

# Budgets Quality under international standards

<sup>1</sup>Sarmad Salman Doaim, <sup>2</sup>Mahdi Abed Jarullah

## **Abstract**

*This study aimed to identify the quality of budgets in light of international standards in Iraqi banks, and to achieve the objectives of the study, the researcher designed a questionnaire whose questions included various aspects related to the quality of budgets in light of international standards. The study sample consisted of (80) employees working in banks. By distributing the questionnaire to the individuals of the study sample related to preparing budgets in banks, The study concluded with the most important results of activating the planning function in Iraqi banks through appropriating budgets, and that budget approval has a fundamental role in light of international standards on monitoring and evaluation, and the study recommended that Iraqi banks adopt international standards as the basis for monitoring and evaluation of performance, and increasing the banks' interest. And higher departments accurately predict revenues and expenditures and work to analyze them and address deviations in them.*

**Keywords:** budgets, international standards, banks.

## **I. Introduction:**

In the last century, many radical changes occurred at the economic and financial level, mainly represented in the globalization of capital markets and the growth of multinational companies, and the accompanying expansion of the user base and the diversity of their nationalities, and the emergence of the importance of having financial lists containing information capable of transcending the borders of countries. One of the most important financial planning tools and methods that work to achieve development, growth and success for institutions of all profit and non-profit types. The budget is a tool that obliges administrative units and departments to develop plans that are in line with other plans within the organization and do not contradict them.

The role of budgets is of great importance in various administrative functions, whether at the level of planning, motivation, control or performance evaluation. The budgets system is a mixture of information flow, procedures and administrative processes, and at the same time it is part of planning and a system for controlling various activities, and it is a performance evaluation standard that officials adhere to upon implementation to determine the deviations that are the basis for corrective decision-making, accounting accountability and performance evaluation (Bataineh, 2005, 35).

---

<sup>1</sup> college of administration and Economic, University of Sumer

<sup>2</sup>Human Resources Department, University of Sumer

The changes in the business environment in the accounting field also required that it be at the level of these developments, which were embodied in the trend towards the globalization of accounting as the language of business by issuing a unified set of standards based on organizing the accounting practice, which was represented in the international accounting standards, and these changes have led To the expansion of investment and financing opportunities for entities at the international level, but enjoying these opportunities requires fulfilling a set of controls in the foundations, shape and content of the financial statements disclosed by these entities, which necessitated the need for accountants to respond and interact to meet the market needs.

Therefore, international accounting standards have gained wide acceptance over the past years, in achieving global spread as a necessary step towards achieving greater comparability of financial statements. The solution to the issue of disclosure around the world today is the international trend towards adopting a unified set of accounting standards, which That would give credibility to the financial markets.

### **The study Problem:**

The budgets, the financial backbone of the system in all facilities, through the methods of preparation and applied correctly, which contributes to the effective contribution to the achievement of the desired goals can be formulated study the problem in answering the main question:

- What is the role of the quality of budgets in light of international accounting standards?
- Do Iraqi banks use budgets in light of international accounting standards to activate planning processes?
- Do Iraqi banks use budgets in light of international accounting standards to activate monitoring and performance evaluation processes?
- Do Iraqi banks use budgets under international accounting standards to activate decision-making processes?
- Does the participation of departments in preparing budgets lead to the success of the budget in Iraqi banks?
- There were no statistically significant differences in the respondents' responses about the variable of budgets quality, planning, control and performance evaluation, decision-making, due to personal variables (gender, academic qualification, job title, number of years of experience).

### **Objectives of the study:**

This study seeks to achieve the following objectives:

- Clarifying the role of the quality of budgets in light of international accounting standards.
- Identifying the quality of budgets in light of international accounting standards as a tool for planning processes in Iraqi banks.
- Knowing the impact of budgets in light of international accounting standards as a tool for control and performance processes in Iraqi banks.
- Knowing the impact of budgets in light of international accounting standards as a tool for

decision-making in Iraqi banks.

- Developing recommendations for the development of work in budget systems in Iraqi banks.

### **The importance of studying:**

The importance of the study stems from its approach to the quality of budgets as a financial planning tool in Iraqi banks and as one of the modern topics of great importance at the level of the banking sector, and in supporting the various administrative levels based on the application of the budget system to direct them more in those budgets, how to prepare them, and to the results that will be Reaching it out, which can benefit the responsibility in the banking sector and identify the quality and importance of budgets, because of the advantages that are reflected on employees in preparing the budget in light of international standards.

