

The Impact of Financial Transparency on the Efficiency of State Budget Allocations in the Iraqi Environment

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Abstract: Given the importance of the state's general budget and its influential role in the Iraqi economy, this study aimed to enhance transparency, identify the level of transparency, and the efficiency of the state's general budget allocations. To achieve the goal, the study relied on the descriptive analysis approach, where data were collected through a form that included a package of questions related to transparency and the effectiveness of the general budget allocations. To clarify the relationship between the research variables, the researcher prepared a questionnaire form according to the five-point Likert scale. When preparing it, its compatibility with the characteristics of the study community was taken into account, and that the target community for this questionnaire was auditors and auditors in the Federal Board of Financial Supervision. 170 questionnaires were distributed, of which 166 were analyzable. The researcher used a set of statistical methods represented by the arithmetic mean, standard deviation, Pearson linear correlation, and multiple regression. These statistical tools were applied to the collected data to analyze the relationship between transparency and the effectiveness of the state's general budget allocations. In this context, the study found a strong positive correlation between transparency and the effectiveness of the state's general budget allocations. The study recommends the necessity of conducting periodic independent reviews of the general budget by neutral parties to ensure compliance with transparency standards.

Key words: Transparency - State General Budget - Federal Financial Audit Bureau.



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The first topic: research methodology

First: the research problem

At the end of each fiscal year, Iraq suffers from the problem of not obtaining the final accounts of the Iraqi general budget as a result of the failure to implement the approved budget, due to the mismatch of the results of budget allocations at the end of each fiscal year, whether through the government's proposal of a number of projects as priorities, in the event that spending allocations deviate from those priorities, or if expectations for the state's general revenues are not actually met. Through the above, the Iraqi general budget may face the problem of lack of credibility resulting from the mismatch of the actual figures of the results of the Iraqi general budget at the end of the fiscal year with the planned and expected figures, and this is closely related to transparency, and through what has been presented, the research problem can be expressed in the following question:

What is the impact of transparency on the effectiveness of public budget allocations in achieving the desired goals and meeting the needs of the Iraqi environment?

Second: Research Objectives

The main objective of the study is to explain the concepts and principles related to the subject of transparency in terms of clarifying all the points related to this subject and the general budget of the state, with the aim of identifying transparency on the effectiveness of budget allocations in the success of this relationship, and therefore the study aims to:

1. Understand the role of transparency in public budget allocation processes in the Iraqi environment.
2. Analysis of the impact of improving transparency on the effectiveness of public budget allocations in achieving the desired objectives.
3. Identify challenges to enhancing transparency in public budget allocation processes in Iraq.

Fourth: The importance of research

The importance of the study appears by working to provide a knowledge basis and practical application that examines the relationship between the role of transparency in controlling the allocations of the state's general budget in the Iraqi environment, and what it provides as a scientific addition to the Arab and Iraqi library, as it is considered one of the important accounting topics that are raised and its phenomena are addressed through studies, and this indicates that the results of this study will provide additional information that helps the Iraqi government in preparing and implementing the state's general budget and examining its main role. In monitoring the effectiveness of budget allocations.

Fourth: Research hypotheses

The research is based on the following two hypotheses :

- 1- There is a positive correlation between transparency and the effectiveness of public budget allocations.
- 2- There is a positive impact relationship between transparency and the effectiveness of public budget allocations.

Fifth: Research Methodology

The researcher will rely on the deductive and inductive approaches, as the deductive approach is to study and analyze the literature related to the research variables, while the inductive approach is embodied in surveying the opinions of the research sample on the relationship between its variables and reaching generalizations about this relationship.

Sixth: Research Community and Sample

In order to test the hypotheses of the study and achieve its objectives, the researcher was selected and the target population for this questionnaire, auditors and auditors in the Federal Financial Supervision Office, and 170 questionnaires were distributed, of which 166 questionnaires can be analyzed.

