



Reflection of Preparing and Implementing Budgets According to Modern Methods on Government Performance

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Abstract. The study aimed to find out the nature of the budget, know the modern techniques of preparing and implementing the budget, and the consequences of preparing budget based on the modern techniques on performance of government. The descriptive analytical approach was used to meet the objectives and hypotheses of the research. The data was gathered through a questionnaire whereby 60 questionnaires were distributed to a sample population of accountants working in the Financial Affairs Department at the General Directorate of Education in Wasit Governorate (Iraq), and 57 questionnaires were collected to establish the views of the accountants regarding the effect of preparing and implementing budgets under the modern techniques on the government performance. This paper came up with a number of conclusions. Preparation of the general budget of the state is a technical and political process that involves and is involving different actors in the state. The budget preparation process is a technical process since it involves numerous key calculations that can be used to quantify the anticipated revenues, the cost of activities likely to be obtained in the year and estimation of the planned expenditures. The process of preparing the budget through the traditional ways (line item budgeting) does not contribute to the optimal planning and budget allocation of the state and, therefore, the fulfillment of the goals laid out by the countries. This paper advises on the need to focus on the current approaches in the budget preparation because they enhance governmental performance, enhance the effectiveness and efficiency of state expenditures, strive to diversify the income, and convert the policies and goals of the state into a definite and actualized reality on the ground, with the help of standards and indicators that modern means of preparing the budget have offered. And to act to modernize the budget system in Iraq, profiteering with the experience of other countries in this domain, and that modernization be a progress, commencing with the budgeting of some ministries or departments within ministries and bodies gradually with the aim of acquiring more experience and expertise, and then meet the impediments which will emerge to proceed to a complete transition.

Keywords: Budget Reform; Government Budgeting; Government Performance; Modern Budgeting Techniques; Public Sector Accounting.

1. INTRODUCTION

The process of preparing the state budget is a technical and political process that involves and is influenced by the various actors in the state. The general budget preparation process is a technical process because it includes many important calculations to measure projected revenues, the cost of activities expected to be achieved during the year, and the estimation of planned expenditures. In addition, the process of preparing the general budget is viewed as a political process, as it involves the determination of priorities and balances.

The budget preparation process involves many actors, such as: government, business, civil society organizations, international organizations, and citizens. The process of preparing the general budget is governed by the national constitution of the state, fiscal policies, budget laws, and international standards. These regulations or standards determine the general principles of the budgeting process and the time frame of the budgeting process, as well as the

responsibilities and obligations of the actors involved in its implementation. The preparation and implementation of the budget will involve the identification of the public desires, evaluation of the quality of goods and services to be provided in response to the demands through political channels, economic analysis, and the objectives of the comprehensive development plan, and assist in achieving its objectives budget.

2. THEORETICAL REVIEW

The theory of modern methods of preparing and implementing the budget and government performance

The Concept of Budget

This term is derived from the word "Budget" which means bag. Specifically, it is a statement of the estimated income and expenditure of the government in relation to the financial year. Budgeting refers to the process of collecting, categorizing, analyzing, and presenting facts and figures. It also contains an account of government policies for the coming year. In simple terms, a budget refers to an annual financial statement of the government revenues and expenditures, where the budget is linked with the financial plan submitted to the legislature to be approved, and sanctions plans as they appear after they have been approved by the legislature. Thus, a budget is a financial plan for a specific period, often one year. It may also include planned sales volumes and revenues, resource quantities, costs and expenses, assets, liabilities, and cash flows. In a similar way, businesses, governments, families, and other organizations use budgeting to put strategic plans and strategic intent for activities or events into concrete terms. A budget represents the number of funds that will be spent for a certain purpose and a summary of the planned expenditures as well as recommendations on how to achieve them. It can involve a budget surplus, which means extra money has been taken in, to be used for future purposes, or a deficit where spending has overshadowed any income (Shcherbina & Tamulevičienė, 2016: 167).

Budget planning is a process that is carried out by the government at the level of expenditure, revenue collection, and allocation of resource spending among all sectors to fulfill the national objectives. On the other hand, the implementation of the budget is the actual execution of the budget and the use of money on activities whose expenditures are planned. The budget process is one of the powerful tools of public finance management to distribute limited resources among different programs of the state. It is the procedure that is carried out to make the most important political decisions and activities for the year. In this context, Robert (1997) says: "The budget process refers both to who has control over the budgetary decision

and also to how they tend to be made, how much information is available, and what the decision rules are". The process is one of consultation and negotiation among the various concerned parties. Budgets are assigned to ministries, public bodies or offices, their departments, programs, and projects, which in their turn determine the responsibility for their effective use (GEBREHWOT,2020:9-10).

