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THE ROLE OF ZERO-BASED BUDGETS IN EVALUATING THE FINANCIAL PERFORMANCE OF GOVERNMENT INSTITUTIONS-A FIELD STUDY ON A NUMBER OF IRAQI GOVERNMENTAL INSTITUTIONS

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Abstract:
This study aims to clarify the extent to which zero-based budgets contribute to raising the efficiency of the financial performance of the Iraqi government sector, and to explain the obstacles that limit the application of zero-based budgets in the Iraqi government sector, and to determine the requirements that must be met to prepare zero-based budgets to evaluate the financial performance of Iraqi government institutions to achieve these goals. The researcher prepared a questionnaire directed to a sample of employees working in a number of government institutions. The number of the sample to which the questionnaire was distributed reached (30 individuals). After conducting the field study, the researcher came to prove the hypothesis of the study in addition to a number of results, the most important of which is that the zero-based budget improves exploitation. Optimization of the financial resources of government institutions. Through the zero-based budget, it is possible to evaluate existing government projects and develop a plan for future projects. Finally, given the excellence of government financial performance in that it serves society as a whole, a comprehensive control tool must be applied to evaluate the financial performance as a whole, which is what the zero-based budget provides. The researcher also presented two recommendations: It is necessary to evaluate the financial performance of government institutions, as the deviations and errors that may occur in them affect the financial performance of society as a whole or the specific entity that the government institution serves. When evaluating the financial performance by government institutions, it is necessary to compare the features of the various control tools, including planning budgets. It is recommended The researcher decided to use zero-based budgeting.

Keywords: Zero-based budgeting, financial performance, evaluating the financial performance of government institutions..

INTRODUCTION TO RESEARCH

Budgets of all types are important tools that establishments use to plan their various activities. The justification for this importance is to determine the aspects of financing that are of high relative importance to finance these activities, in addition to determining the aspects of costs and expenses and determining profits for future periods in addition to the expected or targeted expenses. Therefore, it is inevitable to prepare budgets. Zero-based budgets are one of the types of budgets, but they differ from them in that other budgets are prepared based on historical information and data for all activities, costs, and their financing resources. This information is considered the basis for preparing planning budgets. As for the zero-based budget, it is not prepared based on this information, but rather it requires an evaluation of all expenses and resources as well. Even if it starts from scratch, sometimes it does not take the currently existing projects into account, and therefore it redefines the importance and priority of activities and resources, and therefore it is based on carefully analyzing the data and determining the best ways to exploit resources. The financial evaluation aims to make a comparison between what is planned and what is actual for performance. This is to determine the level of ideal or improved financial performance for the coming periods, which leads to the necessity of identifying positive and negative deviations in financial performance. Therefore, when presenting the results of this evaluation, this institution will have presented a performance plan that ensures achieving the best results and explains to individuals working in the institutions how to perform activities. And development plans that better affect performance, and this includes government institutions. The difference between them and private institutions lies in the importance of the activities performed by government institutions, as they are reflected in the level of social and economic well-being of society as a whole, while private institutions aim to provide services to a specific group or segment. Only from society, therefore, evaluating the financial performance of government institutions is necessary to ensure the success of their activities in achieving their social, economic, and even political goals as well. The zero-sum budget is one of the tools that helps government institutions develop a comprehensive vision of their revenues and priority activities in spending on them and the extent of rationality in this use. Without causing a waste of resources, in addition, zero-based budgets tend to discover deficiencies in other budgets prepared by government institutions.

the study Problem:

Government financial performance is considered the primary driver of societies, as it works to support their various activities, in addition to ensuring financial stability, which necessarily leads to economic, social, and institutional stability. With the current development in societies and the increase in expenditures, it is necessary for the government to contribute to supporting them, and in return, there is a limitation in Financial resources: This led to the necessity of reconsidering government revenues and the ways in which these revenues are spent to achieve the government's objectives, that is, redefining the aspects of spending and support on programs and activities of priority and relative importance. This comes through the zero-based budget, as it takes into account all expected activities and programs and seeks to achieve the goals. drawn up for each administrator, along with finding alternative plans to implement those goals and submitting proposals to achieve the best results (Hilali, 2011, 339), in addition to explaining the obstacles that may limit government activities with the development occurring in the government sector. Its role has increased, which aims to achieve the well-being of society, which has changed the role played by institutions from being a planning tool to being a tool for evaluating the financial institution as a whole. Thus, the zero-sum budget works to guide aspects of government activity and reduce the level of waste in resources, in addition to achieving the element of control and raising the level of Efficiency and effectiveness of financial activities, and therefore the problem of the study can be formulated in a main question:

What is the role of zero-based budgets in evaluating the financial performance of ethnic government institutions?

A number of sub-questions emerge from the main question, which are as follows:

1- Does the zero-based budget contribute to raising the financial performance of the Iraqi government sector?
2- What are the obstacles that limit the application of zero-sum budgets in the Iraqi government sector?
3- What are the requirements that must be met to prepare zero-based budgets to evaluate the financial performance of Iraqi government institutions?

Study hypothesis:

The study seeks to test the following hypothesis:

There is a statistically significant relationship at the significance level (0.05) between zero-based budgeting and financial performance evaluation in Iraqi government institutions.