The second topic: a theoretical introduction to financial transparency and its role in the effectiveness of public budget allocations

First: Transparency

Transparency is a concept associated with the clarification and disclosure of information and decisions. Transparency aims to increase trust and clarity in dealings and relationships. Transparency requires strong policies and overcoming challenging challenges. Transparency comes in different forms, we will address them as follows:

1- Definition of transparency

Transparency was defined as a modern concept that expresses the possibility of relevant parties to reach a clear and accurate declaration of the activities of the economic unit and the flow of information owned by the unit easily and freely (OECD, 2012).

The IMF defined transparency as clarity, reliability, redundancy, timeliness, appropriateness of public financial reporting and openness to the public in the government's fiscal policy-making process (Khagram, 2013).

Accounting transparency is defined as the useful and reliable disclosures that are made to interested parties in a timely manner about the financial performance of an economic unit, and units need to provide transparent financial statements in order to make sound investment decisions. Accounting transparency is important not only because it is the basic rule of financial markets, but because it is essential for investors today (Hamad, 2014).

Transparency is the first step in fighting corruption and misconduct and establishing integrity, but it requires means of communication and a society capable of obtaining information from its sources and using it optimally in holding administrative bodies and public institutions accountable Conduct (EU, 2017).

Transparency refers to the creation of a specific environment in which information on existing circumstances, decisions and actions taken can be available, visible and understandable by all parties involved (Abdelkader et al., 2018).

Transparency is defined as the right of citizens to know how to make decisions that concern them how to manage public resources and allow them to see the necessary information, which helps to make the right decisions, in other words, transparency means the freedom of information flow, and the delivery of practical information to the owners The matter in an open and easy way (Nawal, 2020).

The right to transparency is a necessary requirement for setting ethical standards and an institutional work charter because it leads to trust and the free flow of information in its broadest senses, i.e. providing information and working in an open manner that allows stakeholders. It is about obtaining the information necessary to preserve their interests, making appropriate decisions, and discovering mistakes (Crohr, 2022).

2. Transparency mechanisms

International standards state that the following nine elements are required for transparency (Beljilali, 2021):

- Design government procedures and instructions in accordance with written and published legal rules
- Setting clear rules for publication and disclosure in which the information to be provided specifies the dates on which it must be published, the legal responsibility for not publishing it
- Government institutions should provide sufficient information to understand their work and facilitate their monitoring
- Government institutions should provide the data needed by the domicile and the sector to develop future plans and estimate investment risk rates
- The legal texts , regulations, instructions and procedures should be accessible to citizens and employers;
- Basic data on economic performance is available in a fast and convenient time
- Key financial data are provided in detailed, accurate and fast manner
- The texts of studies and research prepared by government departments are available and that directly affect the lives of citizens
- Government departments periodically and whenever necessary develop the texts of policies, procedures and plans adopted by them to the public.

3- Principles of transparency

Transparency has become one of the key factors in building reliable and successful relationships. When information and actions are clear and transparent, trust, understanding and cooperation are fostered. Transparency is not just a philosophical concept, it is a principle that should be applied in all areas, whether in government, corporations or non-profit organizations. The following are the basic principles of transparency that contribute to building a more fair and trusting environment (Abou El Riha, 2016):

Principle I – Clarity of Tools and Responsibilities

Principle II – Making Information Available to the Public

Principle III – Ensuring the Authenticity of Information

Fourth Principle – Publicity of Information

Principle V – Limited Exceptions

Principle VI – Protection of whistleblowers and errors

4- Types of transparency

They pointed out (Farwana et al., 2022) that there are three types of transparency:

1- Dubbed transparency: It is transparency transferred arbitrarily, or imitated in a copyist style that does not suit the nature and circumstances of the work of the institution concerned, such as transferring the transparency of the sector faithfully to the government or transferring the transparency applied in the government to the private sector.

2- Transparency Dictator: It is those that start from and serve the interests and ideology of its source and the designer of its mechanisms, not the beneficiary or the insider of its production, and it emerges to serve a specific goal, and we do not see it in normal circumstances.