According to the Institute of Chartered Management Accountants (CIMA), a budget is defined as "a quantitative expression of a plan for a specific period of time. It includes planned revenues, resource quantities, costs and expenditures, assets, liabilities, and cash flow." Therefore, the name of a plan – a budget- should include the quantities of economic resources to be allocated and used, it should be prepared for a certain period of time, and it should be expressed in terms of criticism. (GILM,2015:2)

The budget is a management tool for the distribution of resources, expressed in monetary and material terms, to achieve the strategic goals of the government, and the budget shows its economic essence through its functions (Subbotina, 2014:1-2):

Planning and coordination, power and responsibility, Communication, Censorship, and Performance Evaluation. The budget functions also include: Resource control. Communicating plans to the managers of the various centers of responsibility. Motivate managers to pursue budget objectives. Evaluating the performance of managers. Provide a clear view of the government's performance. Control and accountability.

The budget objectives

The budget has many objectives (Nicolae & Anca, 2010:922): Providing basic information and the cost of developing development plans. Indicate the conditions under which the government must act to achieve the targeted objectives. It is a tool for coordinating activity within ministries and agencies, encourages the provision of information regarding costs, and raises awareness among individuals in charge of expenditure centers. Increases the ability to predict the consequences of a decision made or about to be made, as budgets are a reference image directed by decision makers.

The following are the modern methods of preparing and implementing the budget:

Program and Performance Budget

Program and performance budgeting differs from the traditional item-based approach to budgeting, reviewing, and presenting a budget. Rather than focusing on how goods and services are delivered, program and performance budgeting focuses on the expected results or objectives of the services and activities they perform. The focus is on achieving long-term goals at the community level. In program and performance budgeting, revenues and expenditures are

linked to multi-year programs that meet the goals and strategies of ministries or agencies. Programs are selected according to their main purpose and the extent to which they contribute to the achievement of overall societal goals and objectives. The program must be clearly defined, have minimal overlap with other programs, be results-oriented and quantifiable. Program and performance budgeting is concerned with management control and reporting within the framework of the specific program structure. (PETROIA,2017:112-114).

The proposed budgeting framework is expected to improve the effectiveness and efficiency of public expenditure by tying funding of public sector entities to the results they deliver. This linkage is operationalized through the utilization of methodological performance data, such as indicators, evaluations and program costs, to inform decision-making. Consequently, program- and performance-based budgeting is expected to enhance expenditure prioritization and add to the effectiveness and efficiency of public services.

In practice, program and performance-based budgeting often allows for more freedom by governmental agencies and their managers to utilize resources compared to conventional, tightly controlled administrative regimes. A salient feature of this approach is the increased flexibility in the choice of the composition of inputs for delivering services-for example, the ratio of in-house versus outsourced inputs and the selection of categories of tools and services purchased from external suppliers.

An attendant implication is the need for more flexibility in the management of human resources (Robinson, 2015:12).

Advantages of the Program and Performance Budget

According to Young & Richard (2003) and Kumar (2012), program and performance budgeting has numerous benefits and advantages for governments for a number of reasons, including the following (Robinson & Last, 2009:2-3). It is a nice tool for strategic planning and goal setting. Access to evaluation and accountability. Better cross-program interdepartmental coordination in government. Flexible program redesign (improvements focused). Help justify budget spending (performance information forms a foundation for evidence). Cost-effectiveness compares programs and allows for comparison between "expected" and "actual" progress. Helps align government spending with the total.

The Program and Performance Budget also offers a number of advantages, which allow for the following (Tatuev et al., 2015:1330): Prioritization of budgetary expenditures for socio-economic development of the country, especially on politically specific and strategic objectives. establishing a direct link between long- and short-term budgeting planning and forecasting. Ensure there is clear alignment between the government's strategic plans and

budget. Improve the accountability of the public sector (ministries and institutions) that spends the donations so as to make use of them in a targeted and effective manner. The redeployment of resources within the framework of the implementation of specific programs, as well as towards more productive and/or priority areas. Carry out an objective evaluation of the efficiency and effectiveness of expenditures of the budget on a given basis. Rationalization of the budget structure. Enhance the transparency of budget information and make it more accessible, not only for the people who are involved in the budget process, but also for society at large.

Disadvantages of the Program and Performance Budget

There are several issues with the program and performance budgeting system, including (Ibrahim, 2013:92): There is a difficulty in linking the cost of government programs, activities, goals and activities. There is a tendency to amplify spending when operating this system. Participation needs to be at all levels, and also participation is not easy to get. It makes it hard to establish standards of performance and hard to evaluate performance. Organized objectives do not necessarily express people's needs. May not take into account other approaches to achieving a specific goal. Its high costs lead to the difficulty of implementing them in government units. The lack of competent cadres within the country of administrators and accountants to work in it.

Planning, Programming and Budgeting System

The Planning, Programming and Budgeting System (PPBS) is a management system that has been used in both industrialized and emerging economies to manage and allocate resources, increase efficiency and effectiveness in the public sector. PPBS is now strongly linked to advanced economies, which have, over the years, strengthened the application of the framework towards longer term planning, goal setting and the use of performance indicators to inform the allocation of the budget.

The three key trends that have helped sustain the growth of the PPBS trend are: (a) the availability of systematic economic assessment, (b) the availability of new data sources, and (c) the ongoing integration of planning and budgeting processes. The US federal government implemented PPBS in 1965, after which it gained considerable attention.