Objectives of the study :

The study seeks to achieve a number of objectives, including the following:

1- Clarifying the extent to which zero-sum budgets contribute to raising the efficiency of the financial performance of the Iraqi government sector.
2- Explaining the obstacles that limit the application of zero-sum budgets in the Iraqi government sector.
3- Determine the requirements that must be met to prepare zero-based budgets to evaluate the financial performance of Iraqi government institutions.

the importance of studying :

The importance of the study stems from the fact that it clarifies the general framework for the possibility of using zero-based budgeting in evaluating the financial performance of government institutions and benefiting from its advantages and benefits in filling the gaps that exist in other budgets prepared by government institutions and raising their efficiency by classifying the programs and financial activities that they carry out that are of importance. Priority is given to expenditures of lesser importance, in addition to identifying possible sources of revenues, achieving the highest benefit from them, as they are a limited, scarce resource, and improving their functions, unlike other budgets that are based on determining a specific link or spending for any financial activity or program for government institutions.

Study Approach :

The study used the following methods:

1. Deductive approach: to determine the research axes and develop hypotheses.
2. Historical approach: to trace previous studies related to the research topic.
3. Descriptive approach: Using the case study method to determine the possibility of using zero-based budgeting in evaluating the financial performance of Iraqi government institutions.

The limits of the study :

1. Spatial boundaries: Iraqi government institutions.
2. Time limits: 2024 AD.
3. Human limits: employees working in the Iraqi government.

Study tools:

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1. Primary data: through observation, personal interviews, and questionnaire.
2. Secondary data: through books, university theses, Arab and foreign periodicals, scientific papers from conferences and workshops, reports, records and official documents from relevant authorities.

Study structure:

This study consists of an introduction that deals with the methodological framework of the study, in addition to previous studies, and four main axes. The first axis deals with the zero-sum budget in government institutions, the second axis evaluates the financial performance of government institutions, the third axis is the field study, and finally the conclusion, which is represented in the results and recommendations of the study.

Previous studies :

Previous studies are classified into two axes that deal with the variables specific to the study. The first axis is previous studies on zero-sum budgets. The second axis is previous studies on government financial performance:

1. The first axis: Previous studies on zero-sum equalizers:

1.1. Study: Zidane (The role of zero-based budgeting in evaluating performance and rationalizing spending, 2019):

This study aimed to study the zero-based budgeting method, identify its components and importance in public institutions, and demonstrate the importance of applying it in those institutions in the field of planning, control, financial performance evaluation, and cost rationalization. The study reached a number of results, the most important of which is that applying the zero-based budgeting method helps the management of public institutions in raising the efficiency. Financial planning through a number of areas, including overcoming uncertainty, facing changes, providing greater flexibility to redistribute financial resources, prioritizing the organization's public spending according to prevailing circumstances, and developing the skills of workers in the field of planning. The previous study discussed how a zero-based budget can be used to guide the process. Public spending is any part of overall financial performance, while the current study addresses how it can be used to evaluate financial performance as a whole.

1.2. Study: Mustapha Ibrahim and others:

(zero based budgeting is a panacea to fiscal distress do the perceived benefits significantly influence its adoption in Borno state, 2017)

This study aimed to verify the perceived benefits of zero-based budgeting and its adoption in Borno State. The study reached a number of results, the most important of which is that it is possible to adopt the zero-based budgeting method in the state and that these benefits are verifiable because they are politically feasible and provide more attractive opportunities for cost-effectiveness and reporting. Sustainable financial discipline and financial transparency in the general budget and avoiding unnecessary funding for non-essential and essential services. The previous study established a number of benefits that can be obtained by using zero-based budgeting as a tool for planning. After testing the hypotheses and completing the study, it was concluded that they are limited and achieve non-economic goals. Only, but also political, and this is considered a more comprehensive and far-reaching approach to zero-based budgeting, while the current study addresses the goals that can be achieved through using the budget in evaluating public financial performance, and these goals are political, social, and economic.

1.3. Study: Haxholli (2015):

Zero Based Budgeting in KCS Implementing Zero Based Budgeting Method in Kosovo Correctional Service (

This study aimed, through conducting a survey, to address the general budget, through the use of zero-based budgeting as a role model for improving the performance of budgeters. The study reviewed some international practices on the application of zero-based budgeting, and also focused on the need to improve performance and budget planning through zero-based budgeting and its implementation in the sector. In general, this study was conducted on the budget of the Correctional Department of Kosovo by comparing it with the budget of some organizations inside Kosovo, auditing and analyzing reports, and planning the budget to identify similarities and differences, and presenting a number of suggestions to improve the current budgets. The study reached a number of results, the most important of which is that (12 %) of the study sample are satisfied with the current level of budget preparation, while (41%) see that the current performance of the budgets is good, while (41%) see improving the budget using zero-based budgeting. Finally, the study concluded that the decrease in the percentage of supporters of improving the budget using zero-based budgeting is due to The lack of knowledge of all sample members about zero-based budgeting. One of the reasons for conducting the previous study is the presence of some defects in the planning budgets when using them, and it was assumed that these defects would be addressed through the use of zero-based budgeting, by making comparisons. Between them, then, the extent of agreement between those responsible for preparing the planning budgets for the performance of the zero-based budget was measured, and based on that, the results were reached, while the current study discussed the role of the zero-based budget in evaluating financial performance as a whole.