## **II. Study terms:**

### **The study adopts the following terms:**

**Budget:** “It is a plan that works on programming the expected economic activities of the corporation during the period of the next year, expressed in financial quantities and values, with the aim of ensuring the achievement of the objectives of the institution with an explanation of the means to achieve this” (Hillis, 2005, 136).

**International standards:** are “models, patterns, or levels of accounting performance. They are provisions for a specific element of the financial statements or for a specific type of operations, events or circumstances that affect the accounting unit, because they are an expression of an official professional position regarding how to apply a certain accounting principle. (Judge, 2008, 103).

**Planning:** is “setting and setting goals and developing strategies in order to achieve these goals (Horngren 2006, P181).

### **The concept of budgets**

Many managerial accounting writers define budgets as a quantitative expression of the objectives that the administration seeks to achieve in the future, showing in detail the revenues and expenditures of the budget period and the assets and liabilities expected to be present at the end of the budget period, and to start preparing the budget, the objectives that the administration seeks to achieve must be defined, Then determine the different activities that can be undertaken to reach these goals, and then the budget is used to determine the revenues, expenditures and financial position during the plan period, and since planning budgets are considered a planning tool based on translating plans and goals into estimated schedules for various life activities, the importance of planning is reflected in the following (Tarawneh) (2005, 17):

- A programmed assessment of the needs of the establishment's activities, depending on the initial information and data, in order to arrive at the size, type, and priorities of these needs.
- Identifying and analyzing the available material, human, and institutional resources, their volume,

and the changes they are exposed to in their relationships and interactions.

- Follow-up and evaluation to provide a mechanism to follow up on the implementation of the plan up-to-date, and work to address errors through feedback (Hillis 2005).
- It accelerates the development process, by restricting resources, whether internal or external, and improves the process of utilizing them efficiently and effectively.
- It leads to psychological reassurance among community members and helps to achieve their satisfaction as a result of contributing to the development of the plan, generalizing projects for its implementation, and identifying the means and financial requirements necessary to achieve those goals.
- Providing consistency and harmony between the various objectives and sectors, which facilitates the process of control and commitment to implementation, and helps in defining responsibilities accurately and clearly (Al-Nuaimi and Al-Rawi, 2002).

The establishment's reliance on planning and using budgets as a tool to achieve the desired goals leads, in one way or another, to creating coordination of work between the establishment's departments and its various activities in order to unify efforts and direct them towards the goal.

For example, to develop a production plan for the coming period, it is required first that the Production Department coordinate with the Sales Department about the expected sales volume and timing, in order to be able to provide production to the Marketing Department, which in turn will be able to meet the requirements of customers, and it also requires the Production Department to coordinate about the quantities of raw materials to be purchased. And the times of receipt and programming with the production programs to ensure the smooth flow of materials to the production processes on time. (Al-Fadl and Nour, 2002, p. 146).

#### **Budget Control:**

Planning budgets are an effective tool through which management can carry out the process of monitoring and evaluating performance by measuring what is estimated or planned for actual performance, which is expressed in actual numbers extracted from the system, and when there are deviations between the expected and actual results, the causes of these deviations from the system are analyzed. Responsibility centers road so that the administration can take corrective actions for that (Atkinson 2007).

Planning budgets are used as a tool that enables company managers to measure actual performance against estimated, and it is also possible to estimate future performance, depending on the past performance that has been achieved, but here we will face two limitations: The first is that we use past performance to judge the actual or current outcome and it is possible that The period chosen for comparing performance in it is below the required level, while the other determinant of using past performance is that future conditions may differ completely from the form of the past. (Horngren, 2006, P183).

International accounting standards define "as general models or guidelines that lead to directing and rationalizing practice in accounting, (Bruse, 2009, 7). They are provisions specific to a specific element of the financial statements or to a specific type of operations, events or circumstances that affect the entity, Also, the

standards are not just a guide, but rather an expression of an official professional position regarding how to apply a certain accounting principle. Therefore, an honest translation of the accounting principles must come after a careful study of the best practical practices available in place and time (Al-Qadi and Hamdan, 2008).

The standards constitute specific rules that describe how to record, classify, and display financial information, and their application allows the financial statement preparers to complete their tasks to the fullest, and for the various users, to ensure that the information is appropriate and reliable. The following (Shirazi, 1990, 98):

- A detailed description of the problem to be addressed.
- Offer ways to solve the problem.
- Adopting a specific solution that is justified.

