

The Deficits and Surplus in Implementation and Evaluation of Iraqi General Budget

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Abstract

As a result of the changes that have occurred in the constitution of the new Iraq, especially in light of the changing economic conditions and the opening of Iraq to the countries of the outside world as well as the result of the development of various technology sciences, which is the reason for the intervention of the state for the continuation of life and the exploitation of resources available within the country and which help in the service of society and the well-being. The State must take into account how resources are channeled and placed in the right place. Here, the importance of highlighting the public budget in Iraq has emerged, and there is also a need to estimate the public expenditure of the various units within the country. Therefore, it is necessary to move away from the traditional budget theory and the use of modern budgets such as balancing performance and programs or the budget of programming and planning or zero budget and other budgets that help the State in directing its revenues in exchange for its expenses or even to find a modern budget support for the theory of the traditional budget because the state budget is considered from The most important tools of the achievements of public performance. The general budget is the main tool in achieving the efficiency of the state organs in performance and implementation as planned by the legislative, executive and supervisory authority through the resources and expenditures of the general budget, in order to achieve the economic and social well-being of the country's citizens.

Keywords: The Deficits, Surplus, Evaluation and General Budget

Introduction

The first to address the concept of the budget is the first is the Quran in the story of Joseph (peace be upon him) in the verse: In the name of God the Most Gracious the Most Merciful (Yusuf, O Sincere , we have warned seven cows of fat in seven cows, seven saplings of vegetables, and one of the last of the dry land , I will return to the people so that they may know. Eat what you have given them only a little bit of fortified ,Then comes after that year in which people are fed and in which they strive ,Believe God Almighty) (1).Thus, the first budget was established in Egypt and by the Prophet of God, Yusuf al-Siddiq (peace be upon him).That the nations and ancient civilizations were working on the collection of funds and deliberately spend in the process of non-scientific and based on the rules and foundations governing the process of spending or regulate the process of directing or monitoring the money. But after the evolution of the concept of the budget, especially in the United Kingdom (Britain) For the first time was in 1733 as the British Parliament began a process of control of the executive (government) in the process of collecting funds and revenue achieved and obtained, as well as the executive authority (the government) To obtain the prior approval of the Parliament in the revenues obtained before the process of spending (2). Almost 100 years later, the British Parliament passed legislation requiring the executive to pay for public expenditure. The budget then took its current form, the traditional budget adopted by Britain and some countries, especially the developing world .

The principle behind this budget is the process of recording the revenues and expenses of the state in a single document in detail, as well as must be obtained approval by the legislative authority (Parliament) and also called the balance of items or (written budget) Then to the items and then to the materials as per the spending target.

Thus, the budget is defined (a plan that includes an estimate of the state's expenditures and revenues over a period of time that is often a year, and this estimate is made in light of the objectives pursued by the political authority).

It was defined by the Iraqi Accounting Assets Law No. 28 of 1940 as amended ("the table containing the estimate of imports and expenses for one fiscal year specified in the Budget Law)". (3).

Here we have to differentiate between budget and budget:

A budget is a plan to estimate expenditures and revenues for a financial year, that is, an estimate while the budget is a list that contains actual figures for the fiscal year. The budget contains the expenses and revenues of the State during the coming period while the budget contains assets, liabilities and equity of the institutions during the financial year. The balance sheet is a list and the budget is a list.

Here it should be noted that as a result of the development of the budget has emerged Several Types of Public Budgets are:(4).

1) Traditional budget: the first budget used in England and is still now, especially in developing countries.

Which corresponds to income over expenditures within one year.

- 2) Budget of performance and programs: It is used in the United States of America.
- 3) Budget of programming and planning.
- 4) Zero-Budget: applied in America after 1973.
- 5) Contractual Budget: which was applied in New Zealand in 1996.

Here, the research will discuss how to implement the budget and what is the method used in the process of implementation correctly and also through the development of the accounting system used at present and what reports to be submitted and the method of control, which is more effective for the purpose of reducing cases of administrative and financial corruption. Reaching conclusions and recommendations necessary to develop the public budget system (5). The research included two sections each section consists of two sections, the first topic, the concept of the general budget and importance and what are the types of budgets and how to implement the budget and what is the relation of the budget to the accounting system used. Where the first section was devoted to talk about the concept of budget and its importance and what types of budgets used in countries. The second section was devoted to talk about the stages of development of the budget and the process of implementation of the budget and the accounting system used and the relationship between them (6).