1.4. Study: Al-Sharayri and others (The Possibility of Applying Zero-Based Budgeting in Jordanian Ministries, 2017 AD)

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This study aimed to identify the possibility of applying the zero-based method in preparing the budgets of Jordanian ministries due to the advantages it achieves. The study reached a number of results, the most important of which is that the method of preparing the zero-based budget It enables effective control of costs, improvement of planning and follow-up, and improvement of effectiveness and efficiency in allocating resources. The possibility of implementing the steps for its preparation is possible due to the availability of the necessary requirements for this, despite the presence of some difficulties that can be overcome. The previous study discussed the extent of the possibility of using zero-based budgeting in Jordanian ministries while... The current study discusses its role in evaluating the public financial performance, that is, the Iraqi government.

2. The second axis: Previous studies on the financial performance of government institutions:

2.1. Study: Hamza, 2018 AD (The role of financial statements in preparing the balanced scorecard to evaluate the performance of economic institutions):

This study aimed to know the financial accounting system and advance the financial accounting system to comply, even if only in a simple way, with international accounting standards and the importance of information in the financial statements that show the financial position of economic institutions and knowledge of the performance of economic institutions. After conducting the field study, the study reached a number of results, the most important of which is updating The financial accounting system is compatible with international accounting standards and addresses accounting problems related to recognition, measurement and disclosure when preparing financial statements for institutions in a period not exceeding three years. Increased interest in developing the financial accounting system in the financial statements for greater understanding by investors and decision makers and that the balanced score card is A model for evaluating the performance of economic institutions. The previous study discussed various types of financial statements in evaluating financial performance, while the current study discusses evaluating financial performance using a zero-based budget.

2.2. Study: Boukhalkhal 2021 AD (Measuring and evaluating financial performance using modern and traditional indicators and studying their effectiveness in creating value)

This study aimed to measure and evaluate financial performance using modern indicators, represented by market value added (MVA) and economic value added (EVA), and traditional indicators, represented by (ROS, EPS, ROA, BFR, ROE, ROI,) in order to determine the extent of their effectiveness and ability. To interpret financial performance, noting that this study has subjected the financial statement data of a group of companies that are active under the umbrella of the Algerian stock market, and the study period was limited to the period from 2009 to 2019 AD. This study concluded that there is a statistically significant relationship between the economic value added Among some other indicators, in addition to a number of results, the study proved that the added economic value is the most effective in evaluating financial performance compared to traditional indicators. This is due to its determination of returns and costs and the extent of their contribution to achieving wealth or economic profit as a result of investing money, through which it was shown whether Whether the money was invested in an optimal way or not, the traditional indicators, even if combined, still carry deficiencies in financial reading. They are seen from angles of profitability and returns that lack comparison tools. Traditional indicators agree on the principle of maximizing returns and minimizing costs, and the added economic value criterion prevails over the rest of the traditional indicators in interpreting performance. The previous study dealt with measuring and evaluating financial performance using modern indicators and using value added, while the current study discusses financial evaluation using one of the financial planning tools represented by the zero-based budget.

2.3. Study: Al-Hourani 2018 AD, (Economic value added and financial indicators as a criterion for evaluating financial performance):

This study aimed to clarify the nature of traditional financial performance evaluation indicators and the economic value added index as a modern measure, as they are standards and indicators used in evaluating the financial performance of various companies in an attempt to identify which of these indicators has the greatest ability to explain the changes occurring in the market value of stocks. This study has been subjected to... Data The financial statements of a number of service and industrial companies operating under the umbrella of the stock market in Amman. Through the use of the descriptive approach in research, the study reached a number of results, the most important of which is that traditional financial performance evaluation indicators showed a greater ability than the economic value added index to explain the changes occurring. The value of the market shares of industrial and service companies operating under the umbrella of the Amman Stock Market, and that the economic value added index can be used as a modern measure to evaluate financial performance in interpreting the changes occurring in the value of the market shares of industrial and service companies operating under the umbrella of the Amman Stock Market, and that there is a discrepancy in the results. Interpreting the changes occurring in the market value of stocks with regard to each of the traditional financial performance evaluation indicators, as we were not able to obtain the same

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ability to interpret the changes for each of the traditional indicators. Finally, the study arranged the indicators based on their ability to influence the market value of stocks, which is in the following order: The book value of shares, then cash dividends, then earnings per share, and finally the debt ratio. The previous study aimed to study the evaluation of financial performance using traditional indicators for financial evaluation in addition to value added in joint stock companies registered in the Omani-Jordanian market. As for the current study, it dealt with the zero-based budget in evaluating performance. Finance for Iraqi government institutions.

2.4. Study: Al-Sartawi and Hassan 2019 AD, (Financial analysis as a tool for evaluating the financial performance of industrial joint stock companies in Palestine, a case study of pharmaceutical companies listed on the Palestine Stock Exchange).