PPBS aims to aid governments in making better decisions about the allocation of financial assets among competing alternatives in the service of stated governmental goals. The premise underlying PPBS is the systematic collection and dissemination of information about the full range of consequences, costs, and benefits of key alternative courses of action that are pertinent to critical allocation decisions involving the use of resources.

PPBS is also known as a logic facilitator decision-making tool. Programs are consciously grouped together under the PPBS structure according to how much they promote government goals. However, it is interesting to note that the primary focus of PPBS programs relates to the outcomes the nation is interested in achieving, not the mechanisms through which participation works. PPBS also entails outcomes in governance (DABO et al., 2024:105-106).

The Planning, Programming, and Budgeting System (PPBS), is an integrated framework that includes procurement, supply levels, expenditures, and more comprehensive programming planning and analytical subsystem. PPBS allows for the evaluation and review of the past budget periods, which in turn makes predictions for the future of the fiscal budget much easier. Within the governmental context, the system compares the costs of the programs and matches them with the existing activities by evaluating priorities, while modifying the allocation of resources to maximize the effectiveness. The PPBS as an administrative technique may be delineated into the following components: Planning- the articulation and clarification of governmental objectives, and the determination of whether a particular course of action will more effectively advance these objectives in comparison to alternative options; Programming- the development of diverse alternatives with the purpose of achieving governmental goals, out of which inter-related combinations are chosen; Budgeting- the method, by which revenue is generated or collected, and the drafting of budget plans for information in selecting governmental priorities for program implementation; Evaluation- the selection of criteria, and the assessment and measurement of a program's progress toward the governmental goals stated (Chidi et al., 2016:7-8).

Advantages of Planning and Programming Budgeting system

This system has many advantages, including (Sumual et al., 2024:18578) An approach aimed at developing the programs to be achieved, finding the amount of costs and alternatives to these programs, and relying on the planning of the program's long-term activities. A programming budget planning system is a way of budgeting that integrates the principles of cost and income budget with a goal-oriented personalization approach. Economic analysis is used to determine the costs of achieving certain goals, and then to allocate available resources to achieve those goals effectively and efficiently. This method of budgeting is especially useful for organizations with clear goals and strategies, as it allows them to prioritize costs and maximize their resources. The Planning Programming Budget System (PPBS) is a management system that can be used by organizations to successfully plan, budget, and manage their resources. This system is a periodic process that includes setting goals, planning how to achieve them, budgeting for resources needed, and tracking progress. Ensures flexibility in

optimization and adaptation, measurable in terms of performance, and helps reduce costs. PPBS is used in various sectors or industries, but is particularly relevant to government or public sector organizations. The PPBS program ensures more effective management of resources, greater financial stability, and better governance.

The Disadvantages of The Ppbs

The system is affected by the following major flaws (Constantinescu, 2010:100): Difficult to master and implement budget programming planning system. Difficulties in terms of long-term planning and realistic allocation of resources. PPBS requires a complex information system capable of monitoring progress toward achieving goals. It requires a large number of employees to work on. Working on this system requires a lot of resources. The future is difficult to predict under this system. There aren't many experiments that have proven it to work.

Zero Budgeting

It is a budget system that is based upon estimates of activity and not things that have been done in the past. Each activity will be assessed individually via different programs developed in the fiscal year known as decision packages. Originally, it was used explicitly to describe a budgeting system that starts each fiscal cycle at zero, and thus does not assume that activities funded in the previous budget will continue in the next allocation. Each and every activity that would be funded in the new budget must come with a rigorous justification. It was designed to allow rigorous analysis and prioritization of programs and activities while giving strong emphasis to economic efficiency and cost-effectiveness. Allocation decisions are based on the efficiency and need of a program as opposed to the simple timing of the budget. Unlike conventional budgeting processes, no expenditure is provisionally inherited in the next budgetary period. In a zero-sum budgeting scheme, each and every program and expense is heavily scrutinized at the beginning of each fiscal cycle, and each line item must be justified in order to receive the necessary funding. The crux of such a budgeting system is to reduce unnecessary expenditures and to promote a cost-benefit oriented approach (Ibrahim et al.,2018:17-18).

The basis of a zero-sum budget is a necessity to justify program activities and services annually during the budgeting process. The budget is prepared by dividing all government processes into decision-making units at relatively low levels of the organization. The decisions of the units are then grouped into decision packages based on the program activities, program objectives, and organizational unit. The costs of goods or services are associated with each decision package according to the level of production or service that must be delivered to

produce particular outputs or outcomes. Decision units are divided on the basis of their importance in the achievement of organizational goals and objectives. Thus, a proposed budget is a set of budgetary decisions pertaining to the achievement of the goals and objectives of the organization. The key objective of zero-based budgeting is to cut out outdated endeavors and expenditures and to focus resources where they will work best. This is achieved through the annual review of all program activities and expenses, which leads to improved information for making allocation decisions. The zero-budget system is based on the center of responsibility as the basis for planning and budget control (Okoh et al,2023:288-290).