3- Selective transparency: It is transparency that selects good results, no matter how modest and highlights them in an exaggerated manner, and this transparency is overwhelming and accompanied by an advertising campaign, when the numbers and events are positive, and with justifications if there is a failure.

5- Determinants of transparency

Several measures for expanding disclosure and considered them determinants of transparency, namely (Abdulrahman 2013):

- 1- A number of financial and non-financial elements disclosed by large companies in their annual reports, as well as general information on the elements of the balance sheet, income statement and statement of cash flows.
- 2- Disclosure group related to research and development.
3. Company movement data, including who the directors are, the remuneration and benefits of ordinary and delegated directors, shareholders for directors or employees , the main shareholders and the ownership rate.
4. Special information, which consists of information on operational and synthesis activity, information on financial analysis and the timing of publication of the report.

Second: The General Budget of the State

1- Definition of the general budget

It represents a set of goals and programs expressed in numbers that the political authority wishes to implement by the various state units at the lowest costs during the coming period, expressed in the size of the cost of each goal or program, with an indication of the sources of funding that the units will receive for the same period (Al-Nuaimi and Al-Basha, 2018).

Ali defined it as an annual government program that expresses the directions of the public authority for the coming year and digitally translates all state activities and possible reforms. If, for example, the budget includes an increase in the appropriations allocated to civic education, it aims to expand and improve public education, and if a major country reduces its military dependence, it will have estimated that there has been an improvement in its external security situation (Ali, 2020).

The general budget is meant as a plan that includes an estimate of the state's expenditures and revenues during the coming period, often one year, and this estimate will be in light of the goals sought by the political authority, and it is clear from this definition that the general budget is not an accounting tool to indicate public expenditures and revenues only, but it is a means of the state used to achieve its goals, foremost of which is political and economic stability and development. Economic and social in the country (Ameri and Helou, 2020).

The budget is defined as a financial document that corresponds between the expenses and revenues of a country, determines the relationship between them, directs them towards achieving certain goals in a future period of time, and expresses the last probabilistic estimated statement of the state's expenditures, revenues and permission for a certain period of time (Sabbar, 2021).

It is defined as a detailed and reliable estimate of public expenditures and revenues for a future period of time, often a year. It is a financial action program that crystallizes in the form of a document approved by the legislature and includes detailed estimates of both public expenditures and public revenues for the coming year and is the main tool used by fiscal policy to achieve a set of economic, social and financial goals. In other words, it is an accounting, legal, financial and political document that expresses the idea of anticipating and approving public expenditures and revenues for the next period, which expresses in the form of figures the administrative, economic and social activity of the state.(Feudravage and Karfu, 2022).

2- The importance of the general budget

The public budget acquires an important role in public finance and takes political, economic and social dimensions in most countries despite their different political systems, and we will discuss these aspects as follows (Khalil and Nowruz, 2020):

A- The importance of the general budget in the political aspect The general budget occupies a great importance from a political point of view in countries with democratic and representative systems, that forcing the executive authority every year to resort to parliament in order to vote on it by the people's representatives, and this means subjecting the budget to continuous control and its control over the work of the government is manifested through its ability to amend the appropriations requested by the government or even its rejection of the draft budget submitted by the executive authority.

B- The importance of the general budget from the economic side The breadth and diversity of the purposes that the fiscal policy seeks to achieve until the goal of the budget has become not only to achieve a financial balance between revenues and expenditures, but to achieve economic stability, even if it is necessary to deviate from the principle of budget balance Modern economic analysis ended up using public finance, the budget deficit and its surplus, as a tool to achieve national economic balance at the level of full employment.

C - the importance of the general budget from the social side The importance of the budget in social terms is no less important in terms of political and economic It is known that the social importance increases as the scope of the state's role in economic life expands where the state uses the budget as a tool to redistribute national income between social groups or poor classes such as subsidies and transfer expenditures) or through the collection of progressive taxes that contribute to the redistribution of income in favor of the poor and to finance some expenses that benefit the poor classes or Free education and free health services.