This study discussed the answer to the question: What is the role of financial analysis in evaluating the performance of public shareholding companies in Palestine? This study aimed to highlight the role of financial analysis as a tool for evaluating the economic institution, knowing its financial situation, highlighting the strengths and weaknesses, and making the right decisions. It reached a number of results from The most important of which is that the companies that were a sample for the study used the results of financial analysis as a means to measure their performance and recommended a number of recommendations, the most important of which was focusing on performance evaluation as one of the pillars of decisions. This study used financial analysis as a tool to evaluate financial performance in public shareholding companies in Palestine. The current study discusses Financial performance in Iraqi government institutions using zero-based budgeting.

The first axis: Zero-based budgeting in government institutions:

Usually, all government institutions prepare their own budgets, and based on them, the general budget of the government or state is drawn up from a summary of the public institutions. The general budget of the government can be defined as a detailed estimated statement approved and approved by the legislative authority that contains the public revenues that are expected to collected by the state and the public expenditures that need to be spent during the next fiscal year. The budget prepares the plan's financial program for the next fiscal year in order to achieve the state's objectives specified within the framework of the general plan for the economic and social development of countries (Marefa, 2023). Before addressing the concept of a zero-sum budget, it is necessary to begin with He touched on the concept of a zero-sum basis, where he emphasized not relying on the budget process in the previous year or years to prepare it. This concept assumes that one starts from a zero-sum basis in the process of preparing the budget, meaning that the preparation of the budget begins again without looking at what was present in the previous budget and not taking into account Taking into account the appropriations allocated to that budget, as this concept requires re-studying and evaluating the programmes, projects and activities that existed in the previous budget again to consider the issue of reconsidering them, amending them, or not taking them into consideration in the next budget (Hammad, 2006 AD, 288 pages), the zero-based budget system is adopted. On planning as a basic stage since preparing the organization's annual budgets, which leads to re-monitoring and examining all activities on the basis of starting from scratch, which leads through studying and evaluating ongoing activities at all levels and determining the decision to continue, modify or cancel them, in addition to the possibility of exploiting and distributing Resources according to basic capabilities and requirements, and thus being able to monitor and control performance, which leads to reducing excess expenses and wasting public money (Arriwa, Bougherra, 2015, 8 p.) The researcher believes that although the previous definition defined zero-based budgeting, it referred to zero-based budgeting in institutions This is done by referring to the public money that is made, and as explained by the previous definition, reducing waste by using the zero-based budget, but also based on it, activities are evaluated on a basis from scratch, and this is not correct, as there is necessarily a set of systems in place at the time of preparing the zero-based budgets. (Al-Arini, 2007, p. 34) believes that some definitions are criticized because the application of the zero-based budget is based on the assumption that there are no services, expenses, or activities in the beginning, and this is considered far from the applied and practical reality, as there are programs and activities that are of high quality and workable, and that there are no Planning for the future in a vacuum, but taking into account spending in previous years, as (Shayne, 2014) believes that it is a budget based on the fact that each department manager must amend the internal budget of his department in each budget cycle (monthly - quarterly). The budget assumes Zero-based budgeting is the absence of any expenditures at the beginning of the fiscal year with the use of successful methods that ensure the fulfillment of the organization's requirements at the lowest cost. The researcher believes that the zero-based budget can be defined as a type of planning tool that is used to control and supervise public and private money by evaluating current activities and evaluations. For future conditions, existing and expected activities and services, and the status thereof All of this is taken into consideration when developing the estimates for the year for which the budget is being prepared, taking into account that these budgets start

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from scratch, that is, they are not taken as a percentage of the previous budgets. These are in the new activities and services that will be provided. As for the existing ones, they are put on a zero-sum basis and re-evaluated in proportion to them. Should they be returned? To zero or continue as planned?

Steps for preparing zero-based budgets in public institutions:

The process of preparing zero-based weights goes through a number of stages, which (Al-Sharayri, Al-Rahahla, 2009, 512 pages) believes are as follows:

A - Identifying decision-making units (an important department or program or at a specific level in the government unit).

B. Each manager (responsible) analyzes each decision unit into a group of decisions according to its importance, which together constitute the total budget requirements for this unit.

C- All decisions are arranged according to the decreasing advantages and benefits of the governmental unit, and perhaps this arrangement determines priorities on the basis of the tasks specified in the entire set of decisions.

D - Distribution (allocation) of funding sources for the government unit (the actual allocation of the facility's resources by using the arrangement according to the high degree of success of the separate levels in the unit's structure) which reflects the programs and activities (set of decisions) in the planning budget structure of the unit, and therefore the zero-base budget system can be It provides an effective cost control system, and is truly a major and radical shift from traditional budgeting methods.

Objectives of zero-based budgeting in government institutions:

When applying the zero-based budget, it must achieve a number of objectives in order to match the costs incurred by the institution in preparing for the zero-based budget, which are as follows:

1- Preparing the operating (operations) plan for the next year's budget.

2- Make efforts to reduce unnecessary costs in general employee expenses.

3 - Diagnosing what is actually happening in the organization in order to improve the policy or develop a broad or specific policy

A set of long-term goals.