#### **The importance of setting international accounting standards:**

Accounting in general aims to identify and measure the financial events of the economic unit and communicate the results of this measurement to the users of the financial statements, which requires the existence of specific standards to fulfill these functions. Therefore, accounting standards are considered the first and most important tools for practical application (Al-Shirazi, 1990, 122). Which dominates the work of the accountant, as the importance of its existence stems from the fact that it provides rules or provisions that help him in the exercise of his activity (Belqawi, 2009, 122).

Setting accounting standards achieves a number of purposes as follows (Al-Shirazi, 1990, 130):

- Providing an accounting reference on which accountants rely when performing their duties, in order to achieve a minimum level of uniformity in the areas of practical application, in order to increase the possibility of relying on accounting numbers in making temporal and spatial comparisons, and thus increase the effectiveness of financial reports in evaluating and making decisions.
- Realizing an honest presentation and limiting the management's resort to some means, when choosing the accounting policy, that exert influence on the quantity and quality of information disclosed in the financial statements.
- Setting standards in the absence of an integrated accounting theory aims to raise the level and quality of financial reports and increase confidence in accounting information as it determines the extent, quantity, and quality of the information disclosed.
- Providing chartered accountants with a work guide that enables them to enhance their independence when auditing reports of the economic unit and presenting their testimony on the veracity of these reports.

In order to successfully achieve the desired objectives of the standards and to ensure the production of appropriate accounting standards, it is important for standard setters to respect some basic principles when carrying out their tasks as follows (Ross, et al, 2003, 801):

- The necessity of consistency of the accounting standards formulated with the conceptual

framework and objectives of the financial information.

- The standard setting process must be carried out by a body with sufficient authority and independence to avoid any political influence.
- Creating the necessary competencies and financial resources to produce high-quality accounting standards.

#### **Entries to accounting standards:**

Accounting scholars and researchers tend to divide the approaches to issuing accounting standards into two basic approaches: the public sector entrance and the private sector entry.

It should be noted that the process of adopting any of them in a country is greatly influenced by the surrounding environmental factors that are dominant in that country (Al-Mabrouk, 2011, 66).

#### **Public sector entrance:**

- Under this approach, accounting standards are set by the state or government agencies, which originally exercise control over accounting policies through a comprehensive legal structure.
- Establishing accounting standards by the public sector that are justified by the need to protect the public interest.
- Organizing accounting standards by the public sector is mandatory to achieve the level of disclosure necessary for decision-making.
- The public sector has the necessary power to enforce the standards that are formulated.
- Public bodies are independent from the compilers of financial statements.

#### **Private sector entrance:**

Accounting standards are developed under this approach and developed by practitioners of the accounting profession and specialized professional organizations independently of the directives and interference of laws and government (Al-Mabrouk, 2009, 66).

Therefore, resorting to this approach offers, from the viewpoint of the supporters of this approach, advantages, including:

- Private entities generally include people with the technical know-how necessary to formulate accounting standards.
- The private body is more aware and aware of the needs of different users.
- The private authority shall have good knowledge and knowledge of the economic environment.
- This entry provides high flexibility to face the rapid changes in the surrounding accounting environment.

#### **Reasons for the difference in international accounting**

International accounting differences are often explained as different options adopted by different countries to address the same accounting issue (Yuan, 2007, 3). Many attempts have been made to identify and explain the

reasons for the existence of the difference in accounting systems among countries. It should be noted that the factors that These factors help explain the accounting difference that affected the accounting development from one country to another and its variation, which resulted in a difference in the accounting systems between these countries. The following are the most important of these factors:

1. **The legal system:** Knowing the nature of the legal system prevailing in the country is of great importance due to the latter's influence on the way behavior is regulated within the country, including the preparation of financial reports (Barry & Jamie, 2011,109).

2. **The tax system:** the accounting difference from the tax perspective is mainly due to the degree to which tax laws define accounting measurements and the extent of the link between tax rules and accounting rules, as there are countries that give priority to tax rules, which makes their tax law have a great impact on determining the accounting rules (Medani, 2006, 116).

3. **Sources of financing:** Among the most important considerations that are taken into account when determining the appropriate information that should be communicated to users is the method by which financing is obtained, as the information that investors need differs from that needed by lenders, and this is one of the factors responsible for Differences in financial reports.