The Advantages of Zero Budgeting

This budget has many advantages (PETROIA, 2017:111-119): Prioritized distribution of resources, as it is done based on needs and benefits, not history. It encourages managers to seek low-cost process improvement tools. Detects inflated budgets. Improves motivation of employees by giving more initiatives and ownership in the decision-making process. Enhances inter-ministerial and inter-authority communication and coordination. Identifies and removes outdated and inefficient processes. Determines opportunities for outsourcing. It compels those who spend the money - the cost centers - to clarify what their mission is and how they relate to overall goals. It is used to determine the areas of wasteful expenditure, and to be used to recommend alternative actions.

Advantages associated with zero budgeting are (OTHIBA, 2016:2-3): The first theoretical advantage of zero budgeting is that it offers a rational and comprehensive way to reduce budget in difficult economic times as opposed to sweeping budget cuts that do not differentiate between the value of one service and another. Requires a more detailed audit of all expenses, allowing for a better comparative assessment of different services based on the perceived value of the organization or the public. Promotes transparency and decision-making by looking more comprehensively at the entire budget rather than focusing on the gradual change in spending in the previous year. Provides the administration and the legislature with a better view of the detailed activities of the departments and the associated costs. Focuses on performance and outcome measures for various decisions/programs.

Disadvantages of Zero-Based Budgeting

While zero-based budgeting has many advantages, it also includes a number of disadvantages. (WOO, 2019:1-2) It is an expensive and time-consuming process since zero-based budgeting is done annually, so manpower is required to have detailed deliberation. When the scope of work is subject to zero-budget scrutiny, employees may oppose implementation out of fear of being replaced or fired. Because it might highlight organizational flaws, senior

management might not be entirely in favor of this. Additionally, if a larger budget is requested or the budgeting period is too short, favorable information might not be available. Because the decision-making process includes effective management, communication, and training of the managers who are likely to be involved in the identification and classification of the decision packages, the analysis may be incomplete in its thoroughness if the information gathered is incomplete. Zero-based budgeting can be manipulated to achieve the ultimate benefit of funding. Smart managers can manipulate intelligently to pursue a well-established interest in short-term financial projects or to favor top management priorities.

Contractual Budgeting

The idea of contractual budgeting was of great importance in many countries. In Britain, one of the measures implemented was the development of a performance contract in the form of a budget. The New Zealand government made the first sustained attempt to establish a fully contractual budget after the passage of the Public Finance Act 1989. Contractual budgeting combines two elements: the drive to restructure government under a market-based structure, and the principle of program budgeting (Robinson, 2000:75).

Worthington & sman (1998:81) defined contractual budgeting as "a set of scientific and technical principles upon which the preparation and implementation of the budget are based. The budget is nothing but a work plan that clarifies the specific objectives of the administrative units that make up the government apparatus in forming programs and projects that include four dimensions: work and specifications, time required for completion, estimated cost, and sources of funding. According to these dimensions, budget allocations and revenues are determined, thus facilitating implementation, control, and follow-up, and achieving efficiency in performance because it links the allocated appropriations with the objectives". Cleland & Ireland (2006:74) believe that "the purpose of contractual budgeting is to create public benefits and long-term assets, including infrastructure projects, petroleum, schools, hospitals, communications, and water. Contractual budgeting provides details of the long-term development needs of governments and establishes a unified process for developing the plan for multiple years and converting it into programs. It also provides details of the projects that are intended to be implemented over the years to be offered as tenders".

Advantages of Contractual Budgeting

This type of budget has many advantages (Alrikabi, 2022:165): It enables the delivery of radical solutions to many of the problems that face governmental departments, especially by removing the bureaucratic obstacles, the performance, and the quality of the services to the municipal citizenry as a result of concluding service contracts in the operational dimension of

the budget. It involves adaptation of the general budget of the state according to long-term project planning requiring such budgeting. It allows the efficient and economical application of governmental projects, and hence the provision of project outputs to citizens and rationalization of public expenditures. It significantly reduces the corruption in the field of financial management and administration. It helps to reduce the overall budget deficit of the state through securing P3S partnership agreements with the private sector and B.O.T contracts for provision of national infrastructure. The mechanisms used to identify the projects of relative importance to the public tend to contribute to the political, security, and moral stability among the people.

Disadvantages of contractual budgeting

The disadvantages of this type of balancing are numerous (Ezz Al-Din & Beirch, 2020:425): The inadequacy of financial departments in developing governments and their lack of development in a way that helps to apply this method. Lack of the necessary laws and legislation for implementation. There is difficulty in implementing them by the government due to the high costs of implementing them. Requires huge and complex information when applied. Lack of qualified technical cadres to apply such a method.

The Impact of Preparing and Implementing Budgets on Government Performance

The term "public sector" simply refers to the part of the economy that is controlled by the government for the purpose of providing basic government services. These services that the government needs to provide are enormous because of the increased number of people it serves. As the economist puts it, "human desires are unlimited, but the means to satisfy them are limited," and this therefore calls for the use of effective management tools that will harness limited resources for optimal use. One of the mechanisms of government that can be used for this purpose is the budget. The process of preparing and implementing the budget includes the process of identifying public needs and determining the quality of goods and services to meet these needs through the budgeting process, and through economic analysis with the objectives of the comprehensive development plan. The government prepares the budget in the form of public policy to serve as an engine through which it can achieve its mission (Obara,2013:51).

