (2023).

The table 4 displays the results of the correlation coefficient (Pearson) for the relationship between the variables at the level of significance (0.01), and it is noted that the correlation is strong and positive between the dimensions among them. The results indicate that the Sig value for all variables was significant. And the correlation values range between acceptable and good in terms of the level of correlation strength. It is the results contained in the survey that was reached by the researchers. Other requirements had to be met to implement the performance budget. The first step is the budget planning stage. Under which budget planning processes determine how budget plans are updated, directed, reviewed, and approved in the budget institution's hierarchy. Budget plans include budget data for the budget cycle. You can have several budget plans that are used for different purposes. Also, budget plan scenarios should be available that define data categories for budget plans. For example, "Department requests for the previous year" and "Department requests". The budget planning stages define the steps that a budget plan follows from inception to final approval. In terms of budget execution, the budget planning workflow includes and defines the phases of budget planning. Budget planning workflows are linked to budget preparation workflows. As for the end result,

it is represented by reviewing the programs to ensure that the budget target associated with the program objective is achieved.

CONCLUSION

The problem of the research is the question about the possibility of adopting the program budget instead of the items budget. So, The study aims to investigate the extent to which material and non-material requirements are available in applying budgeting programs and performance in Iraqi governmental companies that are not aimed at achieving profits. whose activities are limited to providing services of public interest. This is done by studying the extent to which the requirements of each stage of preparing the programs and performance budget can be met. The program budget is characterized by the fact that it is concerned with defining the programs and activities that are entrusted with the implementation of certain objectives, and thus defining the scope of financial measurement on the basis of these programs and related sub-activities. The financial measurement here aims to determine the cost of each program separately. Thus, the annual budget appears composed of a number of programs in terms of their burdens and revenues. And classifying the budget on a functional basis, that is, according to the functions that the government performs. There has been a need to move from balancing traditional items to balancing performance in a manner consistent with the need to introduce scientific methods of management. The results indicate that the process of moving to the performance budget according to the six basic stages requires modifying the accounting system as one of the financial management tools to include the use of cost accounting as a main element on which this budget is based, defining means to measure performance, such as performance rates and percentages, regrouping appropriations according to the goal of alimony, dividing Each goal to programs. Dividing programs into projects or sub-programs, each with sub-goals related to the main goal, appointing a special official for expenditures for each program who has the authority to transfer credits between parts and items and between administrative and investment expenses in order to facilitate access to the goal, and in return he has to submit periodic reports on program implementation And the extent of its progress and the legislative authorities' vote on the goals and programs to be applied, and the results of the survey showed the weakness of the possibility of implementing the program budget in all the stages and requirements mentioned, despite the availability of financial requirements for the completion of this type of budgets.

The results show a number of determinants of implementing the program budget in all stages of its preparation. These determinants are represented by the difficulty of providing

material and non-material requirements in the process of implementing this type of budgets. We suggest, for future work, to prepare studies on the possibility of formulating budget items according to the concepts of program preparation and implementation. By identifying mechanisms that contribute to defining the program according to the requirements of cost management, starting from defining the purpose of the cost until preparing the program in its full form. Accordingly, we propose the future work is "*the role of the contractual budget in evaluating the performance of economic units*".

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