4. **The accounting profession:** The development of capital markets creates the need for reliable, appropriate, and timely financial information. Legislation in many countries requires preparation of annual accounts and auditing them. All this positively affects the growth of the accounting profession as well as its ability to Produce appropriate financial reports.

#### **Second: Previous Studies:**

Zoroub's study, 2006 aimed at trying to shed light on the problems facing the municipalities of the Gaza Strip when preparing and implementing budgets, and to accomplish this, the researcher conducted a field study, using a specially prepared list for this purpose, and distributed to those in charge of preparing planning budgets in the municipalities, which resulted in The study is about accepting the first four hypotheses and rejecting the fifth hypothesis, as the results of the study indicated that there are a set of problems facing the municipalities of the Gaza Strip when preparing and implementing budgets, some of which are due to the lack of awareness of the importance of planning budgets, and others are due to lack of experience and lack of skills. Including what is due to the technical and behavioral aspects.

The study (Hema wijewardena, et al, 2004): The study aimed to assess the impact of planning and advanced control through budgets on the performance of small and medium-sized industrial companies through 168 industrial companies in the Colombo region of Sri Lanka. Through the study, the researchers divided the study population into three sections: the first section does not apply the budget system, the second section applies the budget system in a simple way, and the third section applies the budgets system in a detailed way to study the impact of planning through the application of the budgets system On performance.

The study of Abdel Nasser and others, 2002: This study aimed to examine the extent of the impact of the relationship between participation in budget preparation and satisfaction with work and the organization in each of

the personality control center, job characteristics, environmental uncertainty and the type of production technology in both Iraq and Jordan on the one hand and the extent of variation on the other hand The study resulted in the following results: The personal control center does not influence the studied relationship in decisions and its impact on that relationship in Jordan, and that job characteristics affect the relationship between participation in preparing budgets and job satisfaction and that this effect does not differ from one country to another, and is considered variable Environmental uncertainty is a strong determinant of the positive impacts of budgets, as is the case with the production technology variable.

A study: (Rick Whiting 2000) indicated the need for all parties to participate in preparing planning budgets by providing officials and financial managers responsible when preparing planning budgets directly with information from all departments and departments, so that what the institution needs in order to achieve its goals is determined. He pointed to the need to develop planning budgets through several things: Finding an element of speed and accuracy in preparing budgets. Planning budgets are flexible to keep pace with the various developments that occur within the organization, and the largest number of workers and employees participate in preparing planning budgets.

### **III. Study Methodology:**

This study relied on the descriptive and analytical approach, with the aim of testing the study hypotheses and stating the results and recommendations of the study stemming from studying the quality of budgets in light of international standards in Iraqi banks.

#### **Study population and sample:**

The study population consists of all employees in Iraqi banks (Al-Rafidain Bank, Rasheed Bank, Al-Ittihad Bank of Iraq Al-Ahli, National Bank of Iraq, Elaf Al-Ahli Bank) and the number of (80) who hold the job title (Accountant Associate, Accountant, Senior Accountant, Observer, Head Observers, Chief Accountant) for the academic year (2020/2021). The entire population of the study was taken, and (100) questionnaires were distributed to the members of the study sample, and (80) valid questionnaires were retrieved for the purposes of statistical analysis, at a rate of (80%).

**Table(1)**

**Distribution of the study sample individuals, demographic variables**

<b>variable</b>	<b>Categories</b>	<b>Number</b>	<b>percentage</b>
<b>Gender</b>	Male	55	%68.75
	Female	25	%31.25



Total		80	%100
<b>Scientific qualification</b>	diploma	28	%35
	Bachelor	35	%43.25
	Master	17	%21.25
Total		80	%100
<b>Job title</b>	Associate accountant	19	%23.75
	Accountant	22	%27.5
	Senior accountant	16	%20
	Observed	9	%11.25
	Prime observers	6	%7.5
	Head of Accountants	6	%7.5
Total		80	%100
<b>Years of Experience</b>	Less than 5 years	26	%32.5
	Less than 10 years -5	22	%27.5
	less than 15 years old - 10	14	%17.5
	less than 20 years old - 15	11	%13.75
	less than 25 years old - 20	7	%8.75
	More than 25 years	-	-
Total		80	%100

**Study tool:**

To achieve the objectives of the study, the researcher designed a questionnaire consisting of two areas. The first area included the paragraphs of the study variables related to the quality of budgets in light of international accounting standards in Iraqi banks. The second field dealt with areas related to the study sample individuals

(gender, academic qualification, job title, number of years of experience).