In the field of government performance, usually defined as the achievement of plans or initiatives to realize the government's vision, mission, goals, and objectives, government performance is a measure used to determine the level of achievement within the government's plans and goals. Performance criteria are laid down to measure the success; these criteria usually consist of the objectives to be achieved and are used as a standard against which the actions of the government are measured. Effective budgeting represents one way of improving

financial control and evaluating the performance of government, and it is assumed that effective budgeting allows the government to achieve its goals. The preparation and execution of budgets in a rigorous manner enables budgetary objectives to be formulated in a specific and precise manner, thus facilitating understanding between those responsible for achieving these objectives. When the budget is in line with the agreed plan and if government officials play their role in the making process, the officials are likely to perform well and are likely to get satisfaction from the work and are more likely to show a sense of participation that enhances the performance of the officials.

The quality of the budget preparation and implementation is directly proportional to its clarity, ability to understand it by the parties responsible. Clear objectives give senior managers the authority to communicate expectations to subordinates with supervisor authority, and elicit information and support from the lower-level reports on issues of concern. An understanding of the clarity of the budget objectives helps government officials to achieve desired levels of performance, as the concept of clarity facilitates the achievement of expected performance. Consequently, clarity with respect to budget objectives (based on well-structured budgeting) can be understood with specificity and clarity and in turn, influence the overall governmental activities and performance in a positive manner (Latasad & Ansar, 2024:2-4).

Budget values should follow what is planned according to government performance. The budget should be able to provide appropriate benefits in accordance with the plans set by the government. In particular, the use of effective techniques in the process of preparation and implementation of the budget. The Program and Performance Budgeting System, Planning-Programming-Budgeting System, Zero Budgeting System, and Contractual Budgeting System are examples of effective budgeting systems (Saputro et al., 2022:2).

The financial management of governments must provide mechanisms for the preparation of a budget and the implementation of the budget in effective manners that ensure the proper utilization of government resources. The preparation and implementation of the budget, the modern way, and the implementation of the budget program and performance, the planning budget, the programming, the budget, the zero budget, and the contractual budget lead to fulfillment of the government's goals, and achieving good levels of performance to ensure the optimal utilization of the country's wealth and its resources (as reflected in the services that the citizen is exposed to and the investments and their benefits for the country). These modern methods reflect positively on the government's performance through the services provided based on the state budget.

3. RESEARCH METHODOLOGY

The Research Problem

In developing countries, managing the allocation of public expenditure has become increasingly complex due to the expansion of government roles and the lack of effective and correct management of financial resources to meet growing social needs. In view of the mismanagement of financial resources in the face of the increasing demand for public service, it was required that there should be a need to improve the allocation of resources through appropriate economic policy and optimal expenditure planning, and since the traditional budget (item budgeting) is often used to implement short-term operational plans, in addition to its poor control practices, continuing to rely on such a budget does not help to reach a good level of government performance and does not contribute to the optimal use of the state's economic resources. Preparing and implementing the budget according to traditional methods is a problem that confronts the achievement of the state's regulatory objectives and does not improve its government performance. Therefore, it is necessary to prepare and implement budgets according to modern methods for the state so that the budget is a useful financial tool that helps to evaluate and monitor the planning of various activities of the ministries and state departments. Therefore, the current research checks on this problem, which could be translated to a question as follows: "To what extent does the preparation and implementation of budgets according to modern methods reflect on government performance?"

Research Objectives

The research aims to: 1) To learn what the budget is. 2) Identify modern methods in preparing and implementing the budget. 3) Identifying the Impact of Budget Preparation According to Modern Methods on Government Performance.

The importance of the research

The relevance of the research is due to the importance of enhancing the effectiveness and efficiency of public expenditure by correlating the financing of public institutions with the results that they produce. Budgets that are prepared and implemented in modern ways use methodological performance information (indicators, evaluations, program costs, etc.), and performance is felt in improving spending prioritization and in improving the effectiveness or efficiency of the service. These budgets are leading to more flexibility and efficiency in the use of resources than would usually be under traditional public administration systems.

Research Hypotheses

Budgeting in traditional ways (item budgeting) does not help the optimal use of the resources available to the country and reflects negatively on government performance. The best utilization of resources is achieved by current trends of drafting and implementing the budget, which in turn enhance government performance.

4. RESULTS AND DISCUSSION

The Practical Aspect

Field Study Tool

The field study tool consisted of an opinion questionnaire addressed to the accountants of the Financial Affairs Department in Wasit Education, in order to identify their opinions on the reflection of the preparation and implementation of budgets according to modern methods on government performance.

