

## A suggested framework for putting program and performance budgeting into practice in Iraq: applied study In the Diwaniyah Municipality Directorate

Sadiq Jafar Kathim

[dw.sad23@atu.edu.iq](mailto:dw.sad23@atu.edu.iq)

AL -Furat AL -Awsat Technical University, Technical Institute of Dewaniya

Received: 31/10/2024

Accepted: 1/12/2024

Available online: 25 /12 /2024

---

*Corresponding Author : Sadiq Jafar Kathim*

---

**Abstract :** The purpose of the current research is to provide a proposed framework for implementing the program and performance budget in Iraq at the Diwaniyah Municipality Directorate. The Iraqi economy is considered one of the interconnected economies, as the country's economic policies depend on oil exports. Iraq has also relied on a government accounting system since 1976, in addition to decades of formulating financial and economic policies based on preparing and implementing the traditional budget (budget items and expenditures). The Accounting Principles System of 1940 and its amendments form the basis for this system. Due to the application of the traditional budget that depends on inputs without linking them to outputs, these systems are not compatible with the broad change and transformation witnessed by the Iraqi economy. The decision to select the Diwaniyah Municipality Department led to a number of conclusions, the most important of which is the necessity of dealing with expenditures and revenues through centralization, which hinders the achievement of budget objectives, especially after the budget was approved and ratified with very large amounts exceeding (one hundred billion dollars annually). One of the most important recommendations reached by the research was to shift from budget items and expenditures to program and performance budgets. This is due to the fact that traditional budgets do not provide oversight over projects and programs, and play a smaller role in rationalizing spending, controlling efficiency, and monitoring performance.

**Keywords:** Program and performance budget, government accounting system, Diwaniyah Municipality Directorate.

---

**Introduction:** Program and performance budgeting is an important tool in the management of the country's financial resources, as it aims to achieve efficiency and effectiveness in the use of resources (Nurgaliyeva et al.,2022:40). In the context of Iraq, which faces multiple economic and administrative challenges, there is a need to adopt advanced budget management models, so that program and performance budgeting is characterised by a focus on results rather than inputs, which enhances the transparency and effectiveness of government spending (Amjed et al.,2023:178). This system aims to link financial resources to the strategic objectives of the State, thereby enhancing accountability and ensuring tangible results.

The Programme and Performance Budgeting Framework is characterised by a focus on setting goals and desired results, and then allocating financial resources based on those objectives (Suwarno et al.,2023:836). This system allows governments to periodically evaluate the performance of programmes and projects, facilitating decision-making based on accurate and reliable data. In Iraq, where the government suffers from a lack of resources and an increasing demand for basic services, the implementation of this system becomes an urgent necessity to improve financial management and enhance transparency and accountability (Parsamehr et al.,2023:355). The Programme and Performance Budgeting Framework is characterised by a focus on setting goals and desired results, and then allocating financial resources based on those objectives (Alsharari,2022:353).

Through this framework, the steps needed to implement the programme budget and performance will be reviewed, from budget preparation and prioritisation, to programme implementation and evaluation of results (Musiega et al.,2023:352). The importance of training and capacity building among government cadres will also be addressed, in addition to enhancing cooperation between various stakeholders (Durokifa et al.,2023:493). The implementation of this system is not limited to improving financial performance, but extends to enhancing trust between the government and citizens through increased transparency and improved quality of services (Sofyani et al.,2022:397).

Through the above, the current research came to highlight the Programme and Performance Budgeting Framework as a powerful tool that can contribute to achieving sustainable development in Iraq. The Government's commitment

to the implementation of this system, with the necessary technical and technical support, can achieve tangible results in improving the standard of living and achieving social justice.

## **Research Methodology**

### **1. Research Problem**

A. The Principles of Accounting System of 1940 and its revisions serve as the foundation for the government accounting system that Iraq has implemented. The Coalition Authority's 2004 Public Debt Law, which was created with low resources and tiny expenditure departments in mind, as well as the notion of accounting unification for all departments, were adopted. These structures still exist. It is incongruous with the extent of the significant economic shift in Iraq. Similarly, Iraq continues to rely on conventional budgeting methods that depend on inputs without connecting them to the outputs and objectives that the accounting system aims to achieve. These methods include budgeting items and expenditures. Given the foregoing, the research challenge may be summed up as with the ensuing inquiries:

B. Does the conventional budget (items and expenditures) that is now authorized match the significant changes that have occurred in Iraq's political, economic, and social systems?

C. Are government agencies receiving enough information on the planning and control process from the accounting system used in Iraq?

D. Is Iraq's present government accounting system in line with the country's transition to a performance-based budgeting process?

### **2. Objectives of Research**

:- The research objectives can be defined as follows

A. The conceptual foundation of Iraq's official accounting system.

B. Outlining the rationale behind switching from the traditional budget to the programme and performance budget, as well as the idea and application process.

### **3. Research Significant**

In addition to a detailed examination of the government accounting system for public spending units in Iraq, its philosophical and practical aspects, and the extent to which they influence the proposal to switch from the budget of items and expenditures currently used in Iraq to the budget of programmes and performance, the research presents a conceptual and philosophical study of the budget of programmes and performance.