**Statistical treatment:**

The statistical data were processed through the use of statistical methods and indicators for the purposes of statistical analysis according to the (SPSS) program and extracting the results of the questionnaire distributed to the study sample.

Presentation of data and its results:

The arithmetic averages and standard deviations were extracted for the role of the quality of budgets in light of international accounting standards and their fields. Table No. (3) illustrates this:

**Results related to the first question: Do Iraqi banks use budgets in light of international accounting standards to activate planning processes:**

**Table (2) the arithmetic means and standard deviations related to the paragraphs of activating the planning processes**

Number	The fields	Mean	S.D
1	The expansion of activities is taken into consideration when preparing budgets from year to year.	3.26	.599
2	When preparing a new budget, reference is made to previous years.	3.46	.503
3	The budget contributes to the coordination and achievement of the required actions.	3.24	.517
4	The materiality is taken into account when preparing the budget for the objectives.	3.20	.534
5	The budget includes all projected revenues and expenses.	3.22	.581

The results of the study indicate that the arithmetic averages and standard deviations related to the Iraqi banks' use of budgets in light of the international accounting standards related to the field of activating the planning processes came in the first place, a paragraph (when preparing a new budget is referred and guided by previous years) and the average opinions were (3.46), and the direction of the answers was The vocabulary of the study sample on this paragraph tends to level (very high). And in the last place came the paragraph (the relative importance is taken into account when preparing the budget for the objectives) and the average opinions were

(3.20), and the direction of the study sample's answers to this paragraph tends to be (low).

**Results related to the second question: Do Iraqi banks use budgets in light of international accounting standards to activate monitoring and performance evaluation processes?**

**Table (3) Arithmetic averages and standard deviations for the paragraphs activating control processes and performance evaluation**

Number	The fields	Mean	S.D
6	The budget is based on monitoring and evaluation of performance.	3.32	.683
7	The budget is an oversight tool at every level of management and officials.	3.38	.602
8	The budget, after its approval, is a benchmark for judging and measuring performance.	3.12	.689
9	There are periodic reports during the budget implementation period to compare the actual with the estimated.	3.14	.670
10	The budget is based on providing the information needed to make improvements, not just identifying errors.	3.54	.503

The results of the study indicate that the arithmetic averages and standard deviations related to the Iraqi banks' use of budgets in light of the international accounting standards related to the field of activating the control and performance evaluation processes came in the first place, the paragraph (the budget is based on the possibility of providing the necessary information to make improvements and not just identifying errors) and the average opinions were ( 3.54), and the trend of the study sample's answers to this paragraph tends to be (high). And in the last place came the paragraph (after its adoption of the budget is considered a criterion for judging and measuring performance) and the average opinion was (3.12). The direction of the study sample's answers to this paragraph tends to be (high).

**Results related to the third question: Do Iraqi banks use budgets under international accounting standards to activate decision-making processes:**

**Table (4) The arithmetic means and standard deviations for the paragraphs of activating the decision-making processes**

Number	The fields	Mean	S.D
11	Budget data is appropriate for developing information that helps in making management decisions.	3.52	.504
12	The use of budget improves the efficiency of management in making managerial decisions.	3.32	.551
13	The use of budget leads to timely decision making by management.	3.04	.604
14	The budget is used for long-term managerial decision-making purposes.	3.22	.736
15	Most management decisions made by management at higher levels are based on the budget.	3.44	.704

The results of the study indicate that the arithmetic averages and standard deviations related to the Iraqi banks' use of budgets in light of international accounting standards related to the field of activating decision-making processes came in the first place, the paragraph (the budget data is appropriate for developing information that helps in making administrative decisions.) The average opinions were (3.52) The trend of the study sample's answers to this paragraph tends to be (very high). And in the last place came the paragraph (The use of the budget leads to decision-making by the administration at the appropriate time.) The average opinion was (3.04), and the direction of the study sample's answers to this paragraph tends to be (low).