Measuring the Reflection of the Preparation and Implementation of Budgets in Accordance with Modern Methods on Government Performance

Table (1) and Table (2) represent the descriptive statistics of the research sample in terms of arithmetic average, standard deviation and variables of modern methods components in the preparation and implementation of budget and variables of government performance as follows:

Table 1. Descriptive Statistics of the Modern Methods Variable in the Preparation and Implementation of Budgets.

| | Paragraphs | N | Arithmetic Average | Standard deviation | Materiality % | Question direction |
|---|------------|-------|--------------------|--------------------|---------------|--------------------|
| Traditional budgeting (item budgeting) is mostly used to implement short operational plans and does not help the economic development of the country. | 57 | 57 | 3.607 | 0.692 | 72.14 | Agree |
| Relying on the traditional budget (item budgeting) does not help to reach a good level of government performance, and the government's oversight policies are weak. | 57 | 3.893 | 0.494 | 0.296 | 77.86 | Agree |
| The conventional budget (item budgeting) is unable to make a contribution to the best utilization of economic resources of the state. | 57 | 3.779 | 0.296 | 75.58 | 72.14 | Agree |

| | | | | | | | |
|--|----|----|----|----|-------|-------|---------|
| Reliance on the traditional budget (item budgeting) is a problem that confronts the achievement of the state's regulatory objectives and does not improve its performance. | 57 | 57 | 57 | 57 | 3.407 | 0.482 | neutral |
| Reliance on the traditional budget (item budgeting) leads to poor planning and oversight and leads to a waste of the state's time and resources. | 57 | 57 | 57 | 57 | 3.989 | 0.547 | Agree |
| In order for the government to achieve its goals, the government must prioritize the process of preparing and implementing the budget and work to improve this process by choosing modern and effective methods in the preparation and implementation of the budget. | 57 | 57 | 57 | 57 | 3.732 | 0.218 | 0.482 |
| Program and performance budgeting differs from the traditional item-based approach to budgeting, reviewing, and presenting a budget. | 57 | 57 | 57 | 57 | 3.579 | 0.547 | Agree |
| Program and performance budgeting enhances the effectiveness and efficiency of public spending by making the financing of public sector organizations tied to the results they achieve. | 57 | 57 | 57 | 57 | 3.75 | 0.218 | 0.482 |
| Program and performance budgeting is a good tool for strategic planning and goal setting, provides evaluation and accountability, and enhances understanding of cross-programs in the government, which reflects positively on the government's performance. | 57 | 57 | 57 | 57 | 3.464 | 0.594 | Agree |
| Program and performance budgeting results in a direct relationship between the short and long term budgeting planning and forecasting and brings about the accurate agreement between the strategic plans of the government and budget. It has an impact on the performance of the government. | 57 | 57 | 57 | 57 | 3.407 | 0.547 | Agree |
| Program and performance budgeting brings more transparency to budget information and makes it more accessible, not only to individuals who participate in the budget process, but also to society overall. | 57 | 57 | 57 | 57 | 3.95 | 0.547 | Agree |
| Relying on system budgeting, planning, programming, and budgeting helps the government in making a better decision when allocating the financial assets between multiple options to achieve the goals of the government. | 57 | 57 | 57 | 57 | 3.664 | 0.639 | Agree |
| The adoption of the system budget for planning, programming, and budgeting is reflected in government performance, as this budget compares the cost of programs and links them to current activities by evaluating them in terms of priorities and reducing or increasing the resources allocated to them to ensure maximum effectiveness. | 57 | 57 | 57 | 57 | 3.836 | 0.759 | Agree |
| A programming budget planning system (PPBS) is a way of budgeting that integrates the principles of cost and income balancing with a goal-oriented allocation approach, and it allocates available resources to achieve government goals effectively and efficiently. This is reflected in the government's performance. | 57 | 57 | 57 | 57 | 3.959 | 0.702 | Agree |
| PPBS is a way to develop programs to be achieved, find out how much costs and alternatives these programs will cost, and rely on planning long-term program activities. | 57 | 57 | 57 | 57 | 0.562 | 0.618 | Agree |

| | | | | | | |
|--|----|-------|-------|-------|-------|---------|
| In a zero-based budget, each program and expenditure is reviewed at the start of each budget cycle, and each item must be justified in order to receive the funding needed. The essence of this budget system is to avoid unneeded spending and to encourage a cost-benefit system, which has a great effect on the economy. | 57 | 57 | 3.407 | 0.482 | 68.14 | neutral |
| Zero budgets have an impact on the performance of the government through proper use of resources because they are not rooted in history but rather needs and benefits. It provides incentives for the ministries and agencies to look for cost-effective ways to improve the operations, and it also helps in spotting inflated budgets. | 57 | 57 | 3.493 | 0.657 | 69.86 | Agree |
| A zero budget promotes transparency and decision-making by looking more comprehensively at the entire budget rather than focusing on the gradual change in spending in the previous year. | 57 | 57 | 3.493 | 0.505 | 69.86 | Agree |
| The contractual budget helps to provide radical solutions to many problems facing government departments, especially the elimination of government bureaucracy, poor performance, and the low quality of municipal services provided to citizens, through the conclusion of service contracts in the operational aspect of the budget. | 57 | 57 | 3.35 | 0.651 | 67 | neutral |
| Contractual budget influences the government performance because it results in the reformulation of the general budget of the state in a manner that helps link the budget with long-term planning of the projects and has also helped the efficient and economical execution of government projects, which leads to delivering outputs of the projects to citizens. | 57 | 4.15 | 0.847 | 0.651 | 83 | Agree |
| Modern Methods of Budgeting | 57 | 3.693 | 0.203 | 0.847 | 73.86 | Agree |