4- Distribution of public expenses for workers from the expected output from profit centers to be a basis for fairness.

5- Evaluating the feasibility of the new long-term plan.

6- Achieving effective control over activity programs.

7- Providing a database to completely restructure the institution or government unit (Haxholli, 2015, 23).

Advantages of zero-sum balance:

The application of zero-based balancing and the transformation that takes place of it from other types of balancing is based on a number of characteristics that it possesses, and accordingly (Al-Sharayri and Al-Rahahla, 2009; Salem 2014; Ibrahim 2019; Sadkhan 2018) see it as:

1- Arranging decisions according to the results of the analysis of activities and programs in order to grant credits in a way that ensures better use of the financial capabilities granted.

2- Review all highly efficient and effective programs and projects that receive follow-up approvals, and approvals for ineffective programs may be canceled or reduced.

3- The budget is prepared starting from scratch, and there is no priority for old programs over new programs.

4- The responsibility for defending the programs is transferred from senior management to middle management by providing justifications, evidence, and documents to prove the feasibility of the programs in analyzing the return, cost, and effectiveness.

5- Develop a number of decision sets for all programs and prepare analytical studies for each decision set.

6- Evaluating and arranging groups of decisions based on their feasibility and importance, and then distributing funds for them.

The second axis: Evaluating the financial performance of government institutions:

The evaluation of financial performance refers to the main activities of each organization while evaluating its current condition and comparing it to the goals. The term performance can be described as the ability of the organization to value the investments made for business activities, which will contribute to continuous self-improvement and achieving goals (Malichovà & Durisova, 2015, p. 238). Financial performance is a process to describe the situation of the economic unit at the present time and to identify the trends that it used to reach this situation through studying sales, revenues, assets and liabilities. (Al-Husseini Falah, 2000 AD, 234 p.), Finally, financial evaluation is defined as diagnosing the financial health of the institution to determine the extent of its ability to create added value and confront the future by relying on the financial budget and the results accounts table as well as the rest of the financial statements, but it is useless if it is not taken into account. Taking into account the economic circumstance and the industrial sector to which it belongs (Moncef Charafi, Amiroush Bashlaghm, 2020 AD, 186 p.), the researcher believes that the evaluation process of financial performance is a process of great importance, as it serves as a comprehensive examination to ensure that the financial performance in public and private institutions is presented in the optimal manner. And that there are no wasted expenses or revenues that can be obtained that have not been achieved, or that there is idle production capacity, through the final examination of financial performance and then returning to what is planned and comparing it to reach specific results or deviations in performance, whether positive or negative, they must be interpreted

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and identified. Depending on the reasons that led to its occurrence, there may be a defect in performance or financial planning.

Objectives of evaluating financial performance:

Economic institutions evaluate financial performance to achieve a number of objectives, the most important of which are:

1- Performance evaluation provides a measure of the extent of the facility's success through its endeavor to continue its activity in order to achieve its goals.

It can be said that success is a composite measure that combines effectiveness and efficiency, and therefore it is more comprehensive than any of them in either case The establishment must continue to operate.

2- The performance evaluation system provides information to various administrative levels in the facility for planning and control purposes

And make decisions based on practical and objective facts.

3 - It helps to create a kind of competition between the different departments, departments and establishments, and this in turn drives the establishment

To improve their level of performance (Al-Zubaidi, pp. 92-93).

4- Determine the efficiency of using available resources in a rational manner that achieves greater returns at lower quality costs

Good.

-5 Facilitating the achievement of a comprehensive assessment of performance at the national economic level, based on the results of the assessment

The performance of each project and sector leading to a comprehensive evaluation. (Al-Karkhi, 2014, p. 32)

-6 Achieving cooperation between units and departments and participating in implementation.

-7 Directing the necessary efforts to implement plans.

8- Ensure the process of economic and social developments in accordance with the set goals and reduce the risk rate (Abu Qamar, 2009, p. 23). Another researcher also believes that one of the objectives of financial evaluation is:

1- Determine the organization's level of achievement, compared to the goals included in its production plan.

-2 Making decisions about investment, financing, dividend distribution or capital change.

3- Determine the efficiency of using available resources in a rational manner, achieving the greatest return at lower costs.

4- Explaining the most important strengths and weaknesses of the institution, which helps the evaluator evaluate the institution (Gharba, 2015, p. 5)

The importance of evaluating financial performance:

Most government institutions evaluate their performance for various reasons, including determining the amount that will be linked to it in the general budget of a country, or in order to evaluate its financial plans and determine the causes of deviations and other objectives. Therefore, the process of evaluating financial performance is considered important, and the importance of evaluating financial performance can be determined in a number of Among the points are the following (Ali, 2009, p. 35):

1/ The financial performance evaluation provides a measure of the extent of the organization's success in achieving its goals. A composite measure that combines effectiveness and efficiency in enhancing the organization's performance to continue its survival and stability. Bitterness

2/ The financial performance evaluation shows the extent of the unit's contribution to the process of economic and social development. By achieving the greatest results at the lowest costs and eliminating factors of waste and waste. A waste of time, effort and money.

3/ The financial performance evaluation system provides the necessary information to the various administrative levels in the organization For the purposes of planning, monitoring and decision-making.