The Diwaniyah Municipality Department was selected for the research due to its effective role in serving the residents of the Diwaniyah Governorate, as well as its knowledge of programme and performance budget preparation, application, and impact on the efficient, scientific, and cost-effective management of human and financial resources.

### **4. Research Hypotheses**

**First hypothesis:** When switching from the traditional budget (items and expenditures) to the programme and performance budget, is the accounting system used by the Iraqi government still relevant?.

**The second hypothesis is:** Can financial, control, and planning goals be efficiently met by employing the suggested model for budgeting programmes and performance work?

### **5. Research population and sample**

All government agencies and departments in Iraq that receive funding from the national budget and those that fund themselves through legally mandated revenue collection are included in the research population. Diwaniyah municipality was selected as one of the government entities for the study sample.

### **6. Sample Limits**

A - Spatial boundaries: The Diwaniyah Municipality Directorate began the process of switching from the budget to the programme and performance budget.

B - Time limits: The Diwaniyah Municipality Directorate's general budget and financial accounts for the fiscal year 2021 were used.

## **THE FIRST PART: THE NATURE OF THE GOVERNMENT ACCOUNTING SYSTEM IN IRAQ**

### **1. The concept of the government accounting system:**

Since it derives from the accounting system concept, the government accounting system is regarded as one of the accounting systems (Lehner et al.,2022:110). It operates in non-profit government units, handling all aspects of revenue proofing, including methods of collection and expenditures on activities in these units where it strives to furnish the required data and information (Putri& Ekowati,2023:80). This aids the administration in maintaining

supervision over and monitoring the execution of the state's general budget in addition to overseeing the execution of departmental plans and policies (Al-Mahaini and Al-Khatib,2008:185).

## **2. Components of the government accounting system:**

The following are components of the Iraqi government accounting system's organizational structure (Page 31 of Abbas and Rasheed, 1991)

**A - Central (main) treasuries:** These treasuries handle all financial duties, including creating an account to measure the outcome, presenting the financial position, and creating the monthly trial balance. The management of cash assets is the sole purview of the Ministry of Finance (Yentifa et al.,2023:717).

**B. Secondary (sub) treasuries:** We restrict the activities of these treasuries to revenue collection and payment of financial obligations. These treasuries handle a portion of the accounting and financial work performed by the main treasuries (Vasquez et al.,2023:706).

**C: Units of the decentralized system:** This refers to all departments and ministries within the Iraqi governorates that have not yet adopted the central government accounting system (shamsallah Noorallah,2024:206).

## **3. Decentralized accounting system for government:**

Because there are so many government departments, this system is regarded as one of the greatest government accounting systems, and most government units have switched to it (Wasti et al.,2023:118). Because the accounting unit is not connected to any other department and may conduct all accounting processes independently, this system is seen to be more flexible than the central system (Yoshikuni et al.,2023:200). And finance, which includes creating accounting and financial needs, planning and supervising transactions, managing registration and disbursement processes, creating monthly accounting statements, creating final accounts, and managing record treatments. Without consulting another department (primary treasury), the accounting unit handles all of these activities (Ngarawula& Rozikin,2024:140).

# **THE SECOND PART: THE THEORETICAL FRAMEWORK OF THE STATE'S GENERAL BUDGETS, PROGRAM BUDGETS, AND PERFORMANCE**

## **1. The concept of the general budget**

There are several definitions of the general budget that vary according to the views of scholars, schools of thought, and what is covered by international law. There is no one, universal definition of the budget (Freier et al.,2024:84). The General Budget of the State is defined by French law as "an annual financial law that estimates the total revenues and expenditures of the state for each calendar year" (Bochkareva et al.,2023:360). The United Nations defines the General Budget as "a process prepared for each year that focuses on coordination, planning and revenue control with the aim of achieving the required purposes efficiently" in Article (45) of the Government Accounting Manual. In essence, it is the process of making choices that allow officials at different administrative levels to organize and carry out operations and programmes in a planned way in order to achieve favourable outcomes by allocating and utilizing available resources as efficiently as possible (Al-Sayegh, 1987, 11).

According to Article (1) Second of Financial Management Law No. (6) of 2019, the general budget is defined as a financial plan that outlines the projects and programmes the state plans to implement. It also includes planning tables for estimating revenues and expenditures, both current and investment, and it is set aside for a specific period of time, one year in advance by law. federal general budget

## **2. Fundamental guidelines for budgeting**

As a consequence of the evolution of budget functions, the budget preparation process is subject to certain fundamental principles and norms, which are occasionally broken or circumvented. These regulations include the following: (Karajeh and Ismail, 1987: 28)

**The first guideline is:** The preparation of estimates of income and expenses for projects, programmes, and services that the state undertakes over the course of a fiscal year is known as the annual budget. This idea aids in precisely projecting income and expenses. An internal and external regulatory body can effectively exercise periodic oversight over the state's financial activities since the year is considered a naturally integrated unit of time.