**Results related to the fourth question: Does the participation of administrations in preparing budgets lead to the success of the budget in Iraqi banks?**

**Table (5) The arithmetic averages and standard deviations of the paragraphs of the departments 'participation in preparing budgets**

Number	The fields	Mean	S.D
16	The use of the budget leads to the activation of coordination between departments.	3.42	.702

17	Coordination leads to concerted efforts between departments to achieve goals.	3.18	.719
18	Coordination and liaison functions continue before, during, and after budget execution.	3.04	.832
19	The budget is approved after preparing it at all administrative levels.	3.24	.796
20	Training sessions are organized on the importance of budget and participation in its preparation.	3.42	.609

The results of the study indicate that the arithmetic averages and standard deviations related to the Iraqi banks' use of budgets in light of international accounting standards related to the field of participation of departments in preparing budgets came first in the paragraph (the use of budget strings). To activate coordination between the constituencies) and the average opinions were (3.42). The linguistic answers of the study sample in this paragraph tend to be (very loud). In the last place came the paragraph (Coordination and communication tasks continue before, during and after the implementation of the budget) and the average opinion was (3.04).

**Description of the characteristics of the study sample:**

**Table (6) The number of distributed and retrieved questionnaires valid for analysis and the response rate.**

Number of questionnaires distributed	The number of questionnaires recovered and valid for analysis	Response ratio
100	80	%80

The table shows that the number of recovered and valid questionnaires for analysis reached 80, with 80% of the total questionnaires distributed, which is a good percentage for analysis.

**Table (7) the distribution of the study sample according gender**

Gender	Number	percentage
Male	55	%68.75
Female	25	%31.25
<b>Total</b>	<b>80</b>	<b>%100</b>

The previous table shows that (68.75%) of the study sample members were males, and (31.25%) of the study sample were females.

**Table (8) the distribution of the study sample according Scientific qualification**

Scientific qualification	Number	percentage
diploma	28	%35
Bachelor	35	%43.25
Master	17	%21.25
<b>Total</b>	<b>80</b>	<b>%100</b>

The previous table shows that (35%) of the study sample had a diploma, and (43.25%) of the study sample had a bachelor's degree, and (21.25%) of the study sample had a master's degree or higher.

**Table (9) the distribution of the study sample according Job title**

Job title	Number	percentage
Associate accountant	19	%23.75
Accountant	22	%27.5
Senior accountant	16	%20
Observed	9	%11.25
Prime observers	6	%7.5
Head of Accountants	6	%7.5
Total	80	%100

The previous table shows that (23.75%) of the study sample was an accountant according to the job title, and that (27.5%) of the study sample was an accountant, and (20%) of the study sample was a senior accountant, and (11.25%) was noticed. And that 7.5% came to the chief foremen and head of department.

**Table (10) the distribution of the study sample according Job title**

Years of Experience	Number	percentage
---------------------	--------	------------

Less than 5 years	26	%32.5
5-Less than 10 years	22	%27.5
10- less than 15 years old	14	%17.5
15- less than 20 years old	11	%13.75
20- less than 25 years old	7	%8.75
More than 25 years	-	-
<b>Total</b>	80	%100

The previous table shows that (32.5%) of the study sample had less than 5 years of experience, and (27.5%) of the study sample had 5-less than 10 years of experience, and (17.5%) of the study sample had years of experience. It ranges between 10 - less than 15 years, and (13.75%) of the study sample had 15 - less than 20 years of experience, and 8.75% of the study sample had 20 - less than 25 years of experience.

#### **IV. Findings, recommendations and proposals**

##### **First: Results:**

Based on the study data, the following results were reached:

Activating the planning function in Iraqi banks through the application of budgets and in developing strategies for the budget port and setting its objectives.

The budget, in its primary role in light of international standards, depends on monitoring and evaluating performance, and reliance on it is considered a criterion in judging performance measurement in Iraqi banks.

Reliance on the budget leads to reliance on international standards in light of administrative decisions and their taking, and this in turn leads to raising the efficiency of the administration in making its decisions in a timely manner in Iraqi banks.

Lack of cooperation among individuals responsible for preparing the budget, and their lack of awareness and awareness of the importance of the budget for workers in Iraqi banks.

The budget system plays a major role in activating the functions of decision-making, planning and control in Iraqi banks.

## **Second: Recommendations and proposals**

Based on the findings of the study, the study recommends the following:

The necessity for the Iraqi bank departments to adopt the budget as the basis for monitoring and evaluation of performance.

Increasing the interest of banks and higher management in accurately forecasting revenues and expenditures and working on analyzing and processing deviations.

Participation of all administrative levels in the bank in preparing the budget.

Courses must be made and the opportunity for all administrative levels to prepare and prepare the budget and benefit from their experiences.