4/ The financial performance evaluation shows the organization's development in its journey towards better or worse through Actual performance results are documented temporally from one period to another and spatially in similar organizations.

5/ It helps to create a kind of competition between different sections, departments and organizations. -It leads to improved performance.

6/ It leads to identifying efficient elements to place them in the most efficient, productive locations and identifying Elements that need assistance and training to improve their performance.

7/ Evaluating financial performance helps achieve the goals specified in the plans and work towards achieving them. D. A sound system of incentives and rewards.

8/ The process of evaluating financial performance and the strategic position of the organization within the economic environment determines The mechanism by which it operates and identify mechanisms and cases of change to improve the competitive position.

9/ Achieving a degree of alignment and harmony between the approved objectives and strategies and the competitive environment Yes.

10/ Determine the degree of consistency between the goals and the specific strategy to achieve them. Helping management choose strategic alternatives.

Stages of evaluating financial performance:

The process of evaluating financial performance takes place in a number of steps, which are as follows (Al-Hayali, 2004, p. 48):

1- Collecting statistical data and information: Statistical data and information are obtained A group of financial statements represented by the statement of financial position, the income statement, and the cash flow list Cash and other statements and notes attached to financial reports, in addition to information related to For previous years and data related to the activities of

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similar establishments, the researcher believes that in the Zero-based budget: This information is obtained in order to be guided by it and not as a basis for building budgets. This is because the zero-based budget starts from the beginning. An example of this is (in the case of a production budget, in the case of building on the budget of previous years, a percentage of the production for the previous year is determined. However, in the case of a zero-based budget, The value provided is specified without percentages, as a value that is definitely linked based on the available information and not a percentage of it) and this data is obtained from a number of sources, which are as follows:

A - External sources: The organization obtains this type of information from its external environment and can be classified into two types of information:

• General information: This information relates to the economic situation, as it shows the general situation of the economy in a certain period of time. The reason for the institution's interest in this type of information is the impact of its results on the nature of the economic situation in the surroundings, such as inflation and economic deterioration. This information helps to interpret its results and determine their truth.

• Sectoral information: This type of information is generally obtained by the institution from one of the following parties: financial, economic and international reports, economic bulletins, specialized fields for the purpose of conducting various financial and economic studies in order to conduct various financial and economic studies where the information is collected, analyzed and sectoral ratios are extracted based on it. The comparison is made.

• Internal sources: This information is represented in the outputs of the accounting system, which are the budget, treasury flow tables, tables of changes in private funds, and finally the appendices.

• The budget: It is a picture that reflects the financial position of the institution at a specific time, showing the assets the institution owns and the debts it owes. It is considered the most important financial document, and it is classified according to source and purpose. It is assumed that the budget is presented according to the concept of the exploitation cycle by distinguishing between current elements and non-current elements. The current one.

• Results account: A list showing the burdens and products accomplished during the accounting period. A summary statement of the burdens and products accomplished by the entity during the fiscal year. The calculation does not take into account the date of collection or the date of withdrawal. It clearly highlights the net result of the financial year, profit or loss.

• Treasury flow table: The treasury flow table is defined as those statements concerned with showing the difference between cash inflow and cash flow out from exploitation, investment and financing operations during a specific period of time and it is prepared in a direct and indirect way.

• Table of changes in private funds: It is a list that shows the changes that occur in private funds during a cycle

Certain accounting.

• Appendices: It is a document that contains all the details related to the preparation of previous financial statements using approved accounting methods, and allows for comparison to the previous cycle that is absent in the budget and necessary in the financial analysis process (Mahri, 2021 AD).

1- Analyzing and studying data and statistical information related to the activity: where it relates To provide a level of reliability and dependability in this data, and it may be extrapolated. Use some well-known statistical methods to determine the reliability of these data (such as using the Cronbach Alpha scale).

2- Conducting the evaluation process: using the appropriate standards and ratios for the activity practiced by the unit. Economic, provided that the evaluation process includes the general activity of the economic unit, with the aim of achieving Arrive at an objective and accurate judgment that can be relied upon. The researcher believes that, as previously indicated, the criteria and indicators used in the case of economic institutions vary. Government, due to the diversity of the fields it contains.

3- Identification of the foregrounds: This is the comparison of the results of the evaluation with the plans for the unit, and that the warnings that were in the activity may have been achieved, and the definition of its causes, and that the solutions are for the time. The axioms were taken and that the plans were placed for the work activity of the unit towards the best in the future.

4- It should be noted that deviations may not be negative deviations, they may be positive, as deviation means not achieving the specified goal by achieving a higher or lower value. In the case of profits, the higher value is a positive value, and a negative value in the case of achieving a lower value. Positive deviations are usually There are errors either in the caliber used, the indicator, or in estimating resources, etc., and as in the case of a negative deviation, the reason for this deviation must be evaluated and evaluated.

5- Follow up on corrective processes for deviations: This is done by providing the evaluation results to the appropriate departments. Cost within the unit to benefit from it in drawing up future plans and increasing the effectiveness of follow-up and control.