**The second guideline is the budget's generality.** According to the study (Al-Fawarea, 1984), this rule makes it impossible to separate revenues and expenses in a single governmental administrative unit. It also ensures that governmental unit expenditures are not extravagant or overstated, that the legislative authority has precise control over governmental unit finances, and that this rule prohibits the allocation of a particular revenue to a particular expense.

**The third guideline is fiscal unity.** This regulation states that financial estimates are created for the income and expenses of state-adopted programmes, services, and projects, typically for a one-year term, and that these estimates are then approved by the Parliament, the legislative body. (Salloum, earlier reference, 48).

**The fourth rule The budget's publication and dissemination constitute.** This rule mandates that the budget be made public and that the state's agencies be notified. The total income and expenses, the level of assistance, the surplus or deficit, and the overall social and economic trends must all be made public. (Salloum, earlier reference, 5)

**The fifth guideline is balance**, which is defined as the equality of revenue and usage forecasts in order to prevent either a surplus or a deficit in the budget. Borrowing from within or outside the company is typically used to make up any financial shortfall. Hilali, 63.2002

### **3. Tabulated state budgets:**

According to the research (Al-Sabri 1998), there is a close relationship between the divisions or classifications of the state's general budget, which may be classified at the following levels, and the accounting manual for the Iraqi government accounting system.

a: is the administrative or organizational categorization at the first level.

b: The qualitative categorization at the second level.

c: The career categorization for the third level.

### **4. Overarching goals of the budget:**

The institutions in charge of creating the budget aim to accomplish a number of broad goals, the most significant of which are the following, even though there are many different kinds of budgets, and each has its unique objectives. (Page 181, Horngren, 2006)

**a** Goals for planning.

**b** Tracking goals.

**c** Behavioral objectives.

**d** Financial objectives.

**e** Social objectives.

**f** Political objectives.

### **5. The state general budget's ties to the government accounting system:**

There is a connection between the general budget and the government accounting system since the latter serves as an efficient means of carrying out the budget's items and provides the foundation for all phases of the budget's development, approval, execution, and oversight. The definition of the budget as "a plan that includes an estimate of expected revenues and expenditures" was previously given. attained in the upcoming time frame".

Each revenue and expense is coded differently in these classed statistics. In order to create accounts in the system's book group, the government accounting system, therefore, depends on the budget divisions and their codes. When creating the budget for each given year, the same analysis that is included in the budget accounting guide is employed to make judgments. The government accounting system's actual results from the prior year, which pertain to revenues and costs, as well as the indicators this system uses to gauge the success of programmes and programmes, are what determines this. (Prior source: 63; Mashkour et al.)

### **6. Public budget divisions:**

**A - Creating a standard budget by listing all expenses and goods.** The budgetary plan in question was implemented between 1921 and 1932 AD. This spending plan is regarded as the original one implemented in the United States of America. The financial control over public spending and ensuring that the spending and distribution process is carried out in compliance with laws, rules, and directives are the main concerns of this budget. In order to implement this type of budget, which calls for classifying public revenues and expenditures in a way that can be closely controlled and monitored and allows for the accountability of those responsible for any violations that may occur during implementation by spending units, it is intended to reduce spending, address cases of embezzlement of public funds, and address violations.

**B: The programmer budget**, which is used for planning and programming. The creation of the general budget, which started for the years 1960–1970 AD, is represented by this budget, which is the result of stage three. This budget stood out for its emphasis on the planning component, which aligns with the idea that planning and the overall budget must be linked since information provision and dissemination are essential. In order to support decision-makers and upper management in reaching the best judgments possible, it also attempts to make the best use of the financial resources at hand in order to meet as many community members' requirements as feasible.

**C - Budgeting on a zero basis (zero-based budgeting).** The origins, location, and methodology of zero-based budgeting have been disputed by writers and researchers involved in the preparation of public budgets. However, zero-based budgeting proved successful when it was implemented in an accounting machinery company in 1969 AD by one of its proponents, Peter Behr, and as a result of this success, an article titled "Zero Rule Budget" was published in Harvard Magazine. This led to the application and use of this budget in federal government institutions in 1973.

**D - Contractual budget:** According to the study (Salloum and Darwish, 2007), the contractual budget, which is defined as "a contractual relationship between units," was implemented for the first time in the New Zealand Ministry of Finance in the year 1996 AD. As such, it represents the final wave of development and reform of the

general budget. What has been agreed upon is implemented through this budget. Stated differently, it is a mechanism for reaching an agreement between the government and an implementing party. In accordance with this budget, the government outlines its upcoming plans and initiatives in an effort to choose contractors who will carry them out on schedule and at the lowest possible cost, given that these Programmes and initiatives accomplish the intended objectives. (Darwish and Salloum, 19 2007)

**C: Programmed and performance:** Also known as the performance budget. This kind of general budget implementation started and lasted from (1939–1960 AD), marking the second stage in the evolution of the general budget in America. This budget's objective goes beyond financial control over public spending, which is the traditional budget's domain. Instead, it encompasses the administrative efficiency component of finishing tasks because it addresses the role of administrative control and the management of the prudent use of financial resources. By identifying the various cost components and assessing actual performance following the establishment of typical performance levels, employees' efficiency of performance is raised for each of the facility's operations.