## **References:**

1. Ahmad Belqawi, (2009), Accounting Theory, Translation, Riyadh Al-Abdullah, Part One, Al-Yazouri Publishing and Distribution House, Amman, Jordan, p.171.
2. Hussein Al-Qadi, and Mamoun Hamdan (2008), International Accounting and its Standards, House of Culture for Publishing and Distribution, Amman, Jordan.
3. Hillis, Salem Abdullah (2005), The role of the budget as a tool for planning and oversight in Palestinian civil society institutions, Journal of the Islamic University, Humanitarian Studies Series, 14.(1)
4. Hamdi Zourab, "The Problems of Budget Preparation and Execution in the Gaza Strip," Journal of the Islamic University, Vol. 14, June 2, 2006, pp. 295-316.
5. Al-Rajabi, Muhammad Tayseer Abdul-Hakam (2004), Management Accounting, Kuwait University, p. 185.
6. Shady, Batayneh, (2005), Assessing the Benefit from Applying Planning Budgets, The Case of Jordanian Industrial Companies, Irbid, Yarmouk University, p. 32.
7. Al-Tarawneh, Ghada Awad, (2005) "Evaluation of Planning Budget Systems and Their Role in Effective Administration of the Petra Region Authority", Unpublished Master Thesis, Aal al-Bayt University - Jordan.
8. Abbas Mahdi Al-Shirazi, (1990). Accounting Theory, Related to Chains for Publishing, Kuwait.
9. Abdel Nasser Nour and Muayyad Al-Fadl, "Factors Determining the Relationship between Participation in Budget Preparation and Satisfaction with Work and the Organization - A Comparative Accounting Study between Iraqi and Jordanian Industrial Public Shareholding Companies," Dirasat Magazine, Vol. 29, July 2, 2002, pp. 372-387.
10. Al-Fadl, Moayad and Nour, Abdel Nasser, (2002) "Factors Determining the Relationship between Participation in Budgeting and Satisfaction with Work and the Organization" A Comparative Accounting Study between Iraqi and Jordanian Industrial Public Shareholding Companies, Dirasat Journal, on pages 388-372, issued by the Deanship of Scientific Research , The University of Jordan - Jordan.



11. Muhammad Al-Mabrouk Abu Zaid, (2011), International Accounting and its Implications for the Arab Countries, Dar Al-Marikh, Riyadh, Saudi Arabia, p. 66.
12. Medani Bin Belghith, (2006), International Accounting Conformity, the Concept, Justifications and Objectives, Al-Baheth Magazine, Issue 4, P.116
13. Al-Nuaimi, Adnan and Al-Rawi, Abdul-Khaleq, (2002) "The Impact of Accounting Information on Financial Decision-Making", a working paper presented at the third annual scientific conference, between 16-18 April 2002, College of Administrative and Financial Sciences, Philadelphia University.
14. Bruce Pounder, (2009) Convergence Guidebook for Corporate Financial Reporting, John Wiley & Sons, Inc, New Jersey, p:7.
15. Yuan Ding, et al, (2007). "Differences between domestic accounting standards and IAS: Measurement, determinants and implications", Journal of Accounting and Public Policy, No.26, p: 3.
16. Barry Elliott, Jamie Elliott, (2011). Financial Accounting and Reporting, Prentice Hall, ,14th Edition, p: 109.
17. Ross M. Skinner, J.Alex Milburn, (2003) Normes Comptables: Analyses et Concepts, Quebec, Canada, 2<sup>ème</sup> Edition, pp 800- 801.
18. Seiler, Marcia ford et al., "Indicators of Efficiency and Effectiveness in Elementary and Secondary Education Spending", Research Report, No (338), 2013.
19. Anthony A. Atkinson, Robert S. Kaplan, Ella Mae Matsumura, S. Mark Young , (2007) Management Accounting ,Fifth Edition, Pearson Prentice Hall.
20. Charles T. Horngren, Srikant M. Datar, George Foster, (2006) Cost accounting, Twelfth Edition., Pearson Prentice Hall.
21. Hema Wijewardena, Et al., "The Impact of Planning and Control Sophisticated on Performance of Small and Medium-Sized Enterprises from Sri Lanka", Journal of Small Business Management, Vol. 42, Issue 2, April, 2004, p p. 209-217.
22. Rick Whiting, "Budget Planning the Next Generation", Information Week, Issue 805, 2000, p p. 160-170.