The second topic was the stages of preparation and control of the public and the practical aspect of the budgets of Iraq for the years (2007, 2008, 2009, 2010, 2011) and compared with the year 2017.

So that the first section was devoted to talk about the stages of preparing the general budget and the accounting system used. In the second section has been allocated to the application of the budgets of Iraq for the years (2007, 2008, 2009, 2010, 2011, 2017) (7). At the end of the research, important conclusions were reached on the general budget applied in Iraq and the necessary recommendations necessary to develop the general budget system as well as the development of the accounting system currently used in the implementation of the budget. (8). The development of the general budget has led to several trends (9,10,11,12).

- Focus on the planning and planning aspects that precede budget preparation.
- Focus on the responsibility aspect and identify it at different stages of the budget.
- The development of the government accounting system for the purpose of providing data and analytical information about revenues and expenditures to assess the performance of units and programs.
- Developing the principles of preparing the budget and means of follow-up and control of implementation.
- Develop reports to be more effective in helping users of these reports and within the appropriate timing.
- Modern technological development and its effective contribution to the development of trends above and the development of public budgets.

The budget of planning and programming can be defined as "a technical way of planning in a fundamental manner and its main objective is to rationalize the policy making process by providing information and data related to the costs and benefits of different alternatives for the purposes of achieving objectives and measuring outputs to facilitate the achievement of these objectives more effectively (13). This type was considered a development "of the system of performance and programs because of the linkage between programs and objectives at the national level and at the level of administrative units. This type was considered a development "of the system of performance and programs because of the linkage between programs and objectives at the national level and at the level of administrative units.

The problems that accompanied the implementation of this budget: (14).

Difficulty setting and formulating goals.

- The difficulty of defining economic and financial criteria to determine the cost of alternatives.
- Lack of professional staff experienced by the government accounting system.
- This type of budget does not suit all aspects of government activity.

Zero base budget (Z.B B): Is a "practical management tool to evaluate spending aimed at directing and transferring financial allocations from low priority programs to high priority programs, which leads to improving efficiency and efficiency and reducing the size of financial allocations approved. as defined by the first pilot (peter A. pyhrr).

In this context, we find that the zero budget focuses on the administration in evaluating activities and the work of a set of decisions and analysis of these decisions. This does not mean that the principle of zero is throwing everything out of the budget and start again, it is a reevaluation from zero and giving precedence to programs and according to actual need (15). This budget was applied in the European market in 1977 to the participating countries and in many companies. (16).

The Concept of Contractual Budget / is the relationship between the executive bodies and the government in a contractual relationship, under which the implementation of limited and quantifiable tasks against specific amounts paid by the government before, during and after implementation, as agreed. It is a system for making deals between an executing party and the government (17).

Ministries and departments must prepare the expenses and revenues related to them and deposit them with the Ministry of Finance before the end of July of each year and the Minister of Finance after its audit and make the

amendments it deems necessary in view of The financial situation of the Treasury to be approved as it prepares the state budget and submit it to the Council of Ministers to take what is necessary to legislate. In addition, the new Iraqi constitution stipulated in Article 1 that the system of government is representative and the form of a federal state. This entails substantial changes in various fields, especially financial ones, which have been regulated by a separate federal budget. (18). we find that the ministries and departments will make estimates at current prices, based on expenditure and revenue without attention to inflation has a role in changing the estimated figures (guessing) (19,20,21). Components of the Government Accounting System :

Documentary Group: The cornerstone of establishing the operations in the book group.

Book collection: It consists of major accounting records and sub-records helping to help control. Internal Control: An internal system responsible for the implementation of the budget in accordance with the regulations and instructions issued and according to the powers vested.

Reports: These are the monthly and quarterly follow-up reports and the budget plan for the purpose of monitoring deviations as well as the final accounts at the end of the financial year (22,23,24).

The Application aspect through the State Budget for the Years (2007, 2008, 2009, 2010, 2011). And Compare them with the State Budget for the Year 2017. (23,24,25,26,27).

Methodology:

Search problem:

The form of the general budget of Iraq in its current form does not fit the volume of developments that occur in the world as well as the volume of resources does not cover the volume of spending and these are the responsibility of government units according to the tasks assigned to them. Due to the adoption of the budget on the estimates of non-scientific as well as large expenditures spent by the State and ministries to meet unexpected circumstances.