#### **7. Protocols for carrying out the performance budget and programmer: -**

A) Sort the objectives into priority lists and assign rankings. This is finished after comparing and contrasting the objectives presented to the executive authorities.

B: Identifying the programmes and services offered by government organizations, investigating and assessing them, and ensuring that the goals are fulfilled (Asr, 2005).

C: Choosing an appropriate unit of measurement to evaluate the performance of each activity or service, as well as calculating the cost of the unit of performance and the possibility of cost modification in light of fluctuating labour costs and manufacturing processes.

D: The requirement for a unique cost accounting system that assists in calculating the variable costs associated with each of the program's numerous activities and performance budget, as well as that establishes the price of each performance unit and connects performance outcomes to activity prices.

E: Establishing a system of follow-up that assists in tracking accomplishments and comparing them to goals intended to be met for the fiscal year.

(Asfour, earlier reference, 208)

#### **9. Steps involved in producing the general budget:**

This refers to the processes that the budget goes through from the start of its development to the submission of the final accounts. The following explanation applies to these stages:

A: The phase of preparation.

B: The stage of validation and accreditation.

C: The stage of implementation.

D: The performance monitoring and evaluation phase.

#### **10. Procedures for creating the budget for the programme and performance:**

Setting goals and then developing programmes that assist in achieving these goals are the initial steps in budgeting, programmes, and performance, as we have already discussed. Finding indicators—whether financial or non-financial—that aid in assessing performance is another aspect of its focus. Madhi et al. (2014) conducted a review of these. Actions and organizations:

A: Creating objectives and breaking them down into actions and programmes.

B. Outlining the objective and turning it into a programme.

C: Compute the cost of the various activities to get the total cost of each programme.

### **THIRD PART: THE PRACTICAL ASPECT**

#### **A SUMMARY OF DIWANIYAH MUNICIPALITY DIRECTORATE IN BRIEF**

The governing body in charge of maintaining Diwaniyah's aesthetic appeal and cleanliness is the Diwaniyah Municipality. Apart from maintaining the city's cleanliness and aesthetic appeal, some of its responsibilities include paving streets, building bridges, and creating green areas by creating parks and public gardens. This is untrue, notwithstanding the challenging conditions Iraq has faced on all fronts. It is forbidden for the Diwaniyah Municipality Directorate to establish clear objectives for how it will deliver services and try to increase the effectiveness of all of its different operations in order to address present and future issues.

The following is a summary of the Diwaniyah Municipality Directorate's vision and objectives:

#### **First: Mission and vision:**

The Diwaniyah Municipality is a public service organisation eager to fulfil its responsibilities in providing services in a timely manner and with the quality necessary to achieve the mission and vision in a contemporary city that enjoys sustainable quality services. It is also eager to provide distinguished and comprehensive services to ensure the satisfaction of all those dealing with it.

#### **Second: Goals:**

In order to guarantee that the city of Diwaniyah develops in a planned way appropriate for the makeup of its people, the Municipality of Diwaniyah is in charge of delivering municipal services inside its borders.

**Iraqi federal general budget preparation stages:**

Iraq prepares its budget using a typical approach in which the Ministry of Finance receives submissions from each ministry or government spending unit detailing its expenditures, provided that they are related to current spending (operational budget). On the other hand, these suggested expenses are finalized and submitted to the Ministry of Planning if they are related to investment projects. A computerized program built on the (Fox Broo) database is used to carry out this operation.

The preparation of the federal general budget in Iraq is based on estimates of economic development, the pursuit of macroeconomic stability, sustainable development, and economic policy through adherence to government programmes, facing obstacles and anticipated risks and assessing the country's financial situation. Additionally, efforts are made to curtail government spending and efficiently complete revenue collection in the context of moderate price expectations. Oil and its production, tax income, fees, and other sources of income. The yearly budget runs from January 1 through December 31 of the same year. A medium-term budget for a duration of (three) years may be prepared by the Federal Ministry of Finance; it must be presented all at once and be authorized for the first year by law. Modifications may be made by the Council of Ministers on the basis of a recommendation from the Planning and Finance Ministries. with the House of Representatives' consent, about the budget for the second and third years.

**The steps involved in creating the federal general budget in compliance with Financial Management Law No. (6) of 2019 are displayed in Table 1.**

The party receiving the paper	Paper type	The responsible party for preparing the paper	Date
A committee formed by the Council of Ministers	Issuing a report that includes the financial policy, strategy, and government program	Ministries of Finance and Planning	March of every year
Government spending units	Preparing a report that includes guidelines according to financial policy objectives	Ministries of Finance and Planning	May of every year
Ministries of Finance and Planning	Preparing estimates of its budgets that include estimates of revenues, current and investment expenditures	Government spending units	June
Council of Ministers	Discussing reports received from spending units	Ministries of Finance and Planning	July
Federal House of Representatives	Preparing the draft federal general budget law	Council of Ministers	The month of October

**The researcher's preparation adheres to Financial Management Law No. (6) of 2019.**

**The Diwaniyah Municipality Directorate's general budget:**

The Diwaniyah Municipality Directorate's general budgets are split into three agency parts based on Ministry of Finance models: -

**A - Operating budget:** This budget includes all income and outlays for the departments and divisions within the municipality, including pay and benefits, supply of goods and services, and all income and outlays pertaining to the departments' primary activities. The present accounting system used by the Iraqi government assigns the Disbursement Division, Purchasing Division, and Salaries Division the task of implementing this budget. They are given by the Ministry of Finance during the fiscal year in the form of financial grants and in accordance with the allocations allotted under the distribution sections for general budget items.