3- Structure of the general budget

The general budget has two aspects, public revenues and public expenditures, as follows (Saeed, 2022).

A. Public revenues: Public revenues represent all the funds obtained by the state from the various aspects of revenues allocated to meet public expenditures , that is , revenues: are all the funds obtained by the state in its sovereign capacity, whether in return for the services it provides to individuals (fees) or without consideration (such as taxes), as well as revenues from state property.

B. Public expenditures: It is all the funds allocated in the budget, whether current or investment, which are concentrated in goods and services purchased by all institutions, departments and public utilities , as well as payments that help raise the standard of living of individuals to face the effects of economic fluctuations , in particular, unemployment, and is divided into two parts: current expenditures, represented by current expenses and transactions necessary for the conduct of the work of public state departments. Investment expenditures This type of expenditure consists of the expenditures of investment projects, which represent the second determinant of national income after consumption, which is one of the most vulnerable factors to economic fluctuations , and the process of separating expenditures into current and investment in the budget is of great importance, Because not separating them leads to confusion of economic analysis and the formulation of fiscal policy, and in the case of a budget deficit, it must be known that this deficit finances current expenditures or investment expenditures.

4- General Budget Cycle

The general budget in Iraq, as in most countries of the world, goes through four important stages , which are as follows: The stages of the general budget or the general budget cycle are called as follows (Al-Mashhadani et al., 2017):

1. At the stage of preparation and preparation of the general budget
2. The stage of approval, approval or ratification of the general budget
3. The stage of implementing the general budget
4. The stage of monitoring the implementation of the general budget

5- Characteristics of the state's general budget

The characteristics of the state's general budget can be summarized as follows (Al-Hassani, 2018):

1. The state budget is a detailed estimate of the state's revenues and expenditures.
2. The general budget is approved by the legislative authority.
3. The General Budget of the State shall be prepared for a future fiscal year.
4. It is a financial expression of the economic and social goals of society.
5. The budget is a means of coordination between the various activities of the state, and a tool for public financial control.

Third: The effectiveness of the general budget allocations in light of the transparency of financial information

Enhancing transparency in budget processes requires high quality assurance and independent review. Initiatives related to budget transparency have seen increased interest from development stakeholders and this interest comes as a result of increased recognition of the importance of transparency in promoting good governance. These initiatives come from various quarters, including NGOs and international organizations. However, these initiatives have not yet been adequately evaluated. Increased interest in budget transparency initiatives is due to several factors, including pressure from organizations such as the IMF and civil society. There is a proliferation of fiscal transparency standards and a trend towards promoting good governance in economic policies Transparency in budget preparation processes. There is also growing interest from international development agencies to enhance budgetary transparency to ensure effective government spending (Oktaviani et al, 2019).

These initiatives seek to integrate citizens into government decision-making processes and increase their participation in government monitoring and evaluation. On a global level, there are various initiatives aimed at increasing budget transparency. These initiatives include participation in decision-making and budgeting, where citizens voluntarily participate in the planning and monitoring of public spending. These initiatives may emanate from civic organizations or social movements, and may include disseminating and analyzing budget information and implementing monitoring projects to track expenditure. The aim of these initiatives is to achieve better transparency, including analyzing budget allocations and monitoring the implementation of government programs.. (Carlitz, 2013)