Financial evaluation indicators:

There are a number of indicators used to evaluate financial performance (it should be noted that these indicators are used by both government and private institutions), which are as follows:

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6- Indicators for evaluating financial performance based on accounting profit: They are as follows (Al-Matari, 2011):
A - The rate of return on assets, which is one of the most common measures based on accounting profit, and expresses the relationship between accounting profits and the amount of funds available for use by the company's management.
B - Rate of return on equity: It is concerned with measuring the return on each amount invested by ordinary shareholders, as this measure takes the impact of operating and financing activities together and is affected by the degree of financial leverage and the size of debt in the capital structure.
C - Earnings per share: The common share of profits is an indicator for evaluating the performance of commercial, industrial or financial organizations, as it measures the profitability of organizations and helps investors and lenders in making decisions.
D - Per share of cash flows is one of the main statements produced by the accounting system and is based on the actual payment and actual receipt of cash, regardless of the accrual basis. It shows cash payments and receipts and the net change in cash resulting from the organization's operational, investment and financing activities during the financial period through comparison. Between the cash balance at the beginning of the period and the end of the period.

Evaluating financial performance in the government sector:

Governments are considered to be the decision-makers in organizing the affairs of the people, managing their affairs, and organizing their receipt of public services freely, fairly, and equally. The government undertakes to provide a public service that fulfills the needs of citizens that cannot be achieved through the private sector, without aiming for a material benefit or economic profit. Rather, the goal of providing this service is It is to provide a measure of social welfare and build the foundations of development for those citizens (Bouzir, 1419 AH). Performance measurement in government agencies is defined as a joint interaction within a regulatory framework of inputs, processes and outputs to achieve common goals through building models, setting indicators, and defining a practical mechanism for measurement (Guide Project for measuring the performance of government service agencies, 1425 AH)
It should be noted that the process of measuring government performance is more difficult than measuring the performance of private institutions for a number of reasons, including as pointed out by (Al-Najjar, without year of publication, p. 44):
1- Diversity of activities (the researcher believes that while private institutions usually deal in one field and a number of fields, which, despite their diversity, do not amount to the size of the fields in which government works, government agencies deal with the national economy in various fields and activities).
2- The difference in goals in government agencies (the researcher believes that government agencies, in addition to the institutions that they own and control, at the same time regulate private institutions, and in doing so they aim to achieve the well-being of society in general, which is considered a general goal that contains within it a number of sub-goals that vary widely. The institutions it owns, its subsidiary activities, private institutions, and objectives, which must necessarily aim to achieve the general goal of the government.
1- The difference in the organizational structure in government agencies (the researcher believes, as previously indicated, that the government owns a number of establishments in various economic fields, which made the organizational structure differ depending on these institutions).
2- The difficulty of finding unified units of measurement for all activities (the researcher believes that it is difficult to choose a comprehensive unit of measurement for all activities due to the diversity of activities and therefore each activity needs a different unit of measurement), and (Al-Bayati, 2009 AD, pp. 43-44) also sees that the difficulty of measuring Government performance stems from a number of reasons, including the following:
1- The nature of government services: Given that government units provide services, there is difficulty in determining the degree of relationship between the cost of these services and the returns resulting from them. Despite this, it is necessary to conduct this measurement, because it is one of the basic requirements for measuring the effectiveness of government programs, and this facilitates the process. Evaluating the proposed alternative programs in order to choose the program that achieves more benefits than others.
2- Multiplicity and conflict of goals and priorities: The multiplicity of goals in a governmental unit makes it difficult to measure performance due to the multiplicity of those goals, due to the inability to determine the weight to be given to each of the multiple goals.
3- Lack of innovation and accuracy in the tasks of government agencies: The lack of clarity in the tasks for each unit creates many difficulties that lead to negligence.
4- Routine in government agencies: The administration applies procedures as a result of the absence of quantifiable goals as well as the absence of quantitative standards that are relied upon to measure performance, while accountability agencies in accounting usually focus on the commitment to follow up on the progress of those agencies.

Zero-based budgeting as a tool for evaluating government performance:

Government performance is characterized by the fact that its results are reflected on society as a whole. The

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success of government financial performance contributes to raising the standard of living, social and economic of the state as a whole. It should be noted that government financial performance does not mean only non-profit performance that provides free services to the community or for nominal amounts that do not exceed From the fact that it covers the main expenses of the institution only, but rather the profit-oriented activity that is made through the profit that is achieved by financing the other activities of non-profit institutions or financing these institutions themselves, this distinctive nature of government performance has made it necessary to measure and evaluate it because any error or waste It affects the economic activity as a whole, and the use of the zero-based budget with its various features ensures that this evaluation is carried out for the future activities that government institutions wish to begin implementing, starting from a zero-based basis, in addition to that, re-evaluating the existing projects, the expenditures on them, and the revenues they have achieved, which leads to achieving optimal use of economic resources. Controlling any waste, in addition to achieving the goals assigned to government financial performance.

3. The third axis: field study:

A- Reliability:

To ensure the degree of reliability, the questionnaire questions were tested based on the reliability scale in order to ensure that the questions formulated to test the study hypothesis are correct and consistent with the study, in addition to their stability. The table below shows that the reliability of the statements that make up the variables of the study hypothesis is (0.79), and this indicates that the hypothesis is compatible and good. Valid for testing. The following table shows the reliability coefficient (Cronbach alpha) for the sample members' answers to the hypothesis testing statements.