**B - Investment budget:** All investment costs for long-term projects taking longer than a single fiscal year to finish are included in this budget.

**C - Self-financing budget:** The Diwaniyah Municipality Directorate's earnings are what constitute the proceeds from continuing operations, and they account for a sizable portion of the municipality's expenses related to the services it offers.

**The budget of the Diwaniyah Municipality is financed:**

The Diwaniyah municipality's budget is mostly supported by the general budget of the governorate, which is primarily funded by the Ministry of Finance and provided as a grant. Additionally, the municipality department's operations produce money. The Ministry of Finance uses a decentralized accounting system to finance Diwaniyah Municipality and its formations to Diwaniyah Municipality accounts opened with banks, where the Directorate is financed based on administrative classification. Table No. (2) displays the general budget accounts for expenditures for the Diwaniyah Municipality Department based on the budget of traditional items and expenditures. Additionally,

the accounting link between the Ministry of Finance and Diwaniyah Municipality is decentralized. It notes that a chapter has been omitted, and there are seven chapters on expenditures. Finance for employee compensation.

**Table No. (2): Diwaniyah Municipality Department's Expense Report for the Year Ended December 31, 2021**  
In accordance with the standard budget's components and costs

the amount	account name	account number
198707632948	Salaries and wages	31
357258295448	Service supplies	33
104274916326	Commodity supplies	32
6401505777	Asset maintenance	33
3878076560	Capital expenditures	11
425894661	Other expenses	39

**Source: Written by the researcher using information from the Department of Diwaniyah Municipality**

#### 4. Assessing the general budget of the Diwaniyah municipality in its actuality:

To assess the reality of the general budget of the municipality of Diwaniyah, the researcher prepared an examination form and sent it to the officials in charge of planning and implementing the budget. A total of thirty forms were distributed to staff members in the financial affairs and planning departments of the municipality of Diwaniyah. The following were the queries and responses:

First question: Will the funds allotted allow you to complete your work?

General trend	Very adequate	Enough	Fairly enough	Not Enough	Not enough at all
Not Enough 94%	2	0	4	22	2

The second query is: How much have the objectives of the Diwaniyah municipality been met?

General trend	Never come true	Don't achieve	to some extent	Significantly	Fully
Don't achieve 74%	0	22	6	0	2

Third Question: Is the Diwaniyah Municipality Directorate receiving a transparent and equitable distribution of the allotted funds?

General trend	Unclear and unfair	Not clear and fair	to some extent	Clear and unfair	Clear and fair
Unclear 85%	20	4	4	2	0

Fourth Question: Why are the departments of the Diwaniyah Municipality not succeeding in their objectives?

General trend	Weak specialized staff	Poor vertical and horizontal coordination	Weak planning and lack of clarity in programs	Poor financing	Lack customizations of
Lack customizations of 94% %	0	0	28	0	2

Fifth question: Do you help with budget implementation and plan preparation?

General trend	Not contributing	Partial contribution	Planning without execution	Implementation without planning	Preparation and implementation
Partial contribution: 48%	10	14	2	2	2

Fourth Part Creating a model that the Diwaniyah municipality may use to implement programme and performance budgeting

#### 1. How to construct the model:

Maximizing the role of programme planning and measuring and evaluating performance to support the viability of spending and its effectiveness in an environment of transparency and accountability is the fundamental tenet of programme and performance budgeting, a significant technique that is central to the process of rationalizing expenditures. The goal of this suggested budget is to increase expenditure effectiveness and efficiency by basing it on performance. general by associating the funding of government agencies with the outcomes these agencies produce. This budget is divided into two sections:

**First, the programmes:** This is accomplished by classifying the budget in accordance with the primary duties and the Diwaniyah Municipality Department's organizational structure, and by outlining the programmes that fall under each of the department's fundamental duties. For instance, the Diwaniyah Municipality Department's cleaning programme, sewage, water, roads, etc. are all included in the services function. From there, it is possible to identify the projects and activities that comprise each programme.

**The second is performance**, which focuses on the results rather than the methods employed. Units are able to gauge work in each of the departments that comprise the administrative units through performance, and the main principles of costs are implemented through:

- A - Find out how much the Diwaniyah Municipality Department's service unit costs.  
B. Creating standards for assessing performance in the department's several administrative divisions

## 2. Identify the primary programmes:

The Diwaniyah Municipality Department's programmes were split up into several agency programmes based on the department's organisational and administrative structure: - • The cleanliness initiative.