Parliaments can make an effective contribution to the budget preparation process while maintaining fiscal discipline There is renewed interest in parliaments' contribution to budget governance and public financial control, as a result of increasing efforts to increase transparency in the management of government finances. In the late nineties, the Asian financial crisis highlighted the danger posed by ambiguous and irresponsible public financial management. Recognize the fact that excessive executive authoritarianism in budgeting When left unchecked,

public usually creates opportunities for corruption that encourage policymakers to reconsider parliaments' contribution to the system of oversight and balance in fiscal policy. However, concerns about increased transparency and accountability should reinforce efforts in promoting fiscal responsibility and stabilizing fiscal discipline. Parliaments have a pivotal role in improving budget transparency. The problem of lack of transparency can be addressed either by establishing standards to be followed, such as procedural financial rules and strict financial restrictions, or "establishing independent agencies that provide a thorough examination of budget accuracy, including public audit offices and legislative budget institutions. By increasing budget control, legislative oversight contributes to correcting the disparity in information between the state and society, by opening the budget to public debate, monitoring society, and encouraging parliamentary budget debate that promotes a broader debate on the facts and analyses that underlie policy choices and budget allocations. Thus, parliaments need to have both the technical capacity to conduct independent budget analysis and the political incentives to use it effectively (Santiso, 2015).

Third Theme : Presentation and Analysis of Questionnaire Results and Hypothesis Testing

First: Personal characteristics of the research sample

The first thing that can be started with is personal traits, and their nature through the general information contained in the questionnaire, as the community is classified according to its gender, academic achievement, field of work, years of service, and its precise specialization.

Second: Measuring the validity and stability of the study tool:

1 - Honesty test: The researcher presented the questionnaire form to a group of arbitrators with competence in the field of research, and the researcher responded to the opinions of the arbitrators and made the necessary changes in the light of the proposals submitted, and the final form was taken out.

2- Cronbach alpha stability test

Cronbach's alpha coefficient is used to measure the reliability of Likert-based survey tools, whether three, five, or seven-point. This coefficient determines the stability of the instrument's responses (questionnaire) by assessing the internal stability of the elements, where the value of Cronbach alpha ranges between zero and one. High values indicate that the elements measure the same dimension, while low values (near 0) indicate that some elements may not measure the same dimension. Values can also be negative, Which indicates a data error. Acceptable values for the Cronbach alpha coefficient of 0.60 and above are considered good. According to the results of the Alpha Cronbach test using SPSS.V.26, the coefficient value was 0.923, a high value indicating a high level of consistency and stability.

Third: Analysis of the results

First Theme: Transparency of Financial Information

Table 1 Ratios, frequencies, arithmetic means, standard deviation, coefficient of variation and relative importance of the transparency variable

Materiality	Coefficient of variation	Standard deviation	Arithmetic mean	Questions	
85.54	16.61	0.71	4.28	The reports of government financial units are prepared clearly and in detail and made available to the regulatory authorities, which enhances transparency.	Q1
86.27	15.28	0.66	4.31	The department adheres to transparency standards in all financial operations to ensure clarity of operations for citizens and regulators.	Q2
86.87	15.15	0.66	4.34	Transparency in financial operations enhances the confidence of citizens and regulators in government administration.	Q3
85.06	18.25	0.78	4.25	Commitment to transparency helps in making more effective financial decisions and achieving the goals of government units efficiently.	Q4
87.11	16.77	0.73	4.36	Government units publish their financial reports periodically and on time to ensure continuous transparency	Q5
84.82	16.86	0.72	4.24	Government units provide detailed information on their financial strategies and future plans to achieve transparency.	Q6
84.22	15.86	0.67	4.21	Government units use digital channels to enhance transparency and make financial information available	Q7
85.54	18.32	0.78	4.28	Government units provide detailed reports on the use of public funds and how they are allocated to achieve the objectives set.	Q8
85.78	17.23	0.74	4.29	Expenditure reports are made available to the public and regulators to ensure transparency and accountability.	Q9
85.69	16.70	0.72	4.28	Total	

Source: Prepared by the researcher based on the outputs of the SPSS.V.26 program.