Reliability coefficient (Cronbach alpha) for sample members' answers to hypothesis testing statements

Cronbach's alpha	number of statements	Variables
0.73	**10**	First hypothesis

B-Descriptive analysis of the study variables:

Descriptive analysis of the hypothesis statements. The standard deviation is calculated to measure the homogeneity in the answers and the arithmetic mean to know the direction of the opinions of the study sample (to verify the validity of the variable) as follows:

The table shows
Arithmetic means and standard deviations for the study variables:

standard deviation	arithmetic mean	Variable name
0.35	4	hypothesis

A: Data analysis:

Testing the study hypothesis:

The study hypotheses were tested by calculating the value of the chi-square test to determine the significance of the differences between the respondents' answers to the hypothesis statements. Therefore, to prove or deny the hypothesis, the significance of the chi-square is compared with the significance level of 5%. If the calculated value of the chi-square is high and the significance level is less than 5%, dl. This is due to the fact that there are no significant differences between the answers of the respondents.

Study hypothesis:

probability value	degree of freedom	standard deviation	arithmetic mean	Chi-square	Expression	م
0.000	***4***	***1.212***	**3.39**	***17.826a***	*Zero-based budgeting helps exploit available government economic resources*	**1**
0.000	***4***	***0.809***	**4.23**	***104.957a***	*The zero-based budget re-evaluates existing government projects*	**2**

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0.000	2	0.662	4.30	25.948b	Through zero-based budgeting, it is possible to evaluate the internal and external factors that affect government financial performance.	3
0.000	4	0.929	4.12	86.522a	Zero-based budgeting covers all aspects of the financial performance of government institutions.	4
0.000	3	0.731	4.21	68.687c	The zero-based budget is considered a monitoring and supervisory tool for government financial performance.	5
0.000	4	0.874	4.21	103.478a	Zero-based budgeting helps link the financial performance of departments in government institutions	6
0.000	3	0.767	4.28	61.800c	The zero-based budget evaluates the financial performance of government institutions by dividing their financial performance into a financial responsibility center.	7
0.000	3	0.843	4.13	42.600c	Through zero-based budgeting, the causes of deviations in government financial performance can be identified.	8
0.000	3	0.772	4.30	62.078c	Zero-based budgeting is a planning tool that contributes to determining the various expenditures of government institutions	9
0.000	4	0.908	4.30	106.957a	The zero-based budget achieves the goals of government institutions in evaluating their government performance.	10

It is clear from the following table:
1. The arithmetic means of the respondents' answers to the hypothesis statements were limited to (4.30) and (4.12), and these means all range in the value of the hypothetical weight (I agree). Since the arithmetic mean for the hypothesis as a whole is (4), we give the relative weight to agree, and therefore the respondents agree with what It was stated in the statements of the first hypothesis.
2. The standard deviation of the respondents' answers to the hypothesis statements is not limited to between (1.212) and (0.731), and these values indicate the great homogeneity in the respondents' answers to the hypothesis statements.

3. The arithmetic mean, the deviation, the degree of freedom, the probability value of the expressions, and the arithmetic mean. The correct hypothesis is closer to (4).
4. The value of the K-square calculated to indicate the differences between the respondents' answers to what was stated in all the hypothesis statements was limited to 106.957a and 17.826a, and since this value is less than the 5% moral significance level, this indicates that there are no statistically significant differences between

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the respondents' answers and in favor of Those who agree with the hypothesis statements.

5. From the above, the researcher concludes that the study hypothesis, which states that: (There is a statistically significant relationship at the level of significance (0.05) between zero-based budgeting and financial performance evaluation in Iraqi government institutions) has been verified in all statements of the hypothesis, and thus the hypothesis has been proven. .

Results and recommendations:

Results:

After conducting the field study and proving the hypothesis, the researcher arrived at the following results:

1- Zero-based budgeting improves the optimal utilization of financial resources of government institutions.

2- The zero-based budget affects the evaluation of financial performance in Iraqi government institutions.

3- Through the zero-based budget, it is possible to evaluate existing government projects and develop a plan for future projects.

4- When preparing the zero-based budget, all internal and external factors that affect government economic institutions are taken into account, which is necessarily reflected in the preparation of the items contained in the zero-based budget.

5- The zero-based budget provides a supervisory control tool on the financial performance of Iraqi government institutions.

6- The zero-based budget helps achieve the goals of government institutions regarding their financial performance.

7- Given the excellence of government financial performance in that it serves society as a whole, a comprehensive control tool must be applied to evaluate financial performance as a whole, which is what the zero-based budget provides.

Recommendations:

Through conducting the previous study, the researcher recommends the following:

1- There must be a financial evaluation of government institutions, as the deviations and errors that may occur in it affect the financial performance of society as a whole or the specific entity that the government institution serves.

2- When evaluating the financial performance of government institutions, it is necessary to compare the features of various control tools, including planning budgets. The researcher recommends using a zero-based budget.

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