**3. Activities:** All of the earlier primary programmes were broken down into individual activities, and the accounting handbook for my agency assigned a code or number to each programme and activity:

- The Cleanliness Programme (01), the first major programme, consists of two agency activities:

1. Trash extraction.
2. Clearing the debris.

Programme cost calculation: For the Diwaniyah Municipality Department, we do the following computations to determine the cost of all programmes and activities.

1. Per program's percentage of expenses =  $\frac{\text{number of employees in the activity}}{\text{Total number of employees}} \times 100$

Total number of employees

2. The cost of one unit of performance for the year 2021 =  $\frac{\text{the total expenses of the activity in the year 2021}}{\text{Performance measurement rate for previous years}}$

Performance measurement rate for previous years\*

\*Performance measurement rate for previous years =  $\frac{\text{number of completed works for the years (2019, 2020, 2021)}}{\div 3 \text{ (years)}}$

3. The cost of one additional performance unit = the cost of one performance unit for the year 2021 x the percentage of increase required for expenditures

4. The estimated cost per unit of performance for the year 2022 = the cost of one additional unit of performance + the cost of one unit of performance for the year 2021

5. The estimated cost of the activity for the year 2022 = the estimated cost per unit of performance for the year 2021 x the cost per unit of planned performance for the year 2022

The following mathematical processes can be used to determine the cost of each activity inside an agency programme:

### First activity:

There are two sub-activities inside the first activity, which is labour-intensive cleaning:

1. Waste removal
2. Removal of rubble

The activity percentage was obtained by dividing the number of workers in the activity by the total number of employees to calculate the activity percentage from the approved expenditure chapters within the Diwaniyah Municipality Department's general budget. The department's share was then extracted by multiplying the percentage in the expenses chapter allotted within the budget using mathematical equations. The subsequent items:

Percentage of the cost of one activity of expenses =  $\frac{\text{number of workers in the program}}{\text{total number of workers}} \times 100$

$576 \div 270 = x \times 100$

The cost of one unit of activity = the amount of expenses for one section (salaries and wages) x the cost percentage  
 $198707632948 = x \times 47\%$

$93392587481 =$

The program's portion is determined from the department's general budget sections using the same computation procedures as before, as indicated in Table (3) below.

**Table 3: Determining the first program's share (cleanliness)  
Of all the costs**

the amount	Program percentage of total expenditures	Number of employees in the program	Total expenses for the year 2021	Statement
93392587481	47%	270	198707632948	Salaries and wages
16791139886	47%	270	357258295448	Service supplies
4900921067	47%	270	10427491632	Commodity supplies
30087074543	47%	270	6401505222	Asset maintenance
1822695983	47%	270	3878076560	Capital expenditures
20017049067	47%	270	452894661	Other expenses
33154886430	47%	270	70542311554	the total



**Source: Written by the researcher using information from the Department of Diwaniyah Municipality.**

We extract the arithmetic average, that is, the rate of work completed for activities (101) and (102) during three years

Total rate of units completed for activities )101,102(	Cost per unit per year 2022	Number of planned businesses for the year 2022	Estimated cost of the first program (cleanliness) and its two sub-programs )101,102( 2022	Rate of units of work completed for activities		Statement	Total total expenditures for the first hygiene programme For the year 2021
				101 Ton	102 Ton		
				61313	152321		
Service supplies	16791139886	55498	5815	61313	273859	67086	18372104874
Commodity supplies	4900921067	55498	5815	61313	79933	67086	5362385230
Asset maintenance	3008707454	55498	5815	61313	4907	67086	329166767
Capital expenditures	1822695983	55498	5815	61313	29728	67086	1994332600
Other expenses	2001704906	55498	5815	61313	32647	67086	2190156642
total	37864428044	332988	34890	367878	573395	402516	38466752419

As shown in Table (4)

Number of projects planned for the year 2022Ton	Three-year activity rate Ton	2021 Ton	2020 Ton	2019 Ton	Activity code
61285	55498	58367	55449	52677	101
5801	5815	6116	5810	5520	102
67086	61313	64483	61259	58197	Total

**Source: Table created by the researcher using information from the Department of Diwaniyah Municipality**

The Diwaniyah Municipality Department's Table No. (5) breaks down the overall budgetary expenses for the year 2021 by the cost of each activity, which is equal to the cost of one unit of trash and debris raised during that year. over instance, the cost of each programme per unit may be calculated by dividing salaries and wages expenditures by the programme rate over a period of three years. One ( $9339258748 \div 61313 = 152321$  dinars) for 2022, and so forth for the other expenditure sections authorized in the Diwaniyah Municipality Department's general budget divisions.

The overall expected cost of the first hygiene programme is calculated by multiplying the cost of one unit for 2022 by the number of units scheduled for that year ( $2022 \times 67,086 = 10218606606$  dinars).