The answers obtained from the members of the research sample can be analyzed for the questions of the second axis related to arithmetic means, standard deviation, coefficient of variation and relative importance as follows:

- The first axis Transparency The arithmetic mean of this dimension was 4.28, which falls within the default range (4.2 – 5) on the evaluation scale, indicating the tendency of participants in general to agree with the proposed hypothesis. The results show good consistency in the answers, which is supported by the standard deviation and coefficient of variation values of 0.72 and 16.70 respectively. These values reflect a great agreement among the members of the studied sample on the importance of transparency in the unit surveyed In addition, the relative importance reached 85.69%, namely A positive percentage indicates that transparency plays an important and positive role in the unit studied.

- Paragraph (5): "Government units publish their financial reports periodically and on time to ensure continuous transparency." 36), within the default range (4.2-5) on the assessment scale, which indicates that participants tend to agree with this paragraph. The results show good consistency in the answers, as confirmed by the standard deviation and coefficient of variation values of 0.73 and 16.77 in a row. These results indicate that the sample agrees positively with the importance of publishing financial reports periodically, and the relative importance reached 87.11%, which is a good positive rate, reflecting the sample responses being directed towards "I agree."
- Paragraph (7): "Government units use digital channels to enhance transparency and make financial information available." It received the lowest arithmetic average of (4.21), within the default range (4.2-5) on the evaluation scale, which indicates the tendency of participants to agree with this paragraph. The results show good consistency in the answers, as confirmed by the standard deviation and coefficient of variation values of 0.67 and 15.86, respectively. These results indicate that the sample agrees positively with the importance of using digital channels to enhance transparency, and the relative importance reached 84.22%, which is a good positive ratio, reflecting the orientation of the sample responses towards "I agree".

The second axis is the budget

Table 2 Ratios, frequencies, arithmetic means, standard deviation, coefficient of variation and relative importance of the budget variable

Materiality	Coefficient of variation	Standard deviation	Arithmetic mean	Questions	
0.82	0.25	1.04	4.12	Government units use effective revenue collection strategies in fair and transparent ways.	Q1
0.83	0.25	1.01	4.14	Revenue sources are regularly evaluated to ensure that financial objectives are achieved effectively.	Q2
0.84	0.24	1.01	4.19	Government units use technology to improve revenue collection processes and reduce costs.	Q3
0.83	0.22	0.93	4.17	Government units follow strict fiscal policies to ensure revenue collection is lawful and fair.	Q4
0.82	0.23	0.93	4.11	Government units rely on accurate financial reports and analysis to identify the strengths and weaknesses of the revenue collection process.	Q5
0.85	0.23	0.99	4.23	Government units adopt fiscal policies that encourage sustainable revenue collection.	Q6
0.82	0.26	1.06	4.12	Revenue collection policies are regularly reviewed and updated to ensure that economic changes are up-to-date.	Q7
0.83	0.25	1.04	4.12	The collected revenues are used efficiently to achieve the development goals of government units.	Q8
0.82	0.25	1.01	4.14	Governance practices contribute to improving the effectiveness of revenue allocation in the economic unit	Q9
0.83	0.24	1.00	4.16	Total	

Source: Prepared by the researcher based on the outputs of the SPSS.V.26 program.

- The second axis is the budget: The arithmetic mean of this dimension was 4.16, which is located within the default range (3.4 - 4.19) on the evaluation scale, which indicates that the participants tend in general to agree with the proposed hypothesis and the results show good consistency in the answers, as supported by the values of standard deviation and coefficient of variation, which amounted to 1.00 and 0.24 respectively, which reflects a great agreement among the members of the studied sample on the importance of external auditing, in addition, the relative importance reached 83%, which is a percentage Positive indicates that external audit plays an important and positive role in the studied unit.
1. Paragraph (5) is (**government units rely on accurate financial reports and analyzes to identify the strengths and weaknesses in the process of collecting revenues**). On the lowest arithmetic average of (4.11), between the hypothetical mean (**4.2 - 5**) on the scale area, which indicates the option (I agree), and in good harmony in the answers, and confirmed by the value of the standard deviation and the coefficient of variation in it and respectively, ! Y amounted to (0.93), (0.23), and this result indicates that the sample surveyed is fully consistent towards this paragraph in a positive direction, and the relative importance reached (82%), which is a good positive ratio, That is, the directions of the sample answers were directed towards (I agree).
 2. Paragraph (6) is (**government units adopt fiscal policies that encourage sustainable revenue collection.**) On the highest arithmetic average of (4.23), between the hypothetical mean (**4.2 - 5**) on the scale area, which indicates the option (I agree), and in good harmony in the answers, and confirmed by the value of the standard deviation and the coefficient of variation in it and respectively, ! The value of (0.99), (0.23), and this result indicates that the sample surveyed is fully consistent towards this paragraph in a positive direction, and the relative importance reached (85%), which is a good positive ratio, That is, the directions of the sample answers were directed towards (I agree)