Source: Prepared by the researchers

As can be seen from the results of the statistical analysis presented in the aforementioned table, the first paragraph (reliance on the traditional budget (item budgeting) leads to bad planning and control, and it leads to waste of the state's time and resources) received the highest average (3,989 answers), standard deviation (0.547) and the first relative importance (79.58%). Then came in the last place the paragraph (that the contractual budget helps in providing radical solutions to many problems facing government departments, especially the elimination of government bureaucracy, poor performance and low quality of municipal services provided to citizens, through concluding service contracts in the operational aspect of the budget) in terms of relative importance (67%) and average answers (3.35) with a standard deviation of (0.651).

Table 2. Descriptive statistics of the government performance variable.

| Paragraphs | N | Arithmetic Average | Standard deviation | Materiality % | Question direction |
|--|----|--------------------|--------------------|---------------|--------------------|
| Program and performance budgeting is one of the modern methods in preparing and implementing budgets, which is indispensable for governments due to its benefits towards optimum utilization of state resources, and to positively impact the performance of the government. | 57 | 57 | 3.627 | | |
| The PPBS budget is one of the modern methods in preparing and implementing budgets that governments should use due to its advantages that can be made in the optimal use of the state's resources, and increase the government's performance positively. | 57 | 3.913 | 0.692 | | |
| The zero budget is one of the modern techniques of preparing and applying budgets, which governments should apply due to its benefits in the optimal application of state resources, and from which the performance of the government is positively affected. | 57 | 3.799 | 0.494 | | |
| The contractual budget is one of the modern methods in the preparation and implementation of the budget, which governments must adopt, due to its significance in the optimal use of state resources and enhancement of the government's performance positively. | 57 | 3.407 | 0.296 | | |
| Strategic, effective preparation of the budget is another way of establishing a better system of financial control and determining the performance of the government so that it is hoped the government will be able to achieve its goals. | 57 | 3.999 | 0.547 | | |
| The use of modern methods in the preparation and implementation of the budget, such as: the budgeting of programs and performance, the budgeting of planning, programming, budgeting, zero budgeting and contractual budgeting, helps to achieve the goals of the government and achieve the good level of performance that ensures the exploitation of the wealth and resources of the country. | 57 | 3.484 | 0.519 | | |
| Government Performance | 57 | 3.708 | 0.229 | | |
| | | 74.163 | 69.68 | | |
| | | | 79.98 | | |
| | | | 68.54 | | |
| | | | 75.98 | | |
| | | | 78.26 | | |
| | | | 72.54 | | |
| | | | | Agree | Agree |
| | | | | Agree | Agree |
| | | | | Agree | Agree |

Source: Prepared by the researchers

It is clear from results of statistical analysis represented by the second axis in the previous table (Government Performance) where the paragraph came (If Preparing the budget in effective ways and methods is one way to create a better system of financial control and determine government performance so that it is hoped that the government can achieve its goals). In the first place regarding relative importance (79.98 %) in the percentage of average answer (3.999) and deviation (0.547), and in the Last place Paragraph (The contractual budget is considered one of the modern methods in the preparation and implementation of budgets,

which governments must use because of its advantages in the optimal use of state resources, and increase the government's performance positively), with a relative importance (68.54%), in the percentage of average answer (3.407), and a deviation of (0.482).

Analysis of Results and Hypothesis Testing

The First Hypothesis

The first hypothesis of the research states that "the preparation of the budget by traditional methods (item budgeting) does not help the optimal use of the resources available to the country and reflects negatively on the performance of the government".

To test the above hypothesis, the Spearman correlation coefficient and simple regression analysis were used, as shown below:

Table 3. shows the Spearman correlation coefficient between the study variables.

| Correlations | | | | |
|------------------------|------------------|-------------------------|------------------------|----------------|
| Government Performance | Traditional Axis | | | |
| .742-.000 | 1.000 | Correlation Coefficient | Traditional Axis | Spearman's rho |
| .57 | . | Sig. (2-tailed) | N | |
| 1.000 | .742-.000 | Correlation Coefficient | Government Performance | |
| .57 | 57 | Sig. (2-tailed) | N | |

**. Correlation is significant at the 0.05 level (2-tailed).

It is clear from the above table that there is a negative inverse relationship between the preparation of budgets by traditional methods and government performance, where the degree of negative correlation has reached the degree of correlation .742.0*-at a significance level of 0.05.

Table 4. T-test and simple linear regression model.

| Model | Coefficients ^a | | | Standardized Coefficients | |
|-------|-----------------------------|------------|------|---------------------------|----------------|
| | Unstandardized Coefficients | | | Beta | t |
| | B | Std. Error | | | |
| 1 | (Constant) | -.804 | .127 | .337 | -3.031-.15.342 |
| | Traditional Axis | .779 | .064 | | |

a. Dependent Variable: Government Performance

$$Y_i = 0. - .804 - 0.779 X_i$$

From the above simple linear regression model, it was found that there is a negative inverse relationship between the preparation and implementation of budgets by traditional methods and government performance, and accordingly, through the test of the Spearman correlation coefficient and the simple regression analysis, we have the first hypothesis that "the preparation of the budget by the traditional methods (item budgeting) does not help the optimal use of the resources available to the country and reflects negatively on the government performance".

The Second Hypothesis

The second hypothesis of the research states that "the preparation and implementation of the budget by modern methods leads to the optimal use of resources, and helps to improve government performance".

To test the above hypothesis, the Spearman correlation coefficient and simple regression analysis were used, as shown below:

Table 5. shows the Spearman correlation coefficient between the study variables.

| | | Correlations | | |
|------------------------|-----------------------------|-------------------------|-----------------------------|----------------|
| Government Performance | Modern Methods of Budgeting | Correlation Coefficient | Modern Methods of Budgeting | Spearman's rho |
| .854** | 1.000 | | | |
| .000 | . | Sig. (2-tailed) | | |
| 57 | 57 | N | | |
| 1.000 | .854** | Correlation Coefficient | Government Performance | |
| . | .000 | Sig. (2-tailed) | | |
| 57 | 57 | N | | |

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

It is clear from the above table that there is a direct relationship between the preparation of the budget by modern methods and government performance, where the degree of positive correlation reached 0.854** and a significance level of 0.01.

Table 6. T-test and simple linear regression model.

| Model | | Coefficients ^a | | | t | Sig |
|-------|-----------------------------|---------------------------|-----------------------------|---------------------------|-------|------|
| | | B | Unstandardized Coefficients | Standardized Coefficients | | |
| 1 | (Constant) | .826 | .278 | | 1.530 | .000 |
| | Modern Methods of Budgeting | .778 | .143 | .689 | 5.462 | .031 |

a. Dependent Variable: Government Performance

$$Y_i = 0.826 + 0.778 X_i$$

From the simple linear regression model above, it was found that there is a positive direct relationship between the preparation and implementation of budgets by modern methods and government performance, and accordingly, through the test of the Spearman correlation coefficient and simple regression analysis, we achieve the second hypothesis: "The preparation and implementation of the budget by modern methods leads to the optimal use of resources, and helps to improve government performance".

5. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Preparing the budget by traditional methods (item budgeting) does not help to plan and allocate the state's wealth in an optimal way, and thus hinders the achievement of the goals planned by the state. Program and performance budgeting improves the effectiveness and efficiency of public expenditure by linking public sector financing to the results it achieves. This budget gives ministries and government agencies greater flexibility in the use of resources than they would normally have under traditional systems of tightly controlled public administration.

The Planning, Programming, and Budgeting System (PPBS) is a comprehensive system that involves how money is obtained and how much to raise, and shows how to evaluate and review the past budget period so that the future can be predicted. It is a method in which the government compares the cost of programs and links them to existing activities by assessing them in terms of priorities and reducing or increasing the resources allocated to them to ensure maximum effectiveness. The zero budget describes the budget system that starts each budget cycle at zero, rejecting any assumption that the programs and activities that were funded in the last budget will continue in the next budget, and that the process of allocating funding is based on the efficiency and necessity of the program and not on the history of the budget, and that the essence of this budget system is to reduce unnecessary expenditure and promote a cost-benefit approach. The contractual budget is like a mechanism in the process of concluding agreements among the central government and the components of the public and private sectors; the contractual budget is an attempt to restructure the public budget, which is a system of concluding agreements and understandings between the legislative power and the executive government. The government shares its future projects and programs with the public and private sectors so as to find and contract with these parties who can execute the projects and programs at the minimum cost and within the stipulated time period.

Recommendations

The need to pay attention to the process of preparing the budget, as it is considered an effective and influential tool for the government to formulate economic policy, and it represents a basic pillar for the state to perform its tasks of organizing, planning, coordinating, and evaluating performance. It is the process in which the most important economic and social decisions and activities are taken for the coming year. Not relying on the preparation of the budget by the traditional methods (item budgeting) because it does not help to plan and allocate the state's wealth in an optimal way, and thus hinders the achievement of the goals planned by

the countries, and thus will negatively affect the performance of the government. The need to pay attention to modern methods in preparing the budget is that they improve government performance and increase the effectiveness and efficiency of public spending. These methods diversify income and translate the policies and goals set by the state on the ground in a clear and tangible manner, by providing these modern methods of standards and indicators for planning, implementation, control, and follow-up.

Working to modernize the budget system in Iraq while benefiting from the state's experiences in this field, and this modernization should be in the form of stages, where the beginning is with the budget of some ministries or departments within the ministries and agencies and gradually, in order to gain more expertise and experiences, and then address the obstacles that will appear in preparation for the full transition.

Working to provide and qualify administrative and accounting cadres capable of applying modern methods in the preparation and implementation of the budget, and working to raise their level in the field of budget preparation, and improving their experience through accurate, practical training. Conducting more research in the field of modern methods of budgeting in order to discover and address obstacles, as well as selecting the best modern methods and methods that suit the Iraqi environment.

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