**Table (5) Calculating the costs of the first hygiene program (01)**

**Wall Activities (102,101)**

**Prepared by the researcher using information from the Department of New Baghdad Municipality**

We divide the number of units completed for one activity by the total number of units completed at the programme level ( $55498 \div 61313 = 91\%$ ) to extract the percentage of the cost of the two activities (101,102) from the approved expenditures section of the budget. We then multiply the percentage of costs by the total amount of the expenditures section, which includes salaries and wages expenses. ( $10218606606 \times 91\% = 9298932011$  dinars) and so on for all spending sections and the remaining activities inside a single programme. The projected expenses for the first programme, cleanliness, are displayed in Table (6), along with the program's performance and budget for 2020.

**Table 6: Diwaniyah Municipality Department's programme and performance budget accounts for 2022**  
**The initial programme (hygiene)**

The first program's anticipated cost, performance, and budget for 2022		
Program Code (01) Activity (101) Activity (102)		
Program name (cleanliness)		
Statement	the performance	The total cost of the activity

Custom door For activity expenses	Activity cost (101)	Activity cost) 102(	
Salaries and wages	9298932011	919674595	10218606606
Service supplies	16718615435	1653489439	18372104874
Commodity supplies	4879770577	482614653	5362385230
Asset maintenance	299541484	29624983	329166467
Capital expenditures	1814842666	179489934	1994332600
Other expenses	1993042544	197114098	2190156642
the total	35004744701	3462007718	38466752419

**Source: Written by the researcher using information from the Department of Diwaniyah Municipality Planning Director , Accounts Director, Department Director**

## **CONCLUSIONS AND RECOMMENDATIONS**

### **First: Conclusion :**

1. When it comes to providing data and information for assessing the effectiveness of performance in government service units and measuring the financial position of the accounting unit, the government accounting system's cash basis or modified cash basis is incompatible with the requirements of the Financial Management and Public Debt Law No. (95) of 2004 and the Financial Management Law No. (6) of 2019.
2. The government accounting system's statement of financial position ignores the rights and obligations of the accounting unit, failing to display revenues received in advance, expenses that are due, and expenses that have been paid in advance. As a result, the true costs and revenues for a given period are unknown.
3. Because of the lack of flexibility in implementing monetary operations, using the centralised method to handle expenditures and revenues impedes the achievement of budget objectives, particularly after the budget has been decided and approved in very large amounts exceeding (one hundred billion dollars annually).
4. Because it lacks initiatives, activities, and programmes that last longer than a future period of time, the conventional budget (item budget) is useless for long-term or short-term planning.

### **Second: Recommendations**

1. To get to the complete accrual basis, use the modified accrual basis progressively.
2. Making accounting units compile final accounts at the conclusion of the fiscal year, with the need that these accounts measure the outcome—that is, the outcomes of carrying out the financial position statement and general budget transactions. Put another way, the closing of the revenue and cost accounts in the result measurement account completes the accounting cycle. The difference is then transferred, indicating whether the statement of financial position shows a surplus or deficit.
3. The adoption of decentralization in the application of the government accounting system in government spending units; all government units, whether local, provincial, or federal, are funded by general budget allocations from the state.
4. We must move from budgeting items and expenditures to budgeting programmes and performance in order to fulfil the planning function, which is regarded as the first and most crucial function of the budget. This is because the traditional budget lacks control over projects and programmes, and its ability to monitor performance, regulate efficiency, and rationalise spending is diminished.

### **REFERENCES**

1. Abbas, Hisham Muhammad, and Rashid, Jawad Khalil, Governmental Accounting, House of Books for Printing and Publishing, Mosul, Iraq, 1991.
2. Adhikari and Mellemvik Accounting Government (2008). International Trends.
3. Al-Fawara'a, Abdel Halim, and Alaween, Musa, Governmental Accounting and its Applications in Jordan, second edition, 1984.
4. Al-Khatib, Khaled Shehadeh, Al-Mahaini, Muhammad Khaled, Governmental Accounting, Amman, Jordan, 2008.
5. Al-Khatib, Khaled Shehaza, Shamiya, Ahmad Zuhair, Foundations of Public Finance, (2003) first edition, Wael Publishing House, Amman, Jordan.
6. Al-Mahaini, Mohamed Khaled, Al-Khatib, Khaled Shehadeh, (2008) Governmental Accounting, Dar Wael for Publishing and Distribution, first edition, Amman, Jordan.
7. Alsharari, N. M. (2022). Institutionalization of results-based budgeting in the public sector: political and economic pressures. Asian Review of Accounting, 30(3), 352-377.