Fourth: Hypothesis Testing

On the test of hypotheses that have been adopted in the current study for the purpose of standing on the validity of those hypotheses or not for the study sample, and this section consists of two main axes, the first axis included testing the correlation hypotheses using the correlation coefficient (Pearson Correlation Coefficient) being commensurate with the current study, while the second axis dealt with testing the impact hypotheses through the use of simple linear regression.

There is a positive correlation between transparency and budgeting

Table 3 There is a positive correlation between transparency and budgeting

Nature of the relationship	Budgeting	Second variable	
		The first variable	Transparency
The relationship is positive and weak	0.286	Spearman's correlation coefficient	
	0.000	Significance level	

Source: Prepared by the researcher based on the outputs of the SPSS.V.26 program.

The above table shows the correlation through the level of significance and the value of (0.000), which is less than the value of the level of moral and of (0.05) while the value of the Spearman test is equal to (0.286) and there can be said that there is a relationship between **transparency** with **the budget**, which is the acceptance of the second sub-hypothesis and that the relationship between the variables is positive, but lost.

There is a positive impact relationship between budget transparency

Table 4 There is a positive impact relationship between transparency and revenue

Budgeting					Transparency
Sig	F	R2	R	B	
0.000	570.512	0.657	0.810	0.933	
				0.777	

Source: Prepared by the researcher based on the outputs of the SPSS.V.26 program.

The above table shows the value of R, which is the linear correlation between the variables, which is equal to its value (0.810), which is a very good strong correlation, and the value of R2, which is the coefficient of determination, is equal to (0.657), meaning that the independent variable explains 66% of the dependent variable, and the value of F is equal to (570.512), and since the value of SIG is equal to 0.00, which is less than 0.05, which provides for the acceptance of the second sub-hypothesis, while the linear regression equation is equal.

$$Y=0.933+0.777X$$

It shows the positive relationship between the independent variable and the dependent variable, i.e. any increase in the independent variable there will be an increase in the dependent variable and that the value of the increase is (0.777) per one unit.

Fourth Theme: Conclusions and Recommendations

First: Conclusions

1. Transparency in the budget allocation process increases trust between the government and citizens, which contributes to the stability of the financial system.
2. Transparency contributes to improving the government's response to community needs through budgets geared towards actual priorities.
3. Transparency promotes coordination between various government entities to ensure that financial allocations are properly directed.
4. Information transparency raises the level of government spending by improving the allocation of resources and increasing the efficiency of their use.
5. Fiscal transparency improves accuracy and commitment in budget execution, reducing errors in the management of public funds

Second: Recommendations

1. It is necessary to increase the level of transparency in the management of the public budget by publishing open financial data and enabling citizens to access information related to resource allocation.
2. It requires the establishment of independent monitoring units that are responsible for following up on the implementation of the public budget and ensuring compliance with transparency and governance standards.
3. It is essential to use transparency based financial performance indicators to assess the effectiveness of budget allocations.
4. It requires employing modern technology such as electronic systems in the management of the public budget to increase transparency and facilitate monitoring processes.
5. It is necessary to organize awareness campaigns targeting citizens to increase their understanding of the importance of transparency in the management of the public budget.

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