On the revenue side, it is small compared to the expenses needed by the state because of the units of the collection of funds that seek to reduce resources for the coming period and this imbalance is a burden on the accounting system used in the implementation of the budget and show the results.

Search hypothesis:

Assuming that: -

- 1) The general budget in its current form in terms of the theory used for the application does not serve the economic process of the country,
- 2) In terms of the accounting system used is not useful and requires the political situation in the country or the control process.

Objective:

The aim of the research is:

- 1) Access to a modern method of estimating public expenditures in the state budget as well as the role of modern budgets in determining the size of those expenditures at the level of the country as a whole.
- 2) as well as the definition of an accounting system appropriate to the implementation of the budget and what kind of control will be applied to the implementation of the general budget at the legislative level for the purpose of controlling the movement of funds within state institutions.

Accreditation has been made in the preparation of the research on the following sources and references:

- 1) Books and references Arabic and foreign.
- 2) Master's thesis and doctoral dissertations.
- 3) The numbers published in Iraqi and Arabic magazines.
- 4) Websites.
- 5) Iraqi public budgets and published in the Iraqi fact sheet for the period (2007) until (2011) and compared with the budget of 2017.
- 6) Adoption of the report of the Iraqi Ministry of Planning / National Statistics Center / year 2012.

Conclusions and Recommendations

Conclusions

We clarify the conclusions reached :-

1. The current budget is not suitable for use at present because it does not meet the needs and wishes of the state.
2. Central government accounting system does not meet the requirements of the development of mathematical work and impedes the process and creativity.
3. The general budget plays a "fundamental" role in every country, whether advanced or developing countries, and is important in evaluating the state's policy in planning and organizing for the allocation of resources and how to control them.

4. The needs of the modern state make the financial planner and the political legislator to look for new exits to the traditional budget and this means that the traditional budget has become useless and not useful and the trend towards modern budgets and how to apply them.
5. The modern budgets can be an alternative to the traditional budget and these budgets have their advantages and disadvantages and must be studied when making a decision for the purpose of application in any country.
6. Multiple budgets may be useful and useful in a particular country for a period of time and appropriate and according to the circumstances and the possibility of applying what suits him with the possibilities of application.
7. There are political reasons calling on the planner and the Iraqi legislator to rely on the traditional budget and this is not in the interest of the country because the traditional budget used for political purposes more than economic and in the service of society.
8. It is necessary to study the situation of the country before selecting the appropriate budget for the implementation of which rationalize spending and here we conclude that the traditional budget is not applicable to the current situation in Iraq.
9. The application of the central accounting system in the implementation of the budget in which there are many problems that hinder the development and innovation and expansion of programs.
10. There is an abundance of funds for the years (2007, 2008, 2009, 2010, 2011). Therefore, it was possible to take advantage of them in subsequent years to fill the deficit and the budget of 2017 was a deficit of 21 trillion Iraqi.
11. that the subsequent budgets for the years (2012, 2013, 2014, 2015, 2016) were explosive in the sense that they had very high allocations and it was also possible to take advantage of the money that was returned to the treasury of these years.

Recommendations

We clarify the recommendations reached :-

1. The traditional budget method should be changed to a new style that suits the resources of the country as well as the rationalization of expenditures, especially the modern methods of budget such as budget programs and performance and zero budget.
2. The preparation of funds called sovereign funds, which help to bridge the deficit in public budgets instead of resorting to internal and external borrowing or rely on the central bank reserves.
3. Provide the necessary requirements when choosing the appropriate budget for the application as well as the provision of qualified personnel and able to implement this budget.
4. Transition from the central government accounting system used in the implementation of the budget to the decentralized accounting system in all state institutions, which gives powers to the lower departments, as well as to allow these departments for creativity and innovation.
5. Develop and activate the role of oversight in the implementation of the programs and objectives that the government seeks to implement during the financial period, which is often a year.
6. Taking into consideration the scientific researches and seminars held by universities and researchers in order to improve the economic reality and develop appropriate programs and objectives needed by the country and society.
7. The possibility of benefiting from the abundance in public budgets and exploitation of the deficit in the coming years and not always rely on the central bank reserves or internal and external loans.

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