8. Amjed, H. M., Kosov, M., Fiume, R., Kuznetsov, N., Vasyunina, M., & Semin, A. (2023). Improving the Efficiency of Budgeting in Industrial Enterprise: The case of Russia, Italy, and the Middle East. *Emerging Science Journal*, 7(1), 177-189.
9. Asfour, Muhammad, *The Origins of the General Budget*, (2008) Second Edition, Dar Al Masirah Publishing, Amman, Jordan.
10. Bochkareva, E., Kurdyuk, P., Kozhushko, S., & Solovyeva, S. (2023). Budget balance, budget revenues, expenditures, and deficits: a comprehensive economic and legal characteristic. *Lex Humana* (ISSN 2175-0947), 15(2), 358-371.
11. dhikari , Pawan Mellemvik , Frode (2008) " International Trends in Government Accounting " International Journal Governmental Financial Management , " software copy.
12. Durokifa, A., Johnson, U., Ramlachan, P., Mdhuli, S., & Magqirana, A. (2023). Strengthening Developmental Local Government in South Africa: The Role of Capacity Building. *Journal of Public Administration*, 58(2), 491-508.
13. Freier, R., Thams, U., & Wermke, W. (2024). Juridification and regulative failures. The complicated implementation of international law into national schools. *Journal of Education Policy*, 39(1), 83-104.
14. Ismail, Muhammad Medhat, Karajah, Abdel Halim, *Governmental Accounting between Theory and Practice*, (1987) Dar Al Amal for Publishing, Amman, Jordan.
15. Lehner, O. M., Ittonen, K., Silvola, H., Ström, E., & Wührleitner, A. (2022). Artificial intelligence based decision-making in accounting and auditing: ethical challenges and normative thinking. *Accounting, Auditing & Accountability Journal*, 35(9), 109-135.
16. Mashkour, Saud Jayed, Al-Baaj, Al-Karaawi, Qassem Muhammad Abdullah, Najm Abd Alawi, Hussain, Mu'in Kazem Abdullah,(2014) Mashkour, Saud Jayed, Al-Baaj, Al-Karaawi, Qassem Muhammad Abdullah, Najm Abd Alawi, Hussain, Mu'in Kazem Abdullah.
17. Musiega, A., Tsofa, B., Nyawira, L., Njuguna, R. G., Munywoki, J., Hanson, K., ... & Barasa, E. (2023). Examining the influence of budget execution processes on the efficiency of county health systems in Kenya. *Health policy and planning*, 38(3), 351-362.
18. Ngarawula, B., & Rozikin, Z. (2024). Financial Management of Regional Public Service Agency: Evaluation Study of Regent's Regulation No. 5 of 2020 concerning Financial Management Guidelines for Regional Public Service Agency within the Sumbawa Regency Government. *International Journal of Research in Social Science and Humanities (IJRSS)* ISSN: 2582-6220, DOI: 10.47505/IJRSS, 5(2), 139-158.
19. Nurgaliyeva, A., Ismailova, D., & Sarybayeva, I. (2022). Regarding the prospects for the introduction of the budgeting system of international financial organizations of the future. *Futurity Economics & Law*, 2(3), 38-47.
20. Parsamehr, M., Perera, U. S., Dodanwala, T. C., Perera, P., & Ruparathna, R. (2023). A review of construction management challenges and BIM-based solutions: perspectives from the schedule, cost, quality, and safety management. *Asian Journal of Civil Engineering*, 24(1), 353-389.
21. Putri, A. H., & Ekowati, L. (2023). Implementation of e-Bupot Unifikasi for income tax article 23 at xyz apartment management agency. *Journal of Applied Sciences in Accounting, Finance, and Tax*, 6(2), 79-89.
22. Rady, Mohamed, Hegazy and Wagdy, *Management Accounting - Analysis of Cost Behavior and Planning of Production and Profits*, Higher Education House, Alexandria, Egypt, 2006.
23. Shamsallah Noorallah, A. (2024). The Role Of Government Accounting Policies In Facing Crises And Implementing Ipsas In The Iraqi Government Sector: An Applied Study. *World Economics and Finance Bulletin*, 34, 205-218.
24. Sofyani, H., Pratolo, S., & Saleh, Z. (2022). Do accountability and transparency promote community trust? Evidence from village government in Indonesia. *Journal of Accounting & Organizational Change*, 18(3), 397-418.
25. Suwarno, S., Fitria, F., & Azhar, R. (2023). Optimizing Budget Allocation: A Strategic Framework for Aligning Human Resource Investments with Financial Objectives and Business Goals. *Atestasi: Jurnal Ilmiah Akuntansi*, 6(2), 835-855.

26. Vasquez, J. Z., Santa Cruz, L. D. C. S., Navarro, L. R. R., Benavides, A. M. V., López, R. D. J. T., & Rodriguez, V. H. P. (2023). Relationship Between Internal Control and Treasury Management in a Peruvian Municipality. *Journal of Law and Sustainable Development*, 11(2), e706-e706.
27. Wasti, S. P., Van Teijlingen, E., Rushton, S., Subedi, M., Simkhada, P., & Balen, J. (2023). Overcoming the challenges facing Nepal's health system during federalisation: an analysis of health system building blocks. *Health Research Policy and Systems*, 21(1), 117.
28. Yentifa, A., Andriani, W., Ramadhea Jr, S., Aprila, D., & Sofia, G. (2023). Village Fund Accounting Model in Realizing Nagari Financial Accountability. *Ilomata International Journal of Tax and Accounting*, 4(4), 716-729.
29. Yoshikuni, A. C., Dwivedi, R., Dutra-de-Lima, R. G., Parisi, C., & Oyadomari, J. C. T. (2023). Role of emerging technologies in accounting information systems for achieving strategic flexibility through decision-making performance: an exploratory study based on North American and South American firms. *Global Journal of Flexible Systems Management*, 24(2